



COMMONWEALTH OF PENNSYLVANIA

April 10, 2026

E-FILED

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Pennsylvania Public Utility Commission v. Peoples Natural Gas Company, LLC –
1307(f) / Docket No. R-2026-3060165**

Dear Secretary Homsher:

Enclosed please find the Prehearing Memorandum, on behalf of the Office of Small Business Advocate (“OSBA”), in the above-referenced proceeding.

Copies will be served on all known parties in this proceeding, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Enclosures

cc: Mark Ewen
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **v.** : **Docket No. R-2026-3060165**
: **Peoples Natural Gas Company LLC -** :
1307(f) :

**PREHEARING MEMORANDUM
OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

I. INTRODUCTION

The Office of Small Business Advocate (“OSBA”) is authorized to represent the interests of small business customers of utility services before the Pennsylvania Public Utility Commission (“Commission”) pursuant to the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50 (“the Act”). To discharge this statutory duty, the Small Business Advocate deems it necessary to participate as a party to these proceedings. Representing the OSBA in the above-referenced matter is Assistant Small Business Advocate Steven Gray. Please address all correspondence in this matter as follows:

Steven C. Gray, Esq.
Senior Attorney
Assistant Small Business Advocate
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov

II. FILING BACKGROUND

On April 1, 2026, pursuant to Section 1307(f) of the Public Utility Code, 66 Pa. C.S. §

1307(f), Peoples Natural Gas Company LLC (“PNG” or the “Company”) submitted the Company’s annual Purchased Gas Cost (“PGC”) rate filing.

The OSBA filed a Complaint on March 5, 2026.

III. IDENTIFICATION OF WITNESS AND TENTATIVE ISSUES

Assisting in the development and presentation of the OSBA’s case in this proceeding will be:

Mark Ewen
Industrial Economics, Incorporated
2067 Massachusetts Avenue
Cambridge, MA 02140
mewen@indecon.com

The OSBA will participate in this proceeding to assure that the interests of small business customers are adequately represented and protected.

After an initial review of the materials submitted by PNG, the OSBA has identified the following list of issues that it will evaluate in this proceeding:

1. Whether PNG is appropriately mitigating unaccounted-for gas levels on its system;
2. Whether PNG’s proposed modification to the tariff retainage amount paid by mainline service rate customers is reasonable and properly structured;
3. Whether PNG’s design day demand forecasting and peak day capacity requirements are reasonable;
4. Whether PNG’s gas supply procurement and Wagner Adjustment provisions are reasonable and consistent with the settlement approved in the Company’s previous 1307(f) proceedings;
5. Whether PNG’s decision not to implement a hedging program is reasonable and consistent with prior settlement commitments, given recent commodity rates;

6. Whether PNG's proposed transportation customer retainage rate is appropriate.
7. Whether PNG's proposed producer retainage rate is reasonable;
8. Whether PNG's February 2026 interim PGC rate filing and associated recovery of under-collections were appropriate and properly timed;
9. Whether PNG's proposed recovery of pipeline overrun charges is reasonable, given the spike in natural gas prices in January – February 2026; and
10. Whether PNG's proposed practice concerning supplier refunds is reasonable.

The OSBA reserves the right to pursue additional issues that may arise throughout this proceeding.

IV. SERVICE OF DOCUMENTS

In accordance with 52 Pa. Code § 1.54(b)(3)(i), the OSBA agrees to accept electronic mail delivery of documents on the due date¹ as satisfying the in-hand requirement.

The OSBA requests that email delivery of documents also be provided to its witness identified above.

In addition to email copies of pleadings, briefs, and exceptions, the OSBA requests email copies of responses to discovery propounded by the OSBA or any other party.

V. DISCOVERY

The OSBA does not propose any discovery modifications.

VI. SETTLEMENT

The OSBA notes its willingness to enter settlement discussions at the appropriate phase of this proceeding.

¹ In accordance with 52 Pa. Code § 1.56(a)(5), documents must be received by 4:30 pm.

VII. HEARING AND BRIEFING SCHEDULE

At the time of this writing, the parties are discussing a proposed procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray

Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID No. 77538

Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101

Dated: April 10, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
	:	Docket Nos. R-2026-3060165
v.	:	C-2026-3060885
	:	
Peoples Natural Gas Company,	:	
LLC. – 1307(f)	:	

CERTIFICATE OF SERVICE

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Katrina L. Dunderdale
Administrative Law Judge
Pennsylvania Public Utility Commission
Piatt Place
301 Fifth Avenue, Suite 220
Pittsburgh, PA 15222
kdunderdal@pa.gov

Scott B. Granger, Esquire
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Date: April 10, 2026

/s/ Steven C. Gray
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