



COMMONWEALTH OF PENNSYLVANIA

April 24, 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 /
Docket No. R-2026-3060855**

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
Joseph Kubas
Parties of Record

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **Docket No. R-2026-3060855**
v. :
:
Peoples Natural Gas Company, LLC :

**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 this proceeding. Representing the OSBA in the above-captioned matter is Assistant Small Business Advocate, Steven C. 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
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II. FILING BACKGROUND

On March 27, 2026, Peoples Natural Gas Company LLC (“Peoples NG” or “Company”)

filed Original Tariff Gas – PA PUC No. 49 (“Retail Tariff No. 49”) and Original Tariff Gas – PA PUC No. S-5 (“Supplier Tariff No. S-5”) with the Commission. The rates set forth in the Company’s March 27th filing, if approved by the Commission, would increase Peoples NG’s annual distribution revenues by approximately \$163.2 million, or by 13.8%

The OSBA filed a Complaint in opposition to Original Tariff Gas - Pa. P.U.C. No. 49 on April 7, 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
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Joseph Kubas
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Harrisburg, PA 17101
(717) 783-2525
jkubas@pa.gov

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

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

- 1) Whether the proposed equity share of capital and return on equity are reasonably necessary to attract and compensate investment capital in the Company;
- 2) Whether the forecast volumes and customer count for the fully projected future test year are justified and reasonable;
- 3) Whether projected miscellaneous and other revenue are reasonable;
- 4) Whether projected plant, accrued depreciation and depreciation expense are reasonable;

- 5) Whether the Company properly addresses late fees and termination of Commercial customers;
- 6) Whether the Company properly notifies customers during emergencies and outages;
- 7) Whether the revenue discounts claimed by the Company for competitive accounts are reasonable and credibly justified;
- 8) Whether the class cost of service studies offered by the Company represent a reasonable basis for allocating the revenue requirement among the various rate classes;
- 9) Whether the Company's gathering system meets the "used-and-useful" standard, and whether the proposed recovery of gathering system costs is reasonable;
- 10) Whether the proposed revenue allocation of the rate increase among the various rate classes is consistent with Pennsylvania revenue allocation practice and other established regulatory criteria;
- 11) Whether the design of rates for the small and medium general service classes is reasonable;
- 12) Whether the Company's proposal to continue weather normalization adjustment mechanism, with modifications, is reasonable, and whether the risk reduction associated with this mechanism is reasonably reflected in the Company's proposal for an allowed return on capital;
- 13) Whether Peoples NG has, in place, a small business payment plan program for financially trouble small businesses;
- 14) Whether that small business payment plan program is set forth in Peoples NG's tariff;
- 15) Whether Peoples NG has an outreach program to inform small businesses of the programs those customers can access;

- 16) Whether Peoples NG provides contact information for the Office of Small Business Advocate as it does for other statutory advocates; and
- 17) Whether any distribution rate increase should be awarded to Peoples NG at this time considering the pending merger between Aqua Pennsylvania and Pennsylvania American Water Company.

The OSBA reserves the right to address additional issues as they 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 witnesses 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. SETTLEMENT

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

VI. DISCOVERY

The OSBA does not propose any discovery modifications in 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 working on a proposed procedural schedule.

Respectfully submitted,

/s/ Steven C. Gray
Steven C. Gray
Senior Attorney
Assistant Small Business Advocate
Attorney ID # 77538

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

Dated: April 24, 2026

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
: **Docket No. R-2026-3060855**
v. : **C-2026-3061593**
:
Peoples Natural Gas Company, LLC :

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 Charece Collins
Administrative Law Judge
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Date: April 24, 2026

/s/ Steven C. Gray

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