



100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166
Tel: 717.232.8000 • Fax: 717.237.5300

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1744
abakare@mwn.com

February 29, 2016

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

RE: Request of Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company for Waiver of 52 Pa. Code § 53.52(b)(2) in Order to Submit Supporting Data Based Upon a Twelve-Month Period Ended More Than 120-Days Prior to the Date of Filing a Tariff or Tariff Supplement Proposing an Increase in Rates for Electric Distribution Service; Docket Nos. _____ and _____

Dear Secretary Chiavetta:

Citizens' Electric Company of Lewisburg, PA ("Citizens") and Wellsboro Electric Company ("Wellsboro") (collectively "Companies") hereby request that the Pennsylvania Public Utility Commission ("PUC" or "Commission") grant a waiver of the requirements of 52 Pa. Code § 53.52(b)(2). Specifically, the Companies request a waiver authorizing use of audited financial data for the year ending December 31, 2015, for distribution rate cases to be filed by the Companies on or before September 1, 2016. For planning purposes, the Companies respectively request that the Commission address the Companies' request through a Secretarial Letter issued by March 31, 2016.¹

Section 52 Pa. Code 53.52(b)(2) requires the Companies to support a rate increase filing with an operating income statement for a twelve-month period ending no more than 120 days prior to filing. *See* 52 Pa. Code 53.52(b)(2). As described below, waiver of Section 52 Pa. Code § 53.52(b)(2) would provide numerous benefits for the Companies and the Commission.

First, the requested waiver would allow the Companies to utilize a historic test year ending December 31, 2015, to support a joint proposed rate increase to be filed with the Commission by September 1, 2016. Without a waiver, the Companies would be forced to request separate rate increases, with a Wellsboro rate filing in 2016 and a Citizens' rate filing following in early 2017. Based on past experience, the Companies understand that this result would impose a greater burden on the Commission's staff and other parties than a joint rate filing. The requested waiver would preserve the efficiencies of a joint rate filing for both the Companies, the Commission's staff and other parties.

¹ As the Companies are requesting relief in the form of a Secretarial Letter, the Companies elected to file a letter directed to the Secretary. To the extent necessary, the Companies further request waiver of any requirement to file a Formal Petition for waiver of Section 53.52(b)(2).

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Second, the Companies are aware that the Commission will review alternative rate design methodologies through formal proceedings commencing with the En Banc Hearing to be held on March 3. *See Notice of En Banc Hearing on Alternative Ratemaking Methodologies*, Secretarial Letter, Docket No. M-2015-2518883 (December 31, 2015). Granting the requested waiver would allow the Companies to consider and potentially implement rate design modifications based on information exchanged through the Commission's formal review of alternative rate design methodologies.

Third, as the pending rate filings would constitute Companies' first proposed rate increases since adoption of Act 11 or 2012 ("Act 11"), granting the requested waiver would provide sufficient time for each Company to appropriately consider use of the various ratemaking methodologies authorized under Act 11.

For each of the above reasons, the Companies request that the Commission grant permission to depart from the requirements of 52 Pa. Code § 53.52(b)(2) and authorize the Companies to submit a joint proposed rate increase on or before September 1, 2016, using a historic test year ended December 31, 2015. As noted above, the Companies respectfully request issuance of a Secretarial Letter addressing the proposed waiver on or before March 31, 2016.

Very truly yours,

McNEES WALLACE & NURICK LLC

By 
Adeolu A. Bakare

Counsel to the Citizens' Electric Company of
Lewisburg, PA and Wellsboro Electric Company