

Office of Small Business Advocate

Annual Report 2024-2025

OCTOBER 2025



Pennsylvania
Office of Small Business Advocate



Commonwealth of Pennsylvania
Josh Shapiro, Governor

Pennsylvania Office of Small Business Advocate
NazAarah Sabree, Small Business Advocate
osba.pa.gov

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Small Business Advocate Letter

Greetings,

I am excited to share the Annual Report for the Pennsylvania Office of Small Business Advocate (OSBA) for Fiscal Year 2024–2025, July 1, 2024, through June 30, 2025.

Over the past year, OSBA has remained steadfast in our mission to ensure that every dollar small businesses spend on utilities or workers' compensation insurance is a dollar well spent, allowing them to reinvest in growth, jobs, and innovation. With utility costs continuing to rise, this mission is more critical than ever. As the only office of its kind in the nation, solely dedicated to representing small businesses in utility matters, OSBA's advocacy ensures that small businesses have safe, reliable, equitable, and affordable utility services and a strong voice at the table in proceedings before the Public Utility Commission (PUC).

Highlights from FY2024–2025 include:

- \$264 million in cost savings for small business consumers through active participation in utility proceedings.
- The launch of our first-ever statewide small business survey, capturing direct feedback to guide our advocacy priorities.
- Successful negotiation of the first small business formal payment arrangement, setting a new precedent for fair and equitable solutions for small business ratepayers.
- Collaboration with utilities to share OSBA resources on their websites and bill inserts, increasing awareness among small businesses about their rights and our support services.
- Continued advocacy for programs, policies, and protections that reduce financial burdens and foster growth.

As we look ahead, OSBA remains focused on ensuring that Pennsylvania's small businesses continue to grow, compete, and thrive in a fair and transparent utility landscape.

I invite you to review the enclosed Annual Report to see how our work translates into tangible savings and meaningful impact across the Commonwealth. If you have any questions or would like to discuss our findings further, please don't hesitate to reach out.

Together, we can continue strengthening Pennsylvania's small business economy. I am looking forward to another year of intentional advocacy.

Sincerely,



NazAarah Sabree

Small Business Advocate



About OSBA

The Pennsylvania Office of Small Business Advocate (OSBA) is an independent agency administratively situated under the Department of Community and Economic Development (DCED) representing small businesses with 250 or fewer employees in regulated utility matters before the Pennsylvania Public Utility Commission (PAPUC), state and federal regulatory agencies, and courts.

Before 1988, small businesses lacked representation in matters before the Pennsylvania Public Utility Commission (PAPUC). While residential and low-income consumers had advocates and large commercial and industrial consumers had support from private law firms, small businesses were left without representation. This lack of representation often resulted in small business utility consumers shouldering a disproportionate share of rate increases. Given that small businesses account for 99.6% of all businesses in the Commonwealth, this disparity had a significant impact on Pennsylvania's economy.

To address this issue, the Legislature established the PA Office of Small Business Advocate, dedicated to advocating and protecting the interests of small businesses in regulated utility matters. The Office of Small Business Advocate (OSBA) was created by the Pennsylvania General Assembly through the Small Business Advocate Act of December 21, 1988, 73 P.S. § 399.41, et seq. and is the only one of its kind in the nation.

Today, the OSBA advocates on behalf of 1.1 million small businesses and plays a vital role in ensuring their voices are heard, and they have a seat at the table.

OSBA Staff for FY 2024-2025



NazAarah Sabree, Small Business Advocate

Nicole Tillman, Executive Director

Kiara Brown, Executive Assistant

Steven C. Gray, Senior Attorney, Assistant Small Business Advocate

Rebecca Lyttle, Senior Attorney, Assistant Small Business Advocate

Megan I. Klemick, Director of Legal Operations

Andrew Davidson, Legal Assistant II

OSBA Impact

As we reflect on the past fiscal year, the OSBA's impact stands as a testament to the effective advocacy we provide for small businesses. Through a commitment to ensuring small businesses sustain and thrive, the OSBA has been intentional in its strategies, delivering measurable outcomes and notable successes achieved throughout the past fiscal year. The OSBA engages in major base rate, merger, and acquisition proceedings including non-rate proceedings that would have significantly impacted small commercial and mid-sized consumers.

During Fiscal Year 2024-2025, the OSBA actively participated in approximately 222 cases. These efforts listed below addressed an overall requested increase of over \$1.74 billion. Through our advocacy, we saved small business consumers over \$264 million in utility rate savings.

- 32 base rate filings
- 11 Section 1307(F) filings
- 8 Section 1329 filings
- 2 merger filings
- 27 Section 1102 filings
- 7 Default Service Plan (DSP) filings
- 93 water, wastewater, and stormwater filings
- 25 gas filings
- 41 telephone and broadband filings
- 23 electric filings
- 3 non-certificated filings
- 1 State appeal case

The OSBA staff has participated in numerous proceedings spanning across nearly all Pennsylvania's regulated utilities.

- 9 mediations
- 27 initial, evidentiary, and post-hearings
- 46 prehearing and status conferences
- 60 public input hearings
- 87 telephonic and in-person hearings

Furthermore, leveraging its expertise and success in litigation, the OSBA's statutory responsibilities were expanded following the 1993 reforms to Pennsylvania's Workers Compensation Act. The OSBA provides expert actuarial review and evaluation of, accompanied by comments and recommendations for improvement on, the loss cost filings that are submitted annually to the Pennsylvania Insurance Department by the Pennsylvania Compensation Rating Bureau (PCRB) and the Coal Mine Compensation Rating Bureau of Pennsylvania (CMCRB).

Outreach & Education

In addition to managing its litigation caseload, the OSBA addressed individual complaints and inquiries from small business consumers, facilitating timely resolutions. We prioritized education and outreach; while also collaborating with key stakeholders to discuss the challenges small businesses face with their utilities. Small business consumers across Pennsylvania reached out to us directly through our website, email, and hotline to seek assistance with utility-related issues.

Through these efforts, the OSBA has accomplished the following:

- Resolved small business inquiries through direct support.
- Assisted with payment arrangements, service shutoffs, billing errors, and utility overcharging issues.
- Organized meet-and-greet sessions with
- Economic Development Corporations, Chambers of Commerce, legislators, and other partner agencies.
- Referred consumers to partner organizations including the City of Philadelphia, PA Department of State, PA Department of Community and Economic Development (DCED) Business One-Stop Shop, and respective legislators, for specialized small business support.
- Hosted pre-filing and annual reporting meetings with utilities leadership and engaged with its customer support teams to address small business consumer concerns.
- Met one-on-one with small business owners to better understand and respond to their utility needs.
- Collaborated with legislators, utilities, chambers, and associations to include the OSBA's information in newsletters, websites, and bill inserts.
- Toured utility plants to gain deeper insight into usage and energy production.
- Attended and served as a panelist at small business summits, webinars, energy conferences, and community events to educate attendees about the OSBA.



The OSBA launched its first-ever survey, designed to collect data from small to medium sized commercial consumers regarding their utility services including water, wastewater, gas, electric, and telecommunications. The feedback gathered provides valuable insight that will help the OSBA continue advocating effectively on behalf of small businesses across the Commonwealth.

Key Findings from the Survey:

- 63% of participants are familiar with the OSBA.
- Majority of the participants have between 0–50 employees; one participant had 100–150 employees.
- 100% of participants reported their utility providers as reliable.
- Participants expressed interest in seeing more resources and events offered by the OSBA.

Help us, Help you

ADVOCATE

for PA Small Businesses

The PA Office of Small Business Advocate (OSBA)
wants to hear from you!

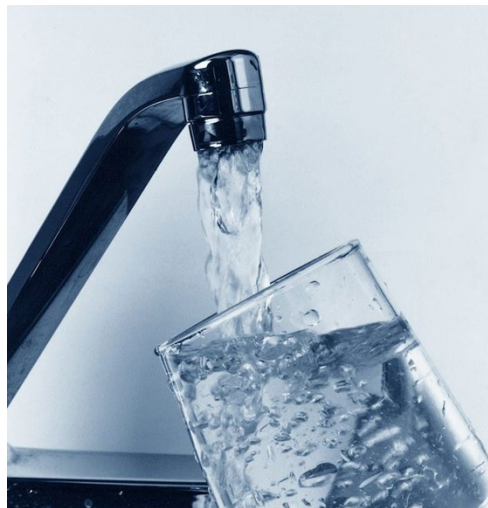
Scan the QR code to take the survey.
And please share with your network!



Case Accomplishments

In the past fiscal year, the OSBA's advocacy achieved over \$264 million in utility rate savings for small business consumers across the Commonwealth. A few notable successes are outlined below, highlighting the impact of our representation for Pennsylvania's small businesses.

Pennsylvania-American Water Company (PAWC) Rate Cases / Dockets R-20233043189, R-2023-3043190



On November 8, 2023, Pennsylvania-American Water Company (PAWC) filed Supplement No. 45 to Tariff Water-PA P.U.C. No. 5 and Supplement No. 47 to Tariff Wastewater- PA P.U.C. No. 16 with the Pennsylvania Public Utility Commission. The rates set forth in the two Tariff Supplements, if approved by the Commission, would increase PAWC's annual water and wastewater revenues by \$203.9 million.

The OSBA filed a Complaint on November 20, 2023.

The OSBA submitted testimony on a wide range of topics. The OSBA addressed PAWC's requested revenue requirement, and the methodology used in PAWC's water cost-of-service study, PAWC's proposed revenue allocation for water service consumers.

The OSBA also submitted testimony on PAWC's wastewater cost-of-service studies, PAWC's proposed class revenue allocations for wastewater service, and whether PAWC should be permitted a revenue decoupling mechanism.

Finally, the OSBA also submitted testimony on PAWC's proposed rate design, PAWC's proposed Environmental Compliance Investment Charge, and PAWC's requests for deferred accounting treatment for (a) pension and other post-employment benefits expense and (b) production costs.

The OSBA also addressed PAWC's proposal to recover \$71.1 million of its claimed wastewater revenue requirement from water service consumers.

This case was fully litigated.

The OSBA saved PAWC's small business consumers \$53,962,500 annually.

Community Utilities of PA, Inc. (CUPA) Rate Cases / Dockets R-2023-3042804, R-20233042805

On November 9, 2023, Community Utilities of Pennsylvania Inc. (CUPA) Water Divisions filed Supplement No. 13 to Tariff Water—Pa. PUC No. 1. CUPA's proposed Supplement No. 13 seeks approval for rates designed to produce an annual water revenue increase of approximately \$1,449,638 for consumers. CUPA Wastewater Divisions also filed Supplement No. 11 to Tariff Wastewater— Pa. PUC No. 1. CUPA's proposed Supplement No. 11 seeks approval for rates designed to produce an annual wastewater revenue increase of approximately \$1,720,070.

The OSBA filed a Complaint at both dockets on November 29, 2023.

The OSBA successfully negotiated a rate design that maintains a differential between residential and commercial volume charges. In addition to quantified avoided cost benefit from mitigating the impact of the low-income subsidies on commercial consumers, this has precedential value in Pennsylvania for future rate cases.

CUPA agreed that it will not file to increase water or wastewater base rates earlier than February 9, 2026.

The OSBA saved CUPA's small business consumers \$118,680 annually.

Veolia Water of Pennsylvania, Inc. (VWPA) Rate Cases / Dockets R-2024-3045192, R2024-3045193

On February 16, 2024, Veolia Water Pennsylvania, Inc. (VWPA) filed Supplement No. 68 to Tariff Water – Pa. P.U.C. No. 7 and Supplement No. 5 to Tariff Wastewater – Pa. P.U.C. No. 2. The rates set forth in Supplement No. 68, if approved by the Commission, would increase Veolia's annual water revenues by approximately \$15.4 million. The rates set forth in Supplement No. 5, if approved by the Commission, would increase Veolia's annual wastewater revenues by approximately \$568,000 or approximately 35%.

The OSBA filed a complaint on February 26, 2024.

The OSBA submitted testimony that Veolia's class cost of service studies were reasonable representations of the cost to provide water or wastewater service to each class at Veolia's requested revenue requirement.

The OSBA also submitted testimony that Veolia's proposed water revenue increase for the commercial class, at VWPA's requested revenue requirement, was reasonable.

The Veolia case ultimately settled.

The OSBA saved Veolia's small business consumers \$1,083,778 annually.

Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Aqua PA) Rate Cases / Dockets R-2024-3047822, R-2024-3047824

On May 23, 2024, Aqua Pennsylvania, Inc., and Aqua Pennsylvania Wastewater, Inc. (Aqua PA) filed Tariff Water-Pa. P.U.C. No. 4 and Original Tariff Sewer-Pa. P.U.C. No. 4. The Tariffs, if approved by the Commission, would increase Aqua PA's total annual operating revenues by \$126.7 million.

The OSBA filed a Complaint in this matter on May 31, 2024.

The OSBA submitted testimony addressing Aqua PA's cost of service methodology, proposed rate design, and requested rate of return.

Aqua PA's rate cases settled, with a lower rate of return and a lower cost of equity as argued for by the OSBA. The OSBA also successfully argued for a revenue allocation that would benefit Aqua PA's small business consumers.

The OSBA saved Aqua PA's small business customer \$3,370,001 annually.

City of Lock Haven Water Department (Lock Haven) / Docket R-2024-3049248

On May 24, 2024, City of Lock Haven Water Department (Lock Haven) filed Supplement No. 19 to its Tariff Water – PA P.U.C. No. 1 with the Pennsylvania Public Utility Commission.

The OSBA filed a Complaint on June 21, 2024.

As part of the Settlement, Lock Haven agrees to include contact information for the Office of Small Business Advocate in notices sent to small businesses that are late on their payment.

Pennsylvania-American Water Company's (PAWC) Acquisition of East Dunkard Water Authority (EDWA) / Docket A-2024-3049759

On June 21, 2024, Pennsylvania-American Water Company (PAWC) filed the instant application requesting, inter alia, Commission approval of its acquisition of substantially all the assets, properties and rights of East Dunkard Water Authority (EDWA) owned and used in connection with its water system ("System") and the right to offer, render, furnish and supply water service in the areas served by EDWA, including Dunkard Township and portions of Cumberland, Greene, Monongahela, Perry and Whitely Townships, all in Greene County, Pennsylvania. PAWC filed an amended application on July 2, 2024. The application, as amended, is referred to herein as the "Application."

On June 28, 2024, the OSBA filed a Protest and Notice of Intervention and on July 15, 2024, the OSBA filed an Amended Protest.

As part of the Settlement, PAWC agreed that within the first billing cycle following Closing, it shall provide a bill insert to System consumers regarding PAWC's customer payment arrangement programs. The bill insert shall include the contact information for the OSBA among other parties.

Philadelphia Gas Works (PGW) Rate Case / Docket R-2025-3053112



On February 27, 2025, Philadelphia Gas Works (PGW) filed proposed Supplement No. 176 to PGW's Gas Service Tariff – Pa P.U.C. No. 2 and proposed Supplement No. 119 to PGW's Supplier Tariff – Pa. P.U.C. No. 1. The Supplements, if approved by the Commission, would increase PGW's annual distribution revenues by \$105.0 million.

The OSBA filed a Complaint on March 14, 2025.

The OSBA addressed PGW's large, requested revenue requirement, specifically the large operational and administrative increases and PGW's poor track record of budgeting and forecasting. The OSBA also rejected the proposed Revenue Normalization Adjustment (RNA) that PGW proposed to guarantee Commission-approved revenues.

The OSBA also addressed PGW's cost of service and rate design proposals, including the subsidization of the Interruptible Class (IT). The OSBA negotiated successfully to increase the IT's contribution to its cost of service. The OSBA successfully argued that a reduced subsidy would result in savings for PGW's small business consumers.

The OSBA saved PGW's small business consumers \$13,437,500 annually.

Columbia Gas of Pennsylvania, Inc. (Columbia) Gas Rate Case / Docket R-20243046519

On March 15, 2024, Columbia Gas of Pennsylvania, Inc. (Columbia) filed Supplement No. 373 Tariff Gas – Pa. P.U.C. No. 9 with the Commission. The rates set forth in Supplement No. 337, if approved by the Commission, would increase Columbia’s annual revenue by approximately \$124.1 million.

The OSBA filed a Complaint on March 27, 2024.

In its original filing, Columbia proposed a modification to its Weather Normalization Adjustment (WNA) pilot program, that is currently in effect. Specifically, Columbia proposed to eliminate the 3 percent “deadband” that is currently in place. The deadband, which acts to neutralize any rate adjustments if the temperature is within plus-or-minus 3% of “normal,” causes ratepayer rates to be less volatile. The OSBA opposed the elimination of the WNA deadband. In response, Columbia agreed to withdraw its proposal to eliminate the deadband.

The OSBA also opposed Columbia’s proposed Revenue Normalization Adjustment (RNA), which had no discernible benefit for residential or small business consumers. In response, the Company agreed to withdraw the RNA.

The OSBA also lowered the Small General Service-1 (SGS1) and Small General Service2 (SGS2) customer chargers than originally proposed. In its original filing, Columbia proposed to move the SGS1 customer charge from \$29.92 to \$36.55 per month. The Company also proposed to move the SGS2 customer charge from \$57.00 to \$69.63 per month. In the final approved settlement, the monthly SGS1 and SGS2 charges increased to \$33.00 and \$63.00, respectively.

The OSBA saved Columbia’s small business consumers \$28,800,000 annually.

PECO Energy Company – Gas Division (PECO) Gas Rate Case / Docket R-20243046932

On March 28, 2024, PECO Energy Company – Gas Division (PECO) filed Tariff Gas – Pa. P.U.C. No. 6 (“Tariff No. 6”) with the Commission. The rates set forth in Tariff No. 6, if approved by the Commission, would increase PECO’s annual distribution revenue by approximately \$111 million.

The OSBA filed a Complaint on April 16, 2024.

The overall revenue allocation for this proceeding was a challenging negotiation with the Office of Consumer Advocate (OCA) and Philadelphia Area Industrial Energy Users Group (PAIEUG) (representing large industrial and transportation service (TS) consumers). On a cost allocation basis at current rates, both the general service commercial and industrial (GC) and transportation service (TS) classes were over-recovering costs, and the residential class was under-recovering costs. In the final settlement, we successfully achieved a rate increase for GC below the system average (16%) and gained a higher than system average increase for the general service residential (GR) (16.7%) and transportation firm (TS-F) (16.5%) classes. As a result, the settlement makes progress toward cost-based rates in a negotiation environment that was very much stacked against small businesses.

In response to the OSBA, the Company proposed to implement two customer charges for Rate GC that will collectively recover the same amount of revenue as a single customer charge.

PECO Gas proposed to place Rate GC consumers into one of two GC tiers, “Small” (\$26.36) and “Large” (\$40.61), based on the size of their gas meter.

Duquesne Light Company (Duquesne) Electric Rate Case / Docket R-2024-3046523



On March 24, 2024, Duquesne Light Company (Duquesne) filed Supplement No. 71 to Tariff ElectricPA PUC Tariff No. 25, a general base rate filing, which requested an increase in Duquesne’s total distribution rates of \$133 million per year, with a return on equity of 11.5%.

On April 5, 2024, the OSBA filed a Complaint against the proposed increase.

Duquesne’s cost allocation methodology is unusual for Pennsylvania Electric Distribution Companies (EDC) in that it applies different cost allocation methods to

overhead and underground equipment, as well as to the downtown network and non-network assets. As a result of OSBA’s concerns about double-counting costs allocated to non-residential classes, the Company re-evaluated the parameters in its long-standing methodology and modified those parameters in rebuttal testimony, resulting in a material reduction in costs allocated to the general service rate classes.

The settlement reflects a change to the Company’s proposed rate general service-small commercial (GL) tariff to reduce charges imposed on smaller consumers within that class, which will benefit the medium-sized consumers taking service in that class.

The OSBA saved Duquesne’s small business consumers \$31,700,000 annually.

PECO Energy Company’s (PECO) Electric Rate Case / Docket R-2024-3046931

On March 28, 2024, PECO Energy Company (PECO) filed Tariff Electric—Pa. P.U.C. No. 8. PECO’s proposed Tariff No. 8 sought approval for rates designed to produce an annual revenue increase of approximately \$464 million.

The OSBA filed a Complaint on April 16, 2024.

The OSBA submitted testimony on whether PECO’s class cost-of-service study methodology was accurate, appropriate, and complied with Commission precedent.

The OSBA also submitted testimony on PECO’s proposed class revenue allocation, and whether that revenue allocation would move all rate classes closer to their respective cost of service.

Finally, the OSBA submitted testimony on whether PECO’s proposed rate design for Rate GS – General Service was cost based or was intended to subsidize other rate classes.

This case resulted in a non-unanimous settlement.

The OSBA saved PECO’s small business customer \$21,784,558 annually.

First Energy Pennsylvania Electric Company's (FirstEnergy) Electric Rate Case / Docket R-2024-3047068

On April 2, 2024, FirstEnergy Pennsylvania Electric Company (FirstEnergy) filed Supplement No. 3 to FirstEnergy PA's Tariff Electric- Pa. P.U.C. No. 1. Supplement No. 3 was seeking a general rate increase designed to produce an increase in FirstEnergy's annual distribution revenue of approximately \$502 million across all Rate Districts.

On a Rate District basis, FirstEnergy proposed rates designed to increase annual distribution revenues as follows: Met-Ed - \$146 million; Penelec- \$132 million; Penn Power - \$55 million; and West Penn - \$169 million.

FirstEnergy also proposed revisions to the language of certain rules, regulations, rate schedules, and riders in its currently effective tariff.

The OSBA filed a Complaint on April 15, 2024.

The OSBA focused on cost-of-service methodologies and revenue allocations for each of FirstEnergy's Rate Districts.

The OSBA saved FirstEnergy's small business consumers \$95,177,000 annually.

Rate Proceedings

Electric Overview

The rates charged by an Electric Distribution Company (EDC) include the cost of purchasing electricity from a supplier, the cost of transporting that electricity from the power plant to the EDC's service territory (the transmission rate), and the cost of delivering that electricity through the EDC's wires to consumers' premises (the distribution rate).

Pennsylvania EDC's no longer generate electricity. Therefore, an EDC is required to purchase electricity from generators and transport it to the service territory to serve the EDC's non-shopping, i.e., default service, consumers. The EDC is required to deliver that electricity through the EDC's wires to its default service consumers and deliver electricity through those wires which shopping consumers have bought from electric generation suppliers (EGSs)

The OSBA advocated for small businesses in 16 electric proceedings.

Electric Proceedings:

- FirstEnergy DSIC & LTIPs (P-2015-2508931, 8936, 8942 & 8948)
- BI&E v. Planet Energy (C-2023-3041126)
- PECO DSP VI 2025-2029 (P-2024-3046008)
- PPL 2025-2029 DSP VI (P-2024-3047290)
- Duquesne 2024 BRC (R-2024-3046523)
- PECO Electric 2024 BRC (R-2024-3046931)
- FE PA 2024 BRC (R-2024-3047068)
- Duquesne 2025-2029 DSP X (P-2024-3048592)
- PPL 2024 DSIC Waiver (P-2024-3048732)
- UGI Electric DSP V 2025-2029 & UGI Electric DSP AIA (P-2024-3049343 & G-2024-3049351)

- PPL Electric 2024 Second DER (P-2024-3049223)
- Citizens & Wellsboro 2025-2029 DSP VII (P-2024-3049357 & P-2024-3049359)
- App of Transource; AIA; Zoning Exemption (A-2024-3049272, G-2024-3049271 & P-2024-3049273)
- Pike Electric 2024 BRC (R-2024-3052359)
- Citizens 2025 BRC (R-2025-3054394)
- Wellsboro 2025 BRC (R-2025-3054392)

Gas Overview

The rates charged by a Natural Gas Distribution Company (NGDC) include both the cost of the gas and the cost of delivering, i.e., distributing, that gas through the NGDC's pipes to consumers' premises. The cost of the gas includes the amount paid by the NGDC for the gas itself, the amount paid by the NGDC to transport the gas from the well to the NGDC's service territory, and the amount (if any) paid by the NGDC to store the gas until consumers need it.

The NGDC is required to acquire gas and to deliver it through the NGDC's pipes for non-shopping consumers, i.e., sales consumers. The NGDC is also required to use its pipes to deliver gas purchased by shopping consumers, i.e., transportation consumers, from natural gas suppliers (NGSs). The NGDC collects the cost of the gas from its non-shopping consumers through the Gas Cost Rate (GCR). The NGDC collects the delivery costs from both shopping and non-shopping consumers through distribution rates.

The OSBA advocated for small businesses in 24 gas proceedings.

Gas Proceedings:

- PGW 2023-2027 USECP (M-2021-3029323)
- PGW 2024-2025 1307(f) (R-2024-3045966)
- PNG 2024 1307(f) (R-2024-3045945)
- Columbia Gas 2024 1307(f) (R-2024-3047014)
- Columbia Gas 2024 BRC (R-2024-3046519)
- PECO Gas 2024 BRC (R-2024-3046932)
- UGI Gas 2024 Phase II EE&C (M-2024-3048418)
- NFG 2024 DSIC (P-2022-3034957)
- UGI Gas 2024 1307(f) (R-2024-3048828)
- PECO Gas 2024 1307(f) (R-2024-3048767)
- Leatherstocking Gas 2024 Harford Twp (A-2024-3050820)
- Pike Gas 2024 BRC (R-2024-3052357)
- NFG 2025 1307(f) (R-2025-3052742)
- UGI Gas 2025 BRC (R-2024-3052716)
- PGW 2025 1307(f) (R-2025-3053241)
- PNG 2025 1307(f) (R-2025-3053184)
- PGW 2025 BRC (R-2025-3053112)
- PGW 2025 DSIC (P-2025-3053659)
- Columbia Gas 2025 1307(f) (R-2025-3053663)
- Columbia Gas 2025 BRC (R-2025-3053499)
- Gas-On-Gas Competition (P-2011-2277868 & I-2012-2320323)

- Valley 2025 BRC (R-2025-3054393)
- UGI Gas 2025 1307(f) (R-2025-3054938)
- PECO Gas 2025 1307(f) (R-2025-3054868)

Mergers and Acquisitions Overview

Approval from the PUC is required before a Pennsylvania utility may be sold to, acquired by, or merged with another utility or a non-utility. In general, Commission approval is contingent upon a finding that the proposed transaction would result in affirmative benefits to the public.

Specifically, Section 1102(a) of the Public Utility Code, 66 Pa. C.S. § 1102(a), requires that the Commission issue a certificate of public convenience as a legal prerequisite for the transfer or acquisition of certain property.

Enacted in 2016, Section 1329 of the Public Utility Code, 66 Pa. C.S. § 1329, added a new provision to Chapter 13 of the Code to provide how municipal or authority-owned water and wastewater systems assets are to be valued for ratemaking purposes when those assets are acquired by investor-owned water and wastewater utilities or entities. It sets forth a voluntary process for establishing a value for the acquired utility's assets using fair market value methodology rather than the original cost of construction of the facilities minus the accumulated depreciation. Under that process, the acquiring utility chooses two valuation experts from a list the PUC maintains, each of whom is to conduct an appraisal to determine fair market value in accordance with the Uniform Standards of Professional Appraisal Practice. The acquiring public utility or entity also engages a licensed engineer to assess the tangible assets of the selling utility which shall be incorporated into the appraisals.

The OSBA advocated for small businesses in 23 mergers and acquisition proceedings.

Mergers and Acquisitions Proceedings:

- Aqua 1329 Acquisition of DELCORA (A-2019-3015173)
- PAWC 1329 Acquisition BASA (A-2022-3037047)
- Aqua PA WW 1329 Acquisition of Beaver Falls (A-2022-3033138)
- PAWC 2023 1329 Acquisition of Towamencin (A-2023-3039900)
- PAWC WW 1102 STMA (A-2023-3042058)
- PAWC 1102 Twp of Farmington (A-2023-3042567 & A-2023-3042587)
- PAWC 1102 Audubon Water Merger (A-2023-3043194 & A-2023-3043196)
- FE PA (West Penn Power 1102 LIDA) (A-2023-3043428)
- York Water 1102 Houston Run Water (A-2023-3043972 & A-2023-3043973)
- Aqua PA WW 1329 GSA (A-2023-3041695)
- PAWC 1102 MSC & MWC (A-2023-3044418, 19, 21, & 22)
- PAWC 2024 Appalachian Merger (A-2024-3046084, A-2024-3046092)
- Appalachian 2024 Stock Transfer (1102) (A-2024-3046068)
- PAWC 1102 East Dunkard (A-2024-3049759)
- The York Water Company 1102 Margaretta WW (A-2024-3049695)
- Aqua PA 1102 Honesdale Merger (A-2024-3049920 & 9921)
- PAWC WW 1329 EBMA (A-2023-3038717)
- PAWC Transfer Corner Water (1102) (A-2025-3052745 & 47)
- PAWC 2025 WW 1329 EBMA (A-2025-3052983)

- Aqua PA WW 1102 Breyer (A-2025-3054123)
- Aqua PA 1329 GWA (A-2024-3049015)
- Pike & Leatherstocking 2025 Chng of Control (1102) (A-2025-3055264; 5265; 5335)
- PAWC & CUPA 2025 Transfer of Control (1102) (A-2025-3055551; 52; 53; 54)

Telephone Overview

Pennsylvania no longer uses the traditional ratemaking process for the majority of telephone rate cases.

In 1993, the Legislature passed Chapter 30, which ended traditional rate regulation of those telecommunications services for which there was deemed to be competition. Furthermore, Chapter 30 provided for the similar deregulation of additional services if competitive markets develop.

Chapter 30 also required the local telephone company to deploy high-speed (as it was defined in 1993) broadband throughout its service area. To help pay for the broadband deployment, the utility was allowed to increase its rates for non-competitive services each year in an amount roughly equivalent to the rate of inflation, less a productivity adjustment. These annual price increases are commonly referred to as Price Change Opportunities, or PCOs. A 2004 state law reenacted Chapter 30 and provided for larger annual rate increases as an incentive to accelerate broadband deployment.

The current issue is determining how much a rate reduction should be provided to a telephone utility's ratepayers due to the enactment of the 2017 Tax Cut and Jobs Act (TCJA). The OSBA has successfully settled two cases involving the TCJA, but many cases remain to be resolved.

The OSBA advocated for small businesses in 4 of telephone proceedings.

Telephone and Broadband Proceedings:

- RLECs Arbitration & NextGen & Rural Interconnection Agreement (P-2024-3045797 & A-2023-3043132)
- Verizon & Frontier 2024 Transfer of Control (A-2024-3051925, 26, 27, 29, 31, 32, 33, 34, 35 & 36)
- ARC Networks etc Transfer of Control (A-2025-3054226, 27, 28, 29, 32, 34, 40, 44, 46, 47, 48, 50, 51, 53, 56, 57, 58, 59, 61, 62, 63, 64, 65, 66, 67, 68, 69, & 70)
- Consolidated Comm 2025 PSI (R-2025-3054669)

Water and Wastewater Overview

Water utility rate cases, as well as wastewater utility rate cases, normally proceed under traditional ratemaking standards.

However, the advent of Section 1329 which is under review by the Legislature, which provides a process whereby a water utility can acquire a wastewater utility, has changed the face of water litigation before the PUC and Commonwealth Courts. Water utilities throughout the

Commonwealth have taken advantage of the opportunity that Section 1329 affords them, and the OSBA has been very active with the resulting litigation.

The OSBA advocated for small businesses in 75 water and wastewater proceedings.

OSBA Water and Wastewater Statutory Representation:

- Aqua PA Water & WW 2021 BRCs (R-2021-3027385 & R-2021-3027386)
- CAN DO 2023 W & WW BRC (R-2023-3040153 & R-2023- 3040151)
- OSBA v. PUC {Aqua PA Water & WW 2021 BRCs} (1307 CD 2022)
- City of Lancaster 2023 LSLR (P-2023-3041043)
- Columbia Water 2023 LSLR (P-2023-3041845)
- Audubon 2023 LSLR (P-2023-3041846)
- CUPA 2023 LSLR (P-2023-3041855)
- NAWC 2023 LSLR (P-2023-3041859)
- Veolia (VWPA) 2023 LSLR (P-2023-3042107)
- Conneaut 2023 BRC (R-2023-3041575)
- Conneaut 2023 Metering (P-2023-3042648)
- Nantmeal Warwick WW 2023 BRC (R-2023-3043497)
- Aqua 3rd LTIP 2023-2027 (P-2023-3043755)
- CUPA W & WW 2023 BRC (R-2023-3042804 & R-2023-3042805)
- Aqua PA 2023 LSLR (P-2023-3044459)
- Veolia (VWPA) 2024 BRC W & WW (R-2024-3045192, R-2024-3045193)
- Rhodes & Venango (M-2023-3042180, I-2023-3042312, P-2024-3045205)
- PUMC-PWSA & Twp of Reserve (W) (U-2023-3042352)
- PUMC-PWSA & Twp of Reserve (WW) (U-2023-304262)
- Aqua PA W & WW 2024 BRC (R-2024-3047822 & R-2024-3047824)
- City of Lock Haven Water 2024 BRC (R-2024-3049248)
- City of Lock Haven Water 2024 PENNVEST (P-2024-3049249)
- NAWCO 2024 BRC (R-2024-3050208)
- Quakertown Boro LSLR (P-2024-3050121)
- Templeton Water 2024 LSLR (P-2024-3050145)
- Port Matilda Water 2024 LSLR (P-2024-3050187)
- City of Lock Haven 2024 LSLR (P-2024-3050183)
- Evitts Creek Water 2024 LSLR (P-2024-3050185)
- Dover Boro 2024 LSLR (P-2024-3050162)
- Valley View Water 2024 LSLR (P-2024-3050234)
- Twin Lakes 2024 LSLR (P-2024-3050254)
- Venango Water 2024 LSLR (P-2024-3050248)
- Boro of Schuylkill Haven 2024 LSLR (P-2024-3050239)
- PAWC 2024 LSLR (P-2024-3050263)
- York Water 2024 LSLR (P-2024-3050273)
- Boro of Hanover 2024 LSLR (P-2024-3050231)
- City of DuBois 2024 LSLR (P-2024-3050267)
- Deer Haven 2024 LSLR (P-2024-3050268)
- Boro of Ambler 2024 LSLR (P-2024-3050266)
- Boro of Chambersburg 2024 LSLR (P-2024-3050284)
- City of Bethlehem 2024 LSLR (P-2024-3050282)
- Reynolds Water 2024 LSLR (P-2024-3050287)
- Tri-Valley Water 2024 LSLR (P-2024-3049888)

- Elverson Water 2024 LSLR (P-2024-3050472)
- Beryl Acres Sewage Abandonment etc. (A-2024-3050730)
- Deer Haven Emergency Order W & WW 2024 (P-2024-3050545; 0549 & I-2024-3051540; 1541)
- Mainlines, Manholes & Wastewater WW 2024 (A-2024-3050786)
- PAWC 2024 Salem Twp (A-2024-3051136)
- I&E 529 Investigation Acquisition Rock Spring (P-2024-3051313)
- PAWC W & WW 2024 Limited Waiver (P-2024-3051518; 19)
- Audubon Water Company 2024 BRC (R-2024-3051816)
- I&E 529 Investigation Acquisition of Conneaut (P-2024-3051855 & I-2024-3051857)
- The York Water Company Declaratory Order (P-2024-3052732)
- Appalachian 2025 LSLR (P-2025-3053500)
- Manwalamink 2025 LSLR (P-2025-3053476)
- Audubon 2025 LSLR (P-2025-3053483)
- Emporium 2025 LSLR (P-2025-3053535)
- Duncannon Boro 2025 LSLR (P-2025-3053534)
- Buck Hill 2025 LSLR (P-2025-3053570)
- Richland Boro 2025 LSLR (P-2025-3053519)
- Eaton Sewer & Water 2025 LSLR (P-2025-3053506)
- Boro of Saint Petersburg 2025 LSLR (P-2025-3053668)
- RDC 2025 LSLR (P-2025-3053478)
- Artesian Water 2025 LSLR (P-2025-3053424)
- Acorn 2025 LSLR (P-2025-3053735)
- Garrett Boro 2025 LSLR (P-2025-3053763)
- Boro of Richland Declaratory Order (P-2025-3054182)
- Section 529 Acquisition of Wonderview W & WW (M-2025-3053936)
- Corner Water 2025 LSLR (P-2025-3053395)
- Manwalamink 2025 Waiver (P-2025-3054627)
- Acorn 2025 Waiver (P-2025-3054928)
- PWSA W, WW, Stormwater 2025 BRC (R-2025-3055010; 5011; 5012)
- York W & WW 2025 BRC (R-2025-3053442 & R-2025-3053573)
- PWSA 2025 Waiver FPFTY (P-2025-3055587; 88; 89)
- PWSA W & WW 2025 DSIC (P-2025-3055650; 52)



Non-Certified Overview

Frequently, a statutory advocate, utility, or state agency will file a request with the PUC to review a specific area of utility law and practice.

Three examples, provided below, include the request of a broadband supplier for the PUC to decide whether it had followed all the requirements of Chapter 30 to install broadband in parts of the Commonwealth.

The second example is a request to the PUC to address how utilities will use the federal funds provided by the Infrastructure Investment and Jobs Act (IIJA).

In these proceedings, the PUC provided guidance and decisions on the issues.

OSBA Non-Certified Statutory Representation:

- DRIVE Declaratory Order Broadband (P-2021-3025296)
- OCA-OSBA-PULP 2022 Initiation IIJA (P-2022-3032929)
- Boro of Carlisle etc. 2024 Declaratory Order (P-2024-3049623)

Worker's Compensation Representation

The OSBA's workers' compensation scope of work involves a review and evaluation of, and the submission of comments on, the loss cost filings that are submitted to the Insurance Department each year by the Pennsylvania Compensation Rating Bureau (PCRB) and the Coal Mine Compensation Rating Bureau of Pennsylvania (CMCRB). The loss cost portion of a workers compensation premium reflects the cost of paying wages for employees whose injuries prevent them from working. The loss cost portion of the premium also reflects the cost of medical care for injured workers. Individual workers' compensation insurers are not permitted to begin using the filed loss costs until the Department has approved the respective bureau's filing.

PCRB Filing

After an independent analysis of the PCRB's filing for the year beginning April 1, 2025, the OSBA recommended an overall decrease of 15.64% (-15.64% change) in statewide industrial loss costs in lieu of the 8.67% (-8.67% change) decrease recommended in the filing. Subsequently, the department approved the PCRB's request.

CMCRB Filing

After an independent analysis of the CMCRB's filing for the year beginning April 1, 2025, the OSBA recommended a 17.3% (-17.3% change) decrease to manual loss costs as opposed to the 13.2% (-13.2% change) decrease proposed by CMCRB. Subsequently, the department approved the CMCRB's request.



Commonwealth of Pennsylvania

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