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August 31, 2016

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

VIA ELECTRONIC FILING

RE: Citizens' Electric Company of Lewisburg, PA – Supplement No. 110 to Tariff Electric – Pa. P.U.C. No. 14; Docket No. R-2016-2531550

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") is Citizens' Electric Company of Lewisburg, PA's ("Citizens" or the "Company"), Supplement No. 110 to Tariff Electric – Pa. P.U.C. No. 14 ("Supplement No. 110"). The purpose of Supplement No. 110 is to implement an increase to Citizens' distribution rates and other tariff changes. The proposed Tariff Supplement contains an issued date of August 31, 2016, and a proposed effective date of October 30, 2016.

Citizens' also attaches for filing its Statement of Reasons and other required documentation supporting the proposed Tariff Supplement. This information includes the responses to the Commission's filing requirements set forth in 52 Pa. Code § 53.52(a), (b) and (c).

If you have any questions regarding the attached documents, please feel free to contact the undersigned. As shown by the attached Certificate of Service, the statutory parties are being duly served with a copy of this filing. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to read 'Pamela C. Polacek', written over a horizontal line.

Pamela C. Polacek
Adeolu A. Bakare

Counsel to Citizens' Electric Company of Lewisburg, PA

c: Erin Laudenslager, Bureau of Technical Utility Services (via E-mail and First Class Mail)
Certificate of Service

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

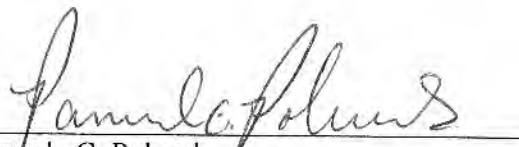
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Pamela C. Polacek

Counsel to Citizens' Electric Company of Lewisburg,
PA

Dated this 31st day of August, 2016, at Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Citizens' Electric Company of	:	
Lewisburg, PA	:	
2016 Distribution Base Rate Filing	:	
	:	Docket No. R-2016-2531550
Supplement No. 110 to Tariff	:	
Electric - Pa. PUC No. 14	:	

STATEMENT OF REASONS

Citizens' Electric Company of Lewisburg, PA ("Citizens" or "Company") hereby files with the Pennsylvania Public Utility Commission ("PUC" or "Commission") proposed Supplement No. 110 to Tariff Electric Pa. P.U.C. No. 14 ("Supplement No. 110"), with a proposed effective date of October 30, 2016. Supplement No. 110 reflects an overall increase in Citizens' distribution rates and other tariff changes. This Statement of Reasons provides a background of the filing, an explanation of the reasons necessitating the proposed overall distribution rate increase, and an explanation of the proposed changes to the tariff language, terms and conditions reflected in the proposed Supplement No. 110.

In addition, attached to this Statement of Reasons are the following documents in support of the proposed changes:

Tab A	Responses to 52 Pa. Code § 53.52(a)
Tab B	Responses to 52 Pa. Code § 53.52(b)
Tab C	Responses to 52 Pa. Code § 53.52(c)
Tab D	Spreadsheets Supporting Proposed Rates
Tab E	Rate of Return Information
Tab F	Proposed Tariff Supplement No. 110 to Tariff Electric – Pa. PUC No. 14
Tab G	Cost of Service Study
Tab H	Summary Chart of Proposed Distribution Rate Changes
Tab I	Customer Notice - Billing Insert and Public Notice
Tab J	Press Release
Tab K	Affidavit of Eric W. Winslow

I. DESCRIPTION OF COMPANY

Citizens' is a Pennsylvania corporation with its principal office located in Lewisburg, Union County, Pennsylvania. Citizens' is an investor-owned, for-profit electric utility, wholly owned by C&T Enterprises, Inc. ("C&T"). C&T is a holding and management services company that currently also owns Wellsboro Electric Company ("Wellsboro") and Valley Energy, Inc. ("Valley Energy").

Citizens' service territory is a 55-square-mile territory in and around Lewisburg, Pennsylvania. In 2015, Citizens' served an average of 6,878 customers, of which approximately 5,752 customers were residential and approximately 1,127 were commercial, industrial or lighting. Citizens' received its authorization to operate as a public utility in the Commonwealth of Pennsylvania in Docket No. A-110050.

In 1998, Citizens' submitted a Restructuring Filing to the Commission at Docket No. R-00974047 to implement tariff and rate changes necessary to provide customers with the ability to access competitive electric generation suppliers ("EGS") as required by the Electricity Generation Customer Choice and Competition Act ("Competition Act"). In that filing, Citizens' "unbundled" the generation supply service from all of the electric distribution service rates, except the Schedules SL (Street Lighting) and PL (Municipal Lighting), which were subsequently combined into Schedule OL (Outdoor Lighting). Electric distribution service remains a service that is regulated by the Commission pursuant to traditional ratemaking processes under Chapter 13 of the Public Utility Code, 66 Pa. C.S. § 1301, *et seq.* Citizens' continues to have the obligation to act as the Default Service Provider ("DSP") for all of the customers in its service territory in conformance with requirements set forth in the Competition Act, 66 Pa. C.S. § 2807. Since the expiration of its distribution rate cap, Citizens' has filed distribution base rate cases in 2007 and 2010. As explained below, Citizens' calculates that

distribution rate adjustments are again needed to ensure that the Company has the opportunity to earn a fair return while continuing to provide safe and reliable electric distribution service.

II. AMOUNT AND REASONS FOR PROPOSED DISTRIBUTION RATE INCREASE

Citizens' conducted an analysis of whether the rates for its unbundled distribution service are sufficient to compensate the Company for the costs that it incurs to provide electric distribution service. As part of this analysis, Citizens' segregated its revenues received from distribution service by deducting from total revenues the portion received for generation supply purchases. As a result of that study, the Company determined that an overall distribution rate increase of \$592,000 per year is necessary. This analysis was conducted using 2017 as a Fully Projected Future Test Year, as authorized by the Public Utility Code.

The proposed increase is approximately 12.8% of Citizens' current annual distribution revenues. See Tab D, Schedule B6-1. When considering the Company's total annual revenues (distribution and generation supply), the overall increase is approximately 4.0%. See *id.*, Schedule B-6 (showing annual total revenues of \$14,869,380). The summary spreadsheets supporting the Company's analysis are referenced in Tabs A, B, and C, and are attached at Tab D of this filing. The proofs of revenues showing the impact of the rate increases on the Company's distribution revenues are attached at Tab D, Schedules B6 through B6-4.

Under current rates, Citizens' earned a rate of return on its distribution business in 2015 of only 4.23%, a low return that will not support the continuation of Citizens' efforts to improve its electric distribution system. See Tab D, Schedule C1. In the Fully Projected Test Year, Citizens' return is projected to increase slightly to 4.81%, but this level is too low for the long-term health of the Company. If the full request is granted, the Company will be able to earn a return of approximately 7.54%. Citizens' believes that this is an appropriate return for its

regulated distribution service, and is in line with the current expectations of investors in the marketplace. This is especially true for Citizens' investors because smaller utilities are generally viewed as being more risky because of their susceptibility to larger revenue fluctuations due to weather-related usage variations, loss of customers load and other factors.

Since its last distribution rate increase filed in 2010, Citizens' has continued to provide high quality reliable service to customers while at the same time the costs of providing that service have continued to grow. Citizens' has been systematically replacing its aging distribution infrastructure, including replacing aged poles, replacing undersized, primary voltage lines with high-capacity conductors, and replacing a number of 1970- and 1980-vintage direct, buried underground high voltage cables serving housing developments in the territory. Since the 2010 rate case, the Company will increase utility plant in service over \$6 million by the end of the future test year. *See* Tab D, Schedule C5-1. Citizens' vegetation management efforts continue to increase due to contractor expenses and infestations of the Emerald Ash Borer, which are impacting many ash trees in the area.

In the last two years, Citizens' implemented Electronic Data Interchange ("EDI") capabilities to facilitate customer choice. EDI enables competitive suppliers to obtain customer usage and other data, and to submit billing and other requests, over an electronic interface. A majority of Citizens' larger customers are buying competitive electric supply, which would not be possible without EDI. Citizens' also hopes that the administrative advantages to suppliers of being able to use EDI for various functions will attract residential suppliers to Citizens' territory.

The Company also is proactively addressing succession planning for its small workforce. It is expected that within the next 8 to 10 years, 13 of Citizens' current 17 employees will retire (5 administrative; 8 operations). Citizens' added one apprentice lineman in 2015, and will

incorporate additional apprentices as appropriate to ensure that new hires have sufficient time to learn the skills needed. It typically takes five to seven years to develop a journeyman lineman. Citizens' operating expenses will also include overlap when appropriate to transition administrative duties.

Above all, the proposed distribution rates will promote the continued provision of safe and reliable service by ensuring that Citizens' will earn a fair and reasonable return on the resources invested in the distribution system. Citizens' will be able to continue its capital investment in system improvements, as well as the current maintenance and replacement policies that have resulted in very safe, adequate and reliable service for customers. The new rates will also enhance Citizens' ability to obtain capital, when necessary, to fund major system improvement projects that may be necessary in the future.

III. RATES FOR SPECIFIC CUSTOMER CLASSES

The new rates for each Schedule are summarized in Tab II. The Company conducted a Cost of Service Study ("COSS") to determine the fixed and variable costs of providing service to each customer class.¹ The COSS is included as Tab G of this filing. Based on this study, Citizens' proposes to allocate the distribution increase on a cost-causation basis, which will result in different percentage increases for each customer class. Tab D, Schedule B6-4 shows the increase that is allocated to each customer class. The Company was not able to move each customer class to full cost-of-service rates because this would have resulted in very large fixed cost increases for residential customers. As a result, the Company's proposed allocation of the

¹ Although Citizens' is not required under Commission regulations to submit a COSS for a rate increase under \$1 million, the Company has prepared and submitted its study in order to accurately identify the cost responsibility for each customer class and to develop rates that are based on the "polestar" ratemaking principle of "cost of service." See *Lloyd v. Pennsylvania Pub. Util. Comm'n*, 904 A.2d 1010, 1020 (Pa. Commw. Ct. 2006).

rate increase reflects an additional step in moving all customer classes toward their respective cost-to-serve.

For all rate schedules, Citizens' proposes to increase the monthly customer charge. A very large portion of the revenues for most utilities are collected through variable charges (demand-based or energy-based), while the actual cost-to-serve for most customers is largely fixed. Citizens' revenues and costs are like those utilities. The Commission held an *en banc* hearing earlier this year to solicit input on potential alternative regulation methodologies to provide more certainty to utilities. Consistent with that process, Citizens' proposes to depart slightly from the traditional policy statement regarding the calculation of customer charges by adding a small portion of additional and appropriate costs to the monthly customer charge. For smaller utilities, it is more appropriate to depart from the policy rather than implementing a cumbersome surcharge mechanism such as revenue stabilization clauses.

In addition, as required by the Commission's regulations, Citizens' will reflect its anticipated obligations for various state taxes in the new distribution rates and reset its State Tax Adjustment Surcharge ("STAS") to 0.00%. As a result of resetting the STAS, the Company's Generation Supply Service Rate ("GSSR") will also change slightly.

In addition to the overall increases in distribution rates, the Company proposes to make certain changes to the rate design for some rate schedules. The changes for each rate schedule are summarized below.

A. Schedule RS – Residential

As a distribution company, the majority of Citizens' costs to provide service are fixed and do not vary significantly with customers' consumption. For example, Citizens' costs to produce a monthly bill for a residential customer do not change whether the customer uses 10 kWh of electricity per month or 1,000 kWh of electricity per month. Many other costs of providing

distribution service also do not vary based on the amount of electricity that a customer uses. Therefore, Citizens' is proposing to continue the gradual modification of its distribution rate design for Residential Service, Schedule RS, which first began in Citizens' 2007 rate case. Citizens' is moving towards a rate structure that more accurately reflects the reality of the costs incurred by this class by increasing the Customer Charge, a flat monthly fee to recover those fixed costs, and by further moving away from rates based so heavily on consumption. Specifically, Citizens' is proposing to increase the monthly Customer Charge from \$8.00 to \$13.00. Citizens' also proposes to increase the variable distribution charge from \$0.02122 per kWh to \$0.02372 for all Schedule RS energy consumption. These changes will have the dual impact of providing the Company a more stable revenue stream while appropriately reflecting the costs to provide electric distribution service.

Based on the Company's calculations, the percentage increase in a typical Schedule RS customer's total bill (distribution and generation supply) will be approximately 6.6%. Specifically, for the average residential customer using 1,250 kWh per month, the impact on their monthly bill, including supply charges, will be an increase of approximately \$8.13, from \$124.04 to \$132.16. *See* Tab D, Schedule B8, page 1 of 3.

B. Schedule GLP-1 – General Light and Power Service

As noted above, the majority of Citizens' costs to provide electric distribution service are fixed. As the next step in the ongoing effort of ensuring that Citizens' distribution rate design for Schedule GLP-1 properly reflects the fixed nature of most distribution costs, Citizens' proposes to implement a monthly Customer Charge of \$15.50 and to consolidate the energy-based charges into a single rate of \$0.009110 per kWh for all kWh. The demand charge of \$3.00 per kW will not change.

The impact of this rate modification on the total monthly bill for the GLP-1 customer will vary depending on Billing Demand and monthly usage (*i.e.*, load factor). For example, if the full request is approved, the total bill for a commercial customer with a 7 kW Billing Demand using approximately 2,555 kWh per month would decrease by \$1.33 per month, from \$244.04 to \$242.71. This is about a 0.5% decrease in total charges. The bill for a commercial customer on Schedule GLP-1 with a billing demand of 10 kW using approximately 3,650 kWh per month would see a decrease of \$4.03 per month, from \$342.76 to \$338.73. *See* Tab D, Schedule B8, p. 2 of 3. These examples may not represent the actual increase (or decrease) for every customer on Schedule GLP-1. As a result, any customer with questions may contact Citizens' for information regarding their specific account.

C. Schedule GLP-3 – General Light and Power Service

For the reasons discussed above, Citizens' also proposes to raise the Customer Charge for Schedule GLP-3, General Light and Power, from \$50.22 to \$55.00 to more accurately reflect the fixed nature of the costs incurred by customers on this rate schedule. In addition, Citizens' proposes to maintain the current energy declining block structure, decreasing the first block charge from \$0.009440 per kWh to \$0.009120 per kWh, and maintaining the second block at \$0.00100 per kWh. The demand charge will remain at \$5.20 per kW. The Voltage Discount available to these customers will remain at \$0.21 per kW. *See* Tab D, Schedule B6-3.

D. Schedule MBL – Municipal Boulevard Street Lighting Service by Contract with Municipal Authorities

Citizens' proposes to increase its monthly charges for Schedule MBL to reflect the COSS results. The monthly per meter charge is proposed to increase from \$2.69 to \$4.08 per meter per month. The monthly per light post charge also is proposed to increase, from \$2.18 to \$3.31 per light per month.

E. Schedule OL-Outdoor Lighting Service by Contract High Pressure Sodium (HPS) & Mercury Vapor (MV)

Schedule OL is applicable to customers with outdoor dusk to dawn light that are supplied from the Company's overhead or underground lines. The Company is proposing to increase the rates for all available lighting types. The specific proposed rates are included on Page 49 of Supplement No. 110.

F. Schedule SH-Space Heating

The Company began to phase out Space Heating service in the 1980s, but continues to serve 17 accounts on this rate schedule. Citizens' proposes to increase the monthly customer charge for this rate schedule from \$13.25 to \$21.50 and to increase the energy-based charge from \$0.02731 per kWh to \$0.03327 per kWh. These changes are consistent with the COSS results.

IV. NOTICE PROCEDURES AND EFFECTIVENESS OF PROPOSED RATE CHANGES

Citizens' has elected to proceed under the provisions in Section 53.45(b)(4) of the Commission's regulations in providing notice to its customers of its rate change. *See* 52 Pa. Code § 53.45(b)(4). Accordingly, all customers of record as of August 30, 2016, will receive a bill insert of the Notice of Proposed Rate Increase and Tariff changes attached at Tab I. In addition, Citizens' today issued a press release in the format shown in Tab J.

V. ADDITIONAL INFORMATION

The Company has engaged HSG Group, Inc., to prepare the supporting information and cost analyses submitted with this filing. To the extent evidentiary hearings are convened regarding this matter, representatives from HSG Group, Inc., will testify in support of the calculations. In addition, the Company may rely on testimony from various personnel as necessary during this process.

VI. APPEARANCE OF COUNSEL

Citizens' will be represented regarding this filing by the following attorneys:

Pamela C. Polacek (PA I.D. No. 78276)
Adeolu A. Bakare (PA I.D. No. 208541)
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All inquiries or pleadings regarding this filing should be directed to Ms. Polacek or Mr. Bakare at the address and telephone number noted above. The Company encourages interested parties to informally contact its attorneys to discuss any questions or concerns related to the filing.

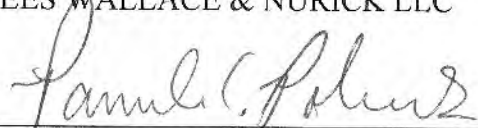
VII. CONCLUSION

WHEREFORE, Citizens' Electric Company of Lewisburg, PA, requests that the Pennsylvania Public Utility Commission review and approve its proposed Supplement No. 110 to Tariff Electric Pa. P.U.C. No. 14 effective on October 30, 2016.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



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Counsel to Citizens' Electric Company of
Lewisburg, PA

Dated: August 31, 2016

TAB A

RESPONSES TO 52 PA CODE § 53.52(a)

52 Pa. Code § 53.52(a)(1) The specific reasons for filing this change.

A full explanation of the reasons for filing this change is set forth in the Statement of Reasons accompanying the filing. In general, this Tariff Supplement is being filed in order to increase distribution rates to provide necessary funding for the operation, maintenance and improvement of Citizens' Electric Company of Lewisburg, PA's ("Citizens" or "Company") distribution system. The increases are necessary for Citizens' to be able to continue its capital investment in system improvements, as well as its current maintenance and replacement policies, and to enhance Citizens' ability to obtain capital to fund major system improvement projects that may be necessary in the future. The changes to the Tariff terms and conditions are necessary to ensure appropriately designed rates that properly reflect the costs of providing distribution electric service.

52 Pa. Code § 53.52(a)(2) The total number of customers served by the utility.

The total number of customers served by the Company as of December 31, 2015, is 6,878 customers, of which approximately 5,752 customers were residential and approximately 1,127 were commercial, industrial or lighting. The table at Schedule B5 in Exhibit__(HSG-1), Tab D, is provided in response to 52 Pa. Code 53.52(b)(3) and shows the number of annual customer bills served as of December 31, 2015, and the number projected to be served on December 31, 2016, and December 31, 2017.

52 Pa. Code § 53.52(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

All of Citizens' customers will be affected by the proposed rate change. Schedule B5 of Exhibit __ (HSG-1), Tab D, demonstrates the total number of customers in each class that may be affected by the change as of December 31, 2016, and December 31, 2017, as follows:

Residential	5,752
Commercial, Industrial or Lighting	1,127

In further response to this question, however, the Company has prepared Schedule B2 of Exhibit __ (HSG-1), Tab D, indicating the number of monthly bills in each rate class that will be impacted. Because the proposed rate structure changes for Rate Schedules GLP-1 and GLP-3 include customer charges, demand-based charges and energy-based charges, it is difficult to project the total number of customers that will experience either an overall annual rate increase or a rate decrease. Specifically, some commercial and industrial customers receiving service under these rates may experience rate increases in some months, while experiencing rate decreases in other months. Schedules B8 and B8-1 of Exhibit __ (HSG-1), Tab D, provide anticipated bill impacts at various usages and demands.

52 Pa. Code § 53.52(a)(4) The effect of the change on the utility's customers.

Distribution rates for all residential customers, and some commercial customers, will increase as a result of this filing; however, as explained in the response to 52 Pa. Code § 53.52(a)(3), some customers may experience an overall cost decrease as a result of the filing. The end result will be rates that more accurately reflect each customer class's cost-to-serve. This includes some rate decreases for certain commercial and industrial customers.

52 Pa. Code § 53.52(a)(5) The direct or indirect effect of the proposed change on the utility's revenue and expenses.

The proposed changes will increase the Company's distribution revenues by approximately 12.8% per year. Total annual revenues will increase by approximately 4.0%. The other tariff changes will not impact the Company's revenues or expenses in a material manner.

52 Pa. Code § 53.52(a)(6) The effect of the change on the service rendered by the utility.

The level of service Citizens' provides its customers will be maintained or improved as a result of current and planned system maintenance and upgrades. The proposed increase is necessary to fund those efforts, as well as major system improvement projects that may be necessary in the future.

52 Pa. Code § 53.52(a)(7) A list of factors considered by the utility in its determination to make the change.

The Company conducted analyses that determined that system maintenance and upgrades will be necessary to maintain and enhance the reliability of service that it provides. In addition, the Company examined its current and projected revenues and expenses, and determined that current rates do not adequately recover the Company's current costs of operating the distribution system plus a reasonable return. Finally, the Company conducted a Cost of Service Study to determine how the rate increase should be allocated among customer classes in order to move rates towards cost of service, and to examine its current rate structure to propose changes to move towards rate structures that better reflect the costs that are incurred by the Company.

52 Pa. Code § 53.52(a)(8) Studies undertaken by the utility in order to draft its proposed change.

The Company performed a financial analysis of its costs to provide distribution service in drafting the proposed changes. The Company also analyzed the appropriate rate of return for its investment in the utility plant and facilities. Finally, the Company conducted a Cost of Service Study.

52 Pa. Code § 53.52(a)(9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

The Company has taken no customer polls relative to the proposed changes.

52 Pa. Code § 53.52(a)(10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

All customers have received, or will receive, a bill insert of the Notice of Proposed Rate Increase and Tariff changes in the format shown in Tab I. In addition, the Company issued the press release attached at Tab J on August 31, 2016.

52 Pa. Code § 53.52(a)(11) F.C.C., F.E.R.C. or Commission orders or rulings applicable to the filing.

None.

TAB B

RESPONSES TO 52 PA CODE § 53.52(b)

52 Pa. Code § 53.52(b)(1) The specific reasons for each increase or decrease.

See response to Section 53.52(a)(1) at Tab A and Statement of Reasons.

52 Pa. Code § 53.52(b)(2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

See Schedule C1 of Exhibit __ (HSG-1) provided in response to 52 Pa. Code § 53.52(c)(1) at Tab D. This Schedule is also provided as a stand-alone document at Tab E.

52 Pa. Code § 53.52(b)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

See response to 52 Pa. Code § 53.52(a)(3) at Tab A.

The Company has prepared Schedule B2 of Exhibit__(HSG-1), Tab D, indicating the number of monthly bills in each rate class that will experience a rate change as a result of this filing over the course of the future test year. All residential customers receiving service under Rate Schedule RS will experience overall rate increases. Because of the proposed rate structure changes for Rate Schedules GLP-1 and GLP-3, it is difficult to project the total number of customers that will experience either an overall annual rate increase or a rate decrease. Specifically, some commercial and industrial customers receiving service under these rates may experience rate increases in some months, while experiencing rate decreases in other months.

52 Pa. Code § 53.52(b)(4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

See Tab D, Schedule B6 of Exhibit__(HSG-1).

52 Pa. Code § 53.52(b)(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

Certain customers receiving service through Rate Schedules GLP-1 and GLP-3 may experience rate decreases as a result of the Company's proposal; however, as a result of the proposed rate and tariff changes for Rate Schedules GLP-1 and GLP-3, it is difficult to project the total number of customers that will experience either an overall annual rate increase or a rate decrease. Specifically, some commercial and industrial customers receiving service under these rates may experience rate increases in some months, while experiencing rate decreases in other months.

52 Pa. Code § 53.52(b)(6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

No tariff subdivision will experience an annual revenue decrease.

TAB C

RESPONSES TO 52 PA CODE § 53.52(c)

52 Pa. Code § 53.52(c)(1) A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

See Schedule C1 of Exhibit __ (HSG-1) at Tab D.

52 Pa. Code § 53.52(c)(2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

See Schedule C2 of Exhibit__(HSG-1) at Tab D.

52 Pa. Code § 53.52(c)(3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

See Schedule C3 of Exhibit__(HSG-1) at Tab D.

52 Pa. Code § 53.52(c)(4) A statement showing the amount of depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

See Schedule C4 of Exhibit__(HSG-1) at Tab D.

52 Pa. Code § 53.52(c)(5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).

See Schedule C5 of Exhibit __ (HSG-1) at Tab D.

52 Pa. Code § 53.52(c)(6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)-(5).

None.

TAB D

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
INDEX TO SCHEDULES

A

Line		DESCRIPTION	PERIOD	PAGES
1	<u>A</u>	Index To Schedules		2
RATES AND REVENUE				
4	<u>B</u>	Operating Revenues Under Present Rates	12/31/2015, 12/31/2016 and 12/31/2017	1
5	<u>B1</u>	Summary Of Electric Sales, Customers And Revenue At Present Rates	Historic Year 2015	1
6	<u>B1-1</u>	Billing Units, Rates And Revenue At Present Rates	Historic Year 2015	1
7	<u>B2</u>	Summary Of Electric Sales, Customers And Revenue At Present Rates	Future Test Year 2016	1
8	<u>B2-1</u>	Billing Units, Rates And Revenue At Present Rates	Future Test Year 2016	1
9	<u>B3</u>	Summary Of Electric Sales, Customers And Revenue At Present Rates	Fully Projected Future Test Year 2017	1
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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Operating Revenues Under Present Rates
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 b[2]

				Present Rates	Present Rates	
		Historic Year 2015 Revenue Per Bill Analysis	Historic Year 2015 GSSR	Historic Year 2015 Distribution Only	Future Test Year 2016 Distribution Only	Fully Projected Future Test Year 2017 Distribution Only
<u>Customer Type</u>		<u>B1</u>	<u>B1</u>	<u>B2-1</u>	<u>B3-1</u>	
1						
2	Residential	\$2,395,895		\$2,395,895	\$2,396,796	\$2,401,408
3	Commercial and Industrial	2,089,858		2,089,858	2,089,837	2,089,886
4	Lighting	75,368		75,368	75,368	75,368
5		4,561,122	0	4,561,122	4,562,002	4,566,662
6						
7	Forfeited Discounts	29,280		29,280	29,280	29,280
8	Rent from Electric Property	33,200		33,200	33,200	33,200
9	Other electric revenue	3,531		3,531	3,531	3,531
10	GSSR	10,186,464	(10,186,464)	0		
11	Consumed not billed, Under / Over	55,784	(55,784)	0		
12	Total Operating Revenues	\$14,869,380	(\$10,242,248)	\$4,627,133	\$4,628,013	\$4,632,673
13						
14	<u>kWh</u>					
15	Residential	86,887,429			86,929,893	87,147,217
16	Commercial and Industrial	87,243,224			86,431,394	89,767,472
17	Lighting	593,434			603,334	604,842
18	Sales for resale					
19		<u>174,724,087</u>			<u>173,964,621</u>	<u>177,519,531</u>
20	GSSR Rate	\$0.05830				

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Electric Sales, Customers And Revenue At Present Rates
Historic Year 2015

Line	Description			Revenue - Present Rates			
		Sales (kWh)	Average Customers	Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	<u>Residential Customers</u>						
2	RS	86,887,429	5,752	\$552,144	\$1,843,751	\$0	\$2,395,895
3		86,887,429	5,752	552,144	1,843,751	0	2,395,895
4							
5	<u>Commercial and Industrial Customers</u>						
6	GLP 1	29,306,857	1,071	170,210	289,907	489,396	949,512
7	GLP 3	57,223,860	39	23,302	101,950	992,866	1,118,118
8	SH	712,507	17	2,769	19,459	0	22,228
9		87,243,224	1,127	196,281	411,316	1,482,261	2,089,858
10							
11	MBL	119,107	12	14,383	0	0	14,383
12	POL	474,327	0	60,985	0	0	60,985
13	Lighting	593,434	12	75,368	0	0	75,368
14							
15	TOTAL	174,724,087	6,890	\$823,793	\$2,255,067	\$1,482,261	\$4,561,122

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Billing Units, Rates And Revenue At Present Rates
Historic Year 2015**

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Public Lighting	Total
	BILLING UNITS						
kWh Sales	86,887,429	712,507	29,306,857	57,223,860	119,107	474,327	174,724,087
Number of Bills	69,018	209	12,846	464	144	0	82,681
Average Monthly Bills	5,752	17	1,071	39	12	0	6,890
	Annual Billing Units- Public Lighting and Street Lighting Historic Year 2015						
Rate 1					12		
Rate 2					535		
Rate 3							
Rate 4					1,199	5,082	
	RATES AND CHARGES						
	Tariff Rates						
Customer Charge	\$8.00	\$13.25	\$13.25	\$50.22	\$2.69		
Energy Block 1	\$0.02122	\$0.02731	\$0.010500	\$0.009440	\$2.18		
Energy Block 2			\$0.009200	\$0.001000		\$6.15	Count 311
Reservation Chge				\$2.40		\$12.49	92
Voltage Discount				(\$0.21)		\$7.69	209
Block 1 kWh = Demand X				30		\$14.64	7
Demand Block 1			\$3.00	\$5.20		\$18.90	5
						\$12.01	18
							642
	COMPUTATION OF REVENUE						
Customer Charge Revenue	552,144	2,769	170,210	23,302	14,383	60,985	823,793
Distribution kWh Revenue	1,843,751	19,459	289,907	101,950			2,255,067
Distribution Demand Revenue	0	0	489,396	992,866			1,482,261
Total Distribution Revenue	1,843,751	19,459	779,303	1,094,816	0	0	3,737,329
Total Distribution Revenue	\$2,395,895	\$22,228	\$949,512	\$1,118,118	\$14,383	\$60,985	\$4,561,122
	2,395,895	22,228	949,512	1,118,118	14,383	60,985	4,561,122
	BILLING UNITS- DETAIL						
Block 1 kWh Sales	86,887,429	712,507	15,603,379	5,299,321	119,107	474,327	109,096,070
Block 2 kWh Sales			13,703,478	51,924,539			65,628,017
Demand kW			163,132	176,879			340,011
Reservation kW- monthly				2,908			
Voltage Discount kW- monthly				4,233			
Block 1 kWh			3,500				

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Electric Sales, Customers And Revenue At Present Rates
Future Test Year 2016

Line	Description	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	<u>Residential Customers</u>						
2	RS	86,929,893	5,752	\$552,144	\$1,844,652	\$0	\$2,396,796
3		86,929,893	5,752	552,144	1,844,652	0	2,396,796
4							
5	<u>Commercial and Industrial Customers</u>						
6	GLP 1	31,183,980	1,071	170,210	289,907	489,396	949,512
7	GLP 3	54,535,674	39	23,302	101,950	992,866	1,118,118
8	SH	711,740	17	2,769	19,438	0	22,207
9		86,431,394	1,127	196,281	411,295	1,482,261	2,089,837
10							
11	MBL	119,107	12	14,383	0	0	14,383
12	POL	484,227	0	60,985	0	0	60,985
13	Lighting	603,334	12	75,368	0	0	75,368
14							
15	TOTAL	173,964,621	6,890	\$823,793	\$2,255,948	\$1,482,261	\$4,562,002

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Billing Units, Rates And Revenue At Present Rates
Future Test Year 2016

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Public Lighting	Total
BILLING UNITS							
kWh Sales	86,929,893	711,740	31,183,980	54,535,674	119,107	484,227	173,964,621
Number of Bills	69,018	209	12,846	464	144		82,681
Average Monthly Bills	5,752	17	1,071	39	12		6,890
Annual Billing Units- Public Lighting and Street Lighting Historic Year 2015							
Rate 1				MBL- Meter	12		
Rate 2				MBL- Post	535		
Rate 3				Monthly revenue	1,199	5,082	
Rate 4							
RATES AND CHARGES							
Tariff Rates							
Customer Charge	\$8.00	\$13.25	\$13.25	\$50.22	\$2.69	\$2.18	
Energy Block 1	\$0.02122	\$0.02731	\$0.01050	\$0.00944		\$6.15	Count 311
Energy Block 2			\$0.00920	\$0.00100		\$12.49	92
Reservation Chge				\$2.40		\$7.69	209
Voltage Discount				(\$0.21)		\$14.64	7
Block 1 kWh = Demand X				30		\$18.90	5
Demand Block 1			\$3.00	\$5.20		\$12.01	18
							642
COMPUTATION OF REVENUE							
Customer Charge Revenue	552,144	2,769	170,210	23,302	14,383	60,985	823,793
Distribution kWh Revenue	1,844,652	19,438	289,907	101,950			2,255,948
Distribution Demand Revenue	0	0	489,396	992,866			1,482,261
Total Distribution Revenue	1,844,652	19,438	779,303	1,094,816	0	0	3,738,209
Total Distribution Revenue	\$2,396,796	\$22,207	\$949,512	\$1,118,118	\$14,383	\$60,985	\$4,562,002
BILLING UNITS- DETAIL							
Block 1 kWh Sales	86,887,429	712,507	15,603,379	5,299,321	119,107	474,327	109,096,070
As % of 2015			13,703,478	51,924,539			65,628,017
Demand kW			163,132	176,879			340,011
Reservation kW- monthly				2,908			
Voltage Discount kW- monthly				4,233			
Block 1 kWh			3,500				

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Electric Sales, Customers And Revenue At Present Rates
Fully Projected Future Test Year 2017

Line	Description			Revenue - Present Rates			
		Sales (kWh)	Average Customers	Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	<u>Residential Customers</u>						
2	RS	87,147,217	5,752	\$552,144	\$1,849,264	\$0	\$2,401,408
3		87,147,217	5,752	552,144	1,849,264	0	2,401,408
4							
5	<u>Commercial and Industrial Customers</u>						
6	GLP 1	34,381,940	1,071	170,210	289,907	489,396	949,512
7	GLP 3	54,672,013	39	23,302	101,950	992,866	1,118,118
8	SH	713,519	17	2,769	19,486	0	22,255
9		89,767,472	1,127	196,281	411,344	1,482,261	2,089,886
10							
11	MBL	119,107	12	14,383	0	0	14,383
12	POI	485,735	0	60,985	0	0	60,985
13	Lighting	604,842	12	75,368	0	0	75,368
14							
15	TOTAL	177,519,531	6,890	\$823,793	\$2,260,608	\$1,482,261	\$4,566,662

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2017**

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Public Lighting	Total
	BILLING UNITS						
1 kWh Sales	87,147,217	713,519	34,381,940	54,672,013	119,107	485,735	177,519,531
2							
3							
4 Number of Bills	69,018	209	12,846	464	144		82,681
5 Average Monthly Bills	5,752	17	1,071	39	12		6,890
6							
7	Annual Billing Units- Public Lighting and Street Lighting Historic Year 2015						
8 Rate 1				MBL- Meter	12		
9 Rate 2				MBL- Post	535		
10 Rate 3				Monthly revenue	1,199	5,082	
11 Rate 4							
12							
13	RATES AND CHARGES						
14	Tariff Rates						
15 Customer Charge	\$8.00	\$13.25	\$13.25	\$50.22	\$2.69		
16					\$2.18		
17 Energy Block 1	\$0.02122	\$0.02731	\$0.01050	\$0.00944		\$6.15	Count 311
18 Energy Block 2			\$0.00920	\$0.00100		\$12.49	92
19 Reservation Chge				\$2.40		\$7.69	209
20 Voltage Discount				(\$0.21)		\$14.64	7
21 Block 1 kWh = Demand X				30		\$18.90	5
22 Demand Block 1			\$3.00	\$5.20		\$12.01	18
23							642
24	COMPUTATION OF REVENUE						
25 Customer Charge Revenue	552,144	2,769	170,210	23,302	14,383	60,985	823,793
26							
27 Distribution kWh Revenue	1,849,264	19,486	289,907	101,950			2,260,608
28 Distribution Demand Revenue	0	0	489,396	992,866			1,482,261
29 Total Distribution Revenue	1,849,264	19,486	779,303	1,094,816	0	0	3,742,869
30 Total Distribution Revenue	\$2,401,408	\$22,255	\$949,512	\$1,118,118	\$14,383	\$60,985	\$4,566,662
31							
32	BILLING UNITS- DETAIL						
33 Block 1 kWh Sales	86,887,429	712,507	15,603,379	5,299,321	119,107	474,327	109,096,070
34			13,703,478	51,924,539			65,628,017
35 As % of 2016							
36 Demand kW			163,132	176,879			340,011
37 Reservation kW- monthly				2,908			
38 Voltage Discount kW- monthly				4,233			
39 Block 1 kWh			3,500				

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Bill Analysis- Revenues Under Present Rates
Historic Year 2015

		<u>BI</u>			
	Revenue Per Financials Historic Year 2015	Bill Analysis Revenue	GSSR, Unbilled	Adjusted Bill Analysis Revenue	
1	Residential	\$9,477,847	\$2,395,895	7,096,649	\$9,492,544
2	Commercial and Industrial	5,200,525	2,089,858	3,097,873	5,187,731
3	Lighting	124,984	75,368	47,726	123,094
4		0			0
5		<u>14,803,356</u>	<u>4,561,122</u>	<u>10,242,248</u>	<u>14,803,369</u>
6					
7	Forfeited Discounts	29,280	29,280		29,280
8	Rent from Electric Property	33,200	33,200		33,200
9	Other electric revenue	3,531	3,531		3,531
10		<u><u>\$14,869,367</u></u>	<u><u>\$4,627,133</u></u>	<u><u>\$10,242,248</u></u>	<u><u>\$14,869,380</u></u>

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

**Number of Customers Served Whose Bills Will be Increased
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 b[3]**

	Customer Type	Total Customers 12/31/2015	Total Customers 12/31/2016	Total Customers 12/31/2017
1				
2	Residential	5,752	5,752	5,752
3	Commercial and Industrial	1,127	1,127	1,127
4	Lighting	(a)	(a)	(a)
5	Exchange Utility	(a)	(a)	(a)
6	Total Customers Served	6,878	6,878	6,878

7
8
9

(a) Number of customers not shown

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Operating Revenue Under Present Rates and Proposed Rates
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 b[4]

Line	Description	Total		Distribution Only		
		Historic Year 2015 Total Revenue	Historic Year 2015	Future Test Year 2016 PRESENT Rates	Fully Projected Future Test Year 2017 PRESENT Rates	Fully Projected Future Test Year 2017 PROPOSED Rates
1	Operating Revenues	<u>B</u>	<u>B</u>	<u>B</u>	<u>B</u>	<u>B6-1</u>
2	Residential	\$2,395,895	\$2,395,895	\$2,396,796	\$2,401,408	\$2,958,204
3	Commercial and Industrial	2,089,858	2,089,858	2,089,837	2,089,886	2,102,039
4	Lighting	75,368	75,368	75,368	75,368	93,222
5	Subtotal	4,561,122	4,561,122	4,562,002	4,566,662	5,153,465
6						
7	Forfeited Discounts	29,280	29,280	29,280	29,280	29,280
8	Rent from Electric Property	33,200	33,200	33,200	33,200	33,200
9	Other electric revenue	3,531	3,531	3,531	3,531	3,531
10	GSSR under (over) and E-factors	10,186,464	0			
11	Consumed not billed	55,784	0			
12	Total Operating Revenues	\$14,869,380	\$4,627,133	\$4,628,013	\$4,632,673	\$5,219,476

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Proposed Increase to Distribution Revenue
Fully Projected Future Test Year 2017

Line	Description	Sales (kWh)	Average Customers	Distribution Total- Present Rates	Distribution - Proposed Increase	Distribution Total- Proposed Rates	% Increase Proposed
1	<u>Residential Customers</u>	<u>B3</u>	<u>B3</u>	<u>B3</u>		<u>B6-3</u>	
2	RS	87,147,217	5,752	2,401,408	556,796	2,958,204	23.2%
3		87,147,217	5,752	2,401,408	556,796	2,958,204	23.2%
4							
5	<u>Commercial and Industrial Customers</u>						
6	GLP 1	34,381,940	1,071	949,512	5,688	955,201	0.6%
7	GLP 3	54,672,013	39	1,118,118	522	1,118,640	0.0%
8	SH	713,519	17	22,255	5,943	28,199	26.7%
9		89,767,472	1,127	2,089,886	12,154	2,102,039	0.6%
10							
11	MBL	119,107	12	14,383	7,455	21,838	51.8%
12	POL	485,735	0	60,985	10,399	71,384	17.1%
13	Lighting	604,842	12	75,368	17,853	93,222	23.7%
14							
15	TOTAL	177,519,531	6,890	\$4,566,662	\$586,803	\$5,153,465	12.8%

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Electric Sales, Customers And Revenue At Proposed Rates
Fully Projected Future Test Year 2017

Line	Description	Sales (kWh)	Average Customers	Revenue - Proposed Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	<u>Residential Customers</u>						
2	RS	86,887,429	5,752	\$897,234	\$2,060,970	\$0	\$2,958,204
3		86,887,429	5,752	897,234	2,060,970	0	2,958,204
4							
5	<u>Commercial and Industrial Customers</u>						
6	GLP 1	29,306,857	1,071	199,113	266,692	489,396	955,201
7	GLP 3	57,223,860	39	25,520	100,254	992,866	1,118,640
8	SH	712,507	17	4,494	23,705	0	28,199
9		87,243,224	1,127	229,127	390,652	1,482,261	2,102,039
10							
11	MBL	119,107	12	21,838	0	0	21,838
12	POI	474,327	0	71,384	0	0	71,384
13	Lighting	593,434	12	93,222	0	0	93,222
14							
15	TOTAL	174,724,087	6,890	\$1,219,582	\$2,451,622	\$1,482,261	\$5,153,465

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Billing Units, Rates And Revenue At Proposed Rates
Fully Projected Future Test Year 2017

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Public Lighting	Total
	BILLING UNITS						
kWh Sales	86,887,429	712,507	29,306,857	57,223,860	119,107	474,327	174,724,087
Number of Bills	69,018	209	12,846	464	144		82,681
Average Monthly Bills	5,752	17	1,071	39	12		6,890
	Annual Billing Units- Public Lighting and Street Lighting Historic Year 2015						
Rate 1				MBL- Meter	12		
Rate 2				MBL- Post	535		
Rate 3				Monthly revenue	1,820	5,949	
Rate 4							
	RATES AND CHARGES						
	Tariff Rates						
Customer Charge	\$13.00	\$21.50	\$15.50	\$55.00	\$4.08		
					\$3.31		Count
Energy Block 1	\$0.02372	\$0.03327	\$0.00910	\$0.00912		\$7.20	311
Energy Block 2				\$0.00100		\$14.62	92
Reservation Chge				\$2.40		\$9.00	209
Voltage Discount				(\$0.21)		\$17.13	7
Block 1 kWh = Demand X				30		\$22.12	5
Demand Block 1			\$3.00	\$5.20		\$14.05	18
							642
	COMPUTATION OF REVENUE						
Customer Charge Revenue	897,234	4,494	199,113	25,520	21,838	71,384	1,219,582
Distribution kWh Revenue	2,060,970	23,705	266,692	100,254			2,451,622
Distribution Demand Revenue	0	0	489,396	992,866			1,482,261
<i>Total Distribution Revenue</i>	2,060,970	23,705	756,088	1,093,120	0	0	3,933,883

**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Proposed Revenue Allocation
Fully Projected Future Test Year 2017**

Line	Account	Balance	Residential	Space Heating	GLP-1	GLP-3	MBL	Public Light.	
PRESENT RATES									
1	Distribution Revenue	4,566,662	2,401,408	22,255	949,512	1,118,118	14,383	60,985	
2	Forfeited Disc / Other Rev	66,011	38,057	384	11,300	15,647	129	494	
3	Total Revenue	4,632,673	2,439,465	22,640	960,812	1,133,765	14,512	61,479	
4	Expenses	4,049,228	2,631,345	24,538	627,316	687,826	37,708	40,496	
5	Net income	583,445	(191,879)	(1,899)	333,496	445,939	(23,195)	20,983	
6	Rate Base	12,129,163	7,562,635	81,439	1,932,015	2,155,064	198,880	199,129	
7	Return on Rate Base	4.81%	(2.54%)	(2.33%)	17.26%	20.69%	(11.66%)	10.54%	
8	Relative Return	1.00 x	(0.53) x	(0.48) x	3.59 x	4.30 x	(2.42) x	2.19 x	
9									
FULLY ALLOCATED COST OF SERVICE									
11	Distribution Revenue	5,158,942	3,360,881	32,416	788,275	859,922	58,874	58,574	
12	Forfeited Disc / Other Revenue	66,011	38,057	384	11,300	15,647	129	494	
13	Revenue Requirement	5,224,953	3,398,939	32,800	799,575	875,569	59,003	59,068	
14									
15	Operating expenses	3,788,039	2,494,716	23,285	572,574	623,474	36,974	37,015	
16	GRT	304,378	198,076	1,910	46,603	50,870	3,459	3,459	
17	Income taxes	217,997	135,923	1,464	34,724	38,733	3,574	3,579	
18	Net income	914,539	570,223	6,141	145,674	162,492	14,996	15,014	
19	Return on Rate Base	7.54%	7.54%	7.54%	7.54%	7.54%	7.54%	7.54%	
20	Revenue Increase Required	592,281	959,473	10,160	(161,237)	(258,196)	44,491	(2,411)	
21	Revenue Increase %	12.78%	39.33%	44.88%	(16.78%)	(22.77%)	306.57%	(3.92%)	
22									
23	PROPOSED REVENUE ALLOCATION								
24	Distribution Revenue	5,153,738	2,958,530	28,201	955,169	1,118,646	21,828	71,364	
25	Other Revenue	66,011	38,057	384	11,300	15,647	129	494	
26	Revenue Requirement	5,219,749	2,996,587	28,585	966,469	1,134,293	21,957	71,857	
27									
28	Operating expenses	3,788,039	2,494,716	23,285	572,574	623,474	36,974	37,015	
29	GRT	304,071	174,553	1,664	56,355	66,000	1,288	4,210	
30	Income taxes	217,055	63,004	700	64,972	85,621	(3,138)	5,896	
31	Net income	910,584	264,314	2,936	272,568	359,197	(13,166)	24,735	
32	Return on Rate Base	7.51%	3.49%	3.61%	14.11%	16.67%	(6.62%)	12.42%	
33	Relative Return	1.00 x	0.46 x	0.48 x	1.87 x	2.21 x	(0.88) x	1.65 x	
34	Progress toward unity		65%	65%	66%	63%	45%	46%	
35									
36	Proposed Distribution Increase	587,076	557,122	5,946	5,657	528	7,445	10,378	
37	Revenue Increase %	12.9%	23.2%	26.7%	0.6%	0.0%	51.8%	17.0%	
38	Total Bill Revenue Increase (a)	3.4%	6.4%	8.1%	0.2%	0.0%	32.5%	10.8%	
39	Average annual increase from 2010	0.5%	0.9%	1.1%	0.0%	0.0%	4.1%	1.5%	
40									
41	Subsidy given (received)								
42	Present rates	(0)	(555,662)	(5,816)	240,561	342,275	(32,762)	11,404	
43	Proposed revenue allocation	(0)	(303,443)	(3,178)	127,524	197,408	(28,097)	9,786	
44	Reduction in subsidy		45%	45%	47%	42%	14%	14%	

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2017

Line	Description	Present Rates (excl GSSR)	2016 GSSR-1	Present Rates (incl GSSR)	Proposed Rates (excl GSSR)	2016 GSSR-1	Proposed Rates (incl GSSR)	Proposed Increase (excl GSSR)	Proposed Increase (incl GSSR)	Class Change
1	Schedule RS- Residential Service									
2	Customer Charge per Bill	\$8.00		\$8.00	\$13.00		\$13.00	62.5%		23.2%
3										
4	Energy Charge, per kWh- All	\$0.02122	\$0.071610	\$0.09283	\$0.02372	\$0.071610	\$0.09533	11.8%	2.7%	
5	Schedule SH- Space Heating									
6	Customer Charge per Bill	\$13.25		\$13.25	\$21.50		\$21.50	62.3%		26.7%
7	Energy Charge, per kWh- All	\$0.02731	\$0.07161	\$0.09892	\$0.03327	\$0.07161	\$0.10488	21.8%	6.0%	
8	Schedule GLP-1									
9	Customer Charge per Bill	\$13.25		\$13.25	\$15.50		\$15.50	17.0%		0.6%
10	Energy Charge, per kWh- 1st 3500	\$0.010500	\$0.071610	\$0.08211	\$0.009100	\$0.071610	\$0.08071	(13.3%)	(1.7%)	
11	Energy Charge, per kWh- Above	\$0.009200	\$0.071610	\$0.08081						
12	Demand Charge, per kW-Mth									
13	All	\$3.00		\$3.00	\$3.00		\$3.00	-	-	
14	Schedule GLP-3									
15	Customer Charge per Bill	\$50.22		\$50.22	\$55.00		\$55.00	9.5%		0.0%
16	Energy Charge, per kWh									
17	First 30 kWh X Billed Demand kW	\$0.009440	\$0.071610	\$0.0811	\$0.009120	\$0.071610	\$0.0807	(3.4%)	(0.4%)	
18	Additional kWh	\$0.001000	\$0.071610	\$0.0726	\$0.001000	\$0.071610	\$0.0726	-	-	
19	Demand Charge, per kW									
20	Month									
21	All kW	\$5.20		\$5.20	\$5.20		\$5.20	-	-	

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (including GSSR)
Fully Projected Future Test Year 2017**

		Schedule RS- Residential Service					
		Present Rates		Proposed Rates		Proposed Increase	
Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
1	Minimum	\$8.00		\$13.00		\$5.00	62.5%
2	1	8.09	\$8.09283	13.10	\$13.09533	5.00	61.8%
3	100	17.28	\$0.17283	22.53	0.22533	5.25	30.4%
4	250	31.21	\$0.12483	36.83	0.14733	5.63	18.0%
5	500	54.42	\$0.10883	60.67	0.12133	6.25	11.5%
6	700	72.98	\$0.10426	79.73	0.11390	6.75	9.3%
7	1,000	100.83	\$0.10083	108.33	0.10833	7.50	7.4%
8	All Residential, annual	1,250	\$0.09923	132.16	0.10573	8.13	6.6%
9	1,500	147.25	\$0.09816	156.00	0.10400	8.75	5.9%
10	2,000	193.66	\$0.09683	203.66	0.10183	10.00	5.2%
11	3,000	286.49	\$0.09550	298.99	0.09966	12.50	4.4%
12							
13		Schedule SH- Space Heating					
14		Present Rates		Proposed Rates		Proposed Increase	
15	Average	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
16	Minimum	\$13.25		\$21.50		\$8.25	62.3%
17	1	13.35	\$13.34892	21.60	\$21.60488	8.26	61.9%
18	100	23.14	0.23142	31.99	0.31988	8.85	38.2%
19	250	37.98	0.15192	47.72	0.19088	9.74	25.7%
20	500	62.71	0.12542	73.94	0.14788	11.23	17.9%
21	1,000	112.17	0.11217	126.38	0.12638	14.21	12.7%
22	1,500	161.63	0.10775	178.82	0.11921	17.19	10.6%
23	2,500	260.55	0.10422	283.70	0.11348	23.15	8.9%
24	All SH, annual	3,400	0.10282	378.09	0.11120	28.51	8.2%
25	5,000	507.85	0.10157	545.90	0.10918	38.05	7.5%
26	7,000	705.69	0.10081	755.66	0.10795	49.97	7.1%
27							

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (including GSSR)
Fully Projected Future Test Year 2017

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Schedule GLP-1

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
30							
31	7 kW	0	34.25	36.50		2.25	6.6%
32	Load factor 10%	511	76.21	77.74	0.15214	1.53	2.0%
33	Load factor 20%	1,022	118.17	118.99	0.11642	0.82	0.7%
34	Load factor 35%	1,789	181.10	180.85	0.10112	(0.25)	(0.1%)
35	Load factor 50%	2,555	244.04	242.71	0.09500	(1.33)	(0.5%)
36	Load factor 60%	3,066	286.00	283.96	0.09261	(2.04)	(0.7%)
37	Load factor 75%	3,833	348.50	342.80	0.08944	(5.71)	(1.6%)
38							
39	10 kW Demand	0	43.25	45.50		2.25	5.2%
40	Load factor 10%	730	103.19	104.42	0.14304	1.23	1.2%
41	Load factor 20%	1,460	163.13	163.34	0.11187	0.21	0.1%
42	Load factor 35%	2,555	253.04	251.71	0.09852	(1.33)	(0.5%)
43	Load factor 50%	3,650	342.76	338.73	0.09280	(4.03)	(1.2%)
44	Load factor 60%	4,380	401.75	391.00	0.08927	(10.75)	(2.7%)
45	Load factor 75%	5,475	490.23	469.41	0.08574	(20.82)	(4.3%)
46							
47	25 kW Demand	0	88.25	90.50		2.25	2.6%
48	Load factor 10%	1,825	238.10	237.80	0.13030	(0.31)	(0.1%)
49	Load factor 20%	3,650	387.76	383.73	0.10513	(4.03)	(1.0%)
50	Load factor 35%	6,388	608.97	579.76	0.09076	(29.21)	(4.8%)
51	Load factor 50%	9,125	830.19	775.79	0.08502	(54.40)	(6.6%)
52	Load factor 60%	10,950	977.67	906.48	0.08278	(71.19)	(7.3%)
53	Load factor 75%	13,688	1,198.89	1,102.51	0.08055	(96.38)	(8.0%)
54							
55	40 kW Demand	0	133.25	135.50		\$2.25	1.7%
56	Load factor 10%	2,920	373.01	371.17	0.12711	(1.84)	(0.5%)
57	Load factor 20%	5,840	609.73	585.55	0.10027	(24.18)	(4.0%)
58	Load factor 35%	10,220	963.68	899.20	0.08798	(64.47)	(6.7%)
59	Load factor 50%	14,600	1,317.63	1,212.86	0.08307	(104.77)	(8.0%)
60	Load factor 60%	17,520	1,553.59	1,421.96	0.08116	(131.63)	(8.5%)
61	Load factor 75%	21,900	1,907.54	1,735.61	0.07925	(171.93)	(9.0%)

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (including GSSR)
Fully Projected Future Test Year 2017**

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Schedule GLP-3

		Present Rates		Proposed Rates		Proposed Increase	
Sales (kWh)		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
Monthly Minimum		\$830.22		\$835.00		4.78	0.6%
150 kW Demand							
Load Factors	Minimum	\$830.22		\$835.00		4.78	0.6%
30%	32,850	3,253.44	0.09904	3,256.78	0.09914	3.34	0.1%
40%	43,800	4,048.52	0.09243	4,051.86	0.09251	3.34	0.1%
50%	54,750	4,843.60	0.08847	4,846.94	0.08853	3.34	0.1%
60%	65,700	5,638.68	0.08582	5,642.02	0.08588	3.34	0.1%
75%	82,125	6,831.30	0.08318	6,834.64	0.08322	3.34	0.1%
400 kW Demand							
Load Factors	Minimum	\$2,130.22		\$2,135.00		4.78	0.2%
30%	87,600	8,592.14	0.09808	8,593.08	0.09809	0.94	0.0%
40%	116,800	10,712.35	0.09172	10,713.29	0.09172	0.94	0.0%
50%	146,000	12,832.56	0.08789	12,833.50	0.08790	0.94	0.0%
60%	175,200	14,952.77	0.08535	14,953.71	0.08535	0.94	0.0%
75%	219,000	18,133.09	0.08280	18,134.03	0.08280	0.94	0.0%
750 kW Demand							
Load Factors	Minimum	\$3,950.22		\$3,955.00		4.78	0.1%
30%	164,250	16,066.31	0.09782	16,063.89	0.09780	(2.42)	(0.0%)
40%	219,000	20,041.71	0.09151	20,039.29	0.09150	(2.42)	(0.0%)
50%	273,750	24,017.11	0.08773	24,014.69	0.08772	(2.42)	(0.0%)
60%	328,500	27,992.51	0.08521	27,990.09	0.08521	(2.42)	(0.0%)
75%	410,625	33,955.60	0.08269	33,953.18	0.08269	(2.42)	(0.0%)
1500 kW Demand							
Load Factors	Minimum	\$7,850.22		\$7,855.00		4.78	0.1%
30%	328,500	32,082.41	0.09766	32,072.79	0.09763	(9.62)	(0.0%)
40%	438,000	40,033.20	0.09140	40,023.58	0.09138	(9.62)	(0.0%)
50%	547,500	47,984.00	0.08764	47,974.38	0.08762	(9.62)	(0.0%)
60%	657,000	55,934.79	0.08514	55,925.17	0.08512	(9.62)	(0.0%)
75%	821,250	67,860.98	0.08263	67,851.36	0.08262	(9.62)	(0.0%)

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2017**

		Schedule RS- Residential Service					
		Present Rates		Proposed Rates		Proposed Increase	
Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
	Minimum	\$8.00		\$13.00		\$5.00	62.5%
	1	8.02	\$8.02122	13.02	\$13.02372	5.00	62.4%
	100	10.12	\$0.10122	15.37	0.15372	5.25	51.9%
	250	13.31	\$0.05322	18.93	0.07572	5.63	42.3%
	500	18.61	\$0.03722	24.86	0.04972	6.25	33.6%
	700	22.85	\$0.03265	29.60	0.04229	6.75	29.5%
	1,000	29.22	\$0.02922	36.72	0.03672	7.50	25.7%
All Residential, annual	1,250	34.53	\$0.02762	42.65	0.03412	8.13	23.5%
	1,500	39.83	\$0.02655	48.58	0.03239	8.75	22.0%
	2,000	50.44	\$0.02522	60.44	0.03022	10.00	19.8%
	3,000	71.66	\$0.02389	84.16	0.02805	12.50	17.4%
<hr/>							
		Schedule SH- Space Heating					
		Present Rates		Proposed Rates		Proposed Increase	
Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
	Minimum	\$13.25		\$21.50		\$8.25	62.3%
	1	13.28	\$13.27731	21.53	\$21.53327	8.26	62.2%
	100	15.98	0.15981	24.83	0.24827	8.85	55.4%
	250	20.08	0.08031	29.82	0.11927	9.74	48.5%
	500	26.91	0.05381	38.14	0.07627	11.23	41.7%
	1,000	40.56	0.04056	54.77	0.05477	14.21	35.0%
	1,500	54.22	0.03614	71.41	0.04760	17.19	31.7%
	2,500	81.53	0.03261	104.68	0.04187	23.15	28.4%
All SH, annual	3,400	106.10	0.03121	134.62	0.03959	28.51	26.9%
	5,000	149.80	0.02996	187.85	0.03757	38.05	25.4%
	7,000	204.42	0.02920	254.39	0.03634	49.97	24.4%

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2017**

		Schedule G1.P-1							
		Present Rates		Proposed Rates		Proposed Increase			
Sales (kWh)		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%		
31	7 kW	0	34.25	36.50		2.25	6.6%		
32	Load factor 10%	511	39.62	41.15	0.08053	1.53	3.9%		
33	Load factor 20%	1,022	44.98	45.80	0.04481	0.82	1.8%		
34	Load factor 35%	1,789	53.03	52.78	0.02951	(0.25)	(0.5%)		
35	Load factor 50%	2,555	61.08	59.75	0.02339	(1.33)	(2.2%)		
36	Load factor 60%	3,066	66.44	64.40	0.02100	(2.04)	(3.1%)		
37	Load factor 75%	3,833	74.06	68.35	0.01783	(5.71)	(7.7%)		
38									
39	10 kW Demand	0	43.25	45.50		2.25	5.2%		
40	Load factor 10%	730	50.92	52.14	0.07143	1.23	2.4%		
41	Load factor 20%	1,460	58.58	58.79	0.04026	0.21	0.4%		
42	Load factor 35%	2,555	70.08	68.75	0.02691	(1.33)	(1.9%)		
43	Load factor 50%	3,650	81.38	77.35	0.02119	(4.03)	(5.0%)		
44	Load factor 60%	4,380	88.10	77.35	0.01766	(10.75)	(12.2%)		
45	Load factor 75%	5,475	98.17	77.35	0.01413	(20.82)	(21.2%)		
46									
47	25 kW Demand	0	88.25	90.50		2.25	2.6%		
48	Load factor 10%	1,825	107.41	107.11	0.05886	(0.30)	(0.3%)		
49	Load factor 20%	3,650	126.38	122.35	0.03352	(4.03)	(3.2%)		
50	Load factor 35%	6,388	151.57	122.35	0.01915	(29.22)	(19.3%)		
51	Load factor 50%	9,125	176.75	122.35	0.01341	(54.40)	(30.8%)		
52	Load factor 60%	10,950	193.54	122.35	0.01117	(71.19)	(36.8%)		
53	Load factor 75%	13,688	218.73	122.35	0.00894	(96.38)	(44.1%)		
54									
55	40 kW Demand	0	133.25	135.50		\$2.25	1.7%		
56	Load factor 10%	2,920	163.91	162.07	0.05550	(1.84)	(1.1%)		
57	Load factor 20%	5,840	191.53	167.35	0.02866	(24.18)	(12.6%)		
58	Load factor 35%	10,220	231.82	167.35	0.01637	(64.47)	(27.8%)		
59	Load factor 50%	14,600	272.12	167.35	0.01146	(104.77)	(38.5%)		
60	Load factor 60%	17,520	298.98	167.35	0.00955	(131.63)	(44.0%)		
61	Load factor 75%	21,900	339.28	167.35	0.00764	(171.93)	(50.7%)		

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2017

		Schedule GLP-3					
		Present Rates		Proposed Rates		Proposed Increase	
Sales (kWh)		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
62							
63							
64							
65							
66	Monthly Minimum	\$830.22		\$835.00		4.78	0.6%
67							
68							
69							
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c1

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1]

Line	Description	Historic Year 2015		Present Rates	Present Rates Fully	Proposed Rates
		Per Books	Distribution Only	12/31/2016	Projected	Fully Projected
				Distribution Only	12/31/2017	12/31/2017
					Distribution Only	Distribution Only
1	REVENUE					
2	Residential	\$2,395,895	\$2,395,895	\$2,396,796	\$2,401,408	\$2,958,204
3	Commercial and industrial	2,089,858	2,089,858	2,089,837	2,089,886	2,102,039
4	Lighting	75,368	75,368	75,368	75,368	93,222
5	Rounding					5,478
6	Electric operating revenue	4,561,122	4,561,122	4,562,002	4,566,662	5,158,942
7	Other revenue, net	66,011	66,011	66,011	66,011	66,011
8	GSSR	10,186,464	0	0	0	0
9	Consumed not billed, Under / Over	55,784	0	0	0	0
10	Total Revenue	14,869,380	4,627,133	4,628,013	4,632,673	5,224,953
11	<i>Annual kWh</i>	<i>174,724,087</i>		<i>173,964,621</i>	<i>177,519,531</i>	<i>177,519,531</i>
12	EXPENSES					
13	Purchased electricity	9,669,719	0	0	0	0
14	Distribution	1,107,711	1,107,711	1,049,658	1,081,148	1,081,148
15	Customer accounting & collection expenses	436,058	436,058	468,288	482,337	482,337
16	Sales expense, Public relations	0	0	0	0	0
17	Administrative & general expenses	998,119	998,119	1,013,315	1,043,714	1,043,714
18	Total Operating expenses	12,211,607	2,541,888	2,531,261	2,607,199	2,607,199
19						
20	Depreciation expense	996,548	996,548	947,542	993,695	993,695
21	Taxes other than income	978,361	379,585	379,637	379,912	414,533
22	Rate case expense amortization				76,667	76,667
23	Total Expenses	14,186,516	3,918,021	3,858,440	4,057,472	4,092,094
24						
25	Net operating income before income taxes	682,864	709,111	769,573	575,200	1,132,859
26						
27	Income tax expense	238,756	249,411	170,963	(8,244)	218,129
28	NET UTILITY OPERATING INCOME (LOSS)	\$444,108	\$459,701	\$598,609	\$583,445	\$914,731
29						
30	RATE BASE (B)	\$10,862,502	\$10,862,502	\$11,465,080	\$12,129,163	\$12,129,163
31	RATE OF RETURN ON RATE BASE (A / B)	4.09%	4.23%	5.22%	4.81%	7.54%

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1] - Support Sheet No. 1
Support Sheet No. 1- Operating Expense and Going-Level Adjustments

Line	Acct.	Account Description	12/31/2012	12/31/2013	12/31/2014	Historic Year 2015	Salary, Wage & Benefit Changes	Expense Changes	Other Changes	Total Changes
27		<u>Customer Accounting & Collection Expenses:</u>								
28	902	Meter Reading Expense	12,278	12,624	12,122	13,562	1,629	974		2,603
29	903	Customer Records & Collection Exp	380,883	368,098	391,982	403,385	18,079	6,659		24,738
30	904	Uncollectible Accounts	20,389	11,367	23,261	19,111	0	4,889		4,889
31		<i>Total Customer Accting & Coll. expe</i>	413,551	392,089	427,365	436,058	19,708	12,522	0	32,230
32										
33		<u>Sales expense, Public relations</u>								
34	908-913	Safety and Communications	84	644	929	0	0	0		0
35										
36		<u>Administrative & General Expenses:</u>								
37	920	Administrative & General Salaries	491,127	525,919	547,496	563,136	23,069	0		23,069
38	921	Office Supplies & Expenses	30,623	30,232	149,210	140,791	0	10,741		10,741
39	923	Outside Services Employed	29,125	41,525	55,562	38,546	0	8,454		8,454
40	924	Property Insurance	14,688	14,891	16,626	17,673	0	(6,785)		(6,785)
41	925	Injures & Damages	28,772	29,492	28,578	27,915	0	893		893
42	926	Employee Pensions & Benefits	10,792	10,187	8,833	9,414	(414)	0		(414)
43	928	Regulatory commission expenses				0	0	0		0
44	930	Miscellaneous General Expense	81,521	79,850	82,113	80,831	0	(606)		(606)
45	931	Rents	0	0	0	0	0	0		0
46	932	Maintenance of General Property	75,267	105,990	98,731	119,813	(17,432)	(2,724)		(20,156)
47		<i>Total Administrative & General expe.</i>	761,916	838,086	987,149	998,119	5,223	9,973	0	15,196
48										
49		Total Operating & Maintenance Ex	\$2,009,059	\$2,218,912	\$2,476,440	\$12,211,607	(\$6,057)	(\$4,570)	(\$9,669,719)	(\$9,680,346)
50										(\$9,680,346)

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

**Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 e[1] - Support Sheet No. 1
Support Sheet No. 1- Operating Expense and Going-Level Adjustments 103.0%**

Line	Acct.	Account Description	Future Test Year 2016	Changes to		Salary, Wage & Benefits	
				Fully Projected Future Test Year 2017	Fully Projected Future Test Year 2017	Future Test Year 2016	Fully Projected Future Test Year 2017
1		<u>Power Supply Expenses:</u>					
2	555	Power Purchased	\$0		\$0		
3		<i>Total Power Supply expense</i>	0	0	0	0	0
4							
5		<u>Distribution Expenses</u>					
6	580	Operations Supv & Eng	106,192	3,186	109,378	106,192	109,378
7	582	Station Expense	8,919	268	9,187	8,719	8,981
8	583	Overhead Line Expense	186,168	5,585	191,753	184,068	189,590
9	585	Street Lighting Expense	10,712	321	11,033	10,712	11,033
10	586	Meter Expense	64,607	1,938	66,545	61,857	63,713
11	587	Customer Installation Expense	8,032	241	8,273	7,932	8,170
12	588	Miscellaneous Distribution Exp	231,780	6,953	238,733	157,184	161,900
13	589	Rents	435	13	448	0	0
14		<i>Total Operating expense</i>	616,845	18,505	635,350	536,664	552,764
15							
16	590	Maint Supv & Eng	0	0	0	0	0
17	591	Maint of Structures	0	0	0		
18	592	Maintenance of Station Equipment	10,882	326	11,208	5,882	6,058
19	593	Maintenance of Overhead Lines	403,204	12,096	415,300	194,704	200,545
20	594	Maintenance of Underground Lines	4,281	128	4,409	3,281	3,379
21	595	Maintain Line Transformers	10,810	324	11,134	7,810	8,044
22	596	Maint. Street Light & Signal Expense	3,480	104	3,584	3,230	3,327
23	597	Maintenance of Misc. Distrib Plant	156	5	161	156	161
24		<i>Total Maintenance expense</i>	432,813	12,984	445,797	215,063	221,515
25		<i>Total Operating & Maintenance expense</i>	1,049,658	31,490	1,081,148	751,727	774,279
26							

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1] - Support Sheet No. 1
Support Sheet No. 1- Operating Expense and Going-Level Adjustments 103.0%

Line	Acct.	Account Description	Future Test Year 2016	Changes to		Salary, Wage & Benefits	
				Fully Projected Future Test Year 2017	Fully Projected Future Test Year 2017	Future Test Year 2016	Fully Projected Future Test Year 2017
27		<u>Customer Accounting & Collection Expenses:</u>					
28	902	Meter Reading Expense	16,165	485	16,650	3,665	3,775
29	903	Customer Records & Collection Exp	428,123	12,844	440,967	318,123	327,667
30	904	Uncollectible Accounts	24,000	720	24,720	0	0
31		<i>Total Customer Accting & Coll. expe.</i>	468,288	14,049	482,337	321,788	331,442
32							
33		<u>Sales expense, Public relations</u>					
34	908-913	Safety and Communications	0	0	0	0	0
35							
36		<u>Administrative & General Expenses:</u>					
37	920	Administrative & General Salaries	586,205	17,586	603,791	586,205	603,791
38	921	Office Supplies & Expenses	151,532	4,546	156,078	0	0
39	923	Outside Services Employed	47,000	1,410	48,410	0	0
40	924	Property Insurance	10,888	327	11,215	0	0
41	925	Injures & Damages	28,808	864	29,672	0	0
42	926	Employee Pensions & Benefits	9,000	270	9,270	9,000	9,270
43	928	Regulatory commission expenses	0	0	0	0	0
44	930	Miscellaneous General Expense	80,225	2,407	82,632	0	0
45	931	Rents	0	0	0	0	0
46	932	Maintenance of General Property	99,657	2,990	102,647	81,657	84,107
47		<i>Total Administrative & General expe.</i>	1,013,315	30,399	1,043,714	676,862	697,168
48							
49		Total Operating & Maintenance Expenses	\$2,531,261	\$75,938	\$2,607,199	\$1,750,377	\$1,802,888
50			\$2,531,261		\$2,607,199	1,750,377	

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

**Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1] - Support Sheet No. 1**

Support Sheet No. 2- Adjustment to remove Generation & Transmission revenue and expense:

Line		
1	Adjustment to remove Generation and Transmission revenue	
2	Total revenue	\$ 14,869,380
3		
4	Eliminate GSSR revenue	10,186,464
5	Eliminate onsumed not billed, Under / Over	55,784
6	Adjustment to revenue	<u>10,242,248</u>
7	Distribution revenue	<u>\$4,627,133</u>
8		
9	Adjustment to remove Generation and Transmission expenses	
10	Total expenses	\$ 14,186,516
11		
12	Purchased power costs	9,669,719
13	Gross receipts tax expense	598,776
14	Adjustment to expenses	<u>10,268,495</u>
15	Distribution expenses	<u>\$3,918,021</u>

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 3- Taxes Other Than Income

	Historic Year 2015	Present Rates Year Ended 12/31/2016	Present Rates Future Test Year Ended 12/31/2017	Proposed Rates Future Test Year Ended 12/31/2017
	Per Books	Distribution Only	Distribution Only	Distribution Only
1 <u>Taxes other than income:</u>				
2 Pennsylvania Use Tax	14,686	14,686	14,686	14,686
3 PUC Assessment	71,793	71,793	71,793	71,793
4 Public Utility Realty Tax (including surcharge)	24,000	24,000	24,000	24,000
5 Pennsylvania Gross Receipts Tax	867,882	269,106	269,158	304,054
6	<u>\$978,361</u>	<u>\$379,585</u>	<u>\$379,637</u>	<u>\$414,533</u>
7				
8 <u>Gross Receipts Tax</u>				
9 Electric operating revenue (Dist, GSSR)	\$14,747,585	\$4,561,122	\$4,562,002	\$4,566,662
10 Forfeited discounts				\$5,153,465
11 GSSR under (over) recovery				
12 Gross Receipts Taxable	<u>\$14,747,585</u>	<u>\$4,561,122</u>	<u>\$4,562,002</u>	<u>\$4,566,662</u>
13 Gross Receipts Tax at Present Rate	5.90% \$870,108	\$269,106	\$269,158	\$269,433
14 Rounding difference	(2,226)			\$304,054
15 Gross Receipts Tax expense	<u>\$867,882</u>	<u>\$269,106</u>	<u>\$269,158</u>	<u>\$304,054</u>
16				
17 <u>Normalized Rate case expense</u>				
18 Estimated expenses			\$230,000	
19 Amortization period (years)			3	
20 Normalized Rate case expense			<u>\$76,667</u>	<u>\$76,667</u>

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

C1-4

**Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 4- Income Tax Calculations**

Line	Description	Historic Year 2015		Present Rates 12/31/2016	Present Rates Fully Projected 12/31/2017	Proposed Rates Fully Projected 12/31/2017
		Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	Net Operating Income Excluding Income Taxes	682,864	709,111	769,573	575,200	1,132,859
2						
3	<u>Synchronized interest expense:</u>					
4	Rate base	10,862,502	10,862,502	11,465,080	12,129,163	12,129,163
5	Less: CWIP	14,029	14,029	14,029	14,029	14,029
6	Rate base for interest computation	10,848,473	10,848,473	11,451,051	12,115,134	12,115,134
7	Weighted Cost of debt	0.000%	0.000%	0.000%	2.390%	2.390%
8	Synchronized interest expense	0	0	0	289,552	289,552
9	Taxable income before depreciation tax adjustments	682,864	709,111	769,573	285,649	843,308
10						
11	<u>Pennsylvania depreciation adjustment:</u>					
12	Tax depreciation (using DDB method)	(894,705)	(894,705)	(1,052,655)	(1,089,407)	(1,089,407)
13	Book depreciation	996,548	996,548	947,542	993,695	993,695
14	Pennsylvania depreciation adjustment	101,843	101,843	(105,113)	(95,712)	(95,712)
15	Pennsylvania taxable income	784,707	810,954	664,460	189,936	747,595
16	Regulatory Pennsylvania income tax expense 9.99%	78,392	81,014	66,380	18,975	74,685
17						
18	<u>Federal depreciation adjustment:</u>					
19	Tax depreciation (using SL method)	(1,129,362)	(1,129,362)	(1,343,136)	(1,340,424)	(1,340,424)
20	Book depreciation	996,548	996,548	947,542	993,695	993,695
21	Federal depreciation adjustment	(132,814)	(132,814)	(395,594)	(346,729)	(346,729)
22						
23	Taxable income before depreciation tax adjustments	682,864	709,111	769,573	285,649	843,308
24	Federal depreciation adjustment	(132,814)	(132,814)	(395,594)	(346,729)	(346,729)
25	Pennsylvania income tax expense	(78,392)	(81,014)	(66,380)	(18,975)	(74,685)
26	Federal taxable income	471,658	495,283	307,599	(80,055)	421,894
27	Regulatory Federal income tax expense 34.00%	160,364	168,396	104,584	(27,219)	143,444
28						
29	Regulatory Total income tax expense	\$238,756	\$249,411	\$170,963	(\$8,244)	\$218,129
30						
31	<u>Deferred Federal Income Tax expense (included in above):</u>					
32	Tax depreciation (using SL method)	1,129,362	1,129,362	1,343,136	1,340,424	1,340,424
33	Tax depreciation (using DDB method)	894,705	894,705	1,052,655	1,089,407	1,089,407
34		(234,657)	(234,657)	(290,481)	(251,017)	(251,017)
35	Federal tax rate	34.00%	34.00%	34.00%	34.00%	34.00%
36	Deferred Federal income tax (credit)	(\$79,783)	(\$79,783)	(\$98,764)	(\$85,346)	(\$85,346)
37	Combined statutory tax rate 40.59%					

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 6- Computation of Rate Base

Line	Description	Historic Year 2015 Distribution Only	Future Test Year 2016	Fully Projected Future Test Year 2017
1	Utility Plant in Service			
2	Assets	\$ 21,635,694	\$ 22,730,108	\$ 23,966,734
3	Less: Accumulated Depreciation	(10,533,611)	(11,037,091)	(11,636,216)
4		11,102,083	11,693,017	12,330,518
5	Construction work in progress	14,029	14,029	14,029
6	Less: Accumulated deferred income taxes	(154,881)	(141,304)	(133,742)
7	Less: Customer deposits	(101,120)	(101,120)	(101,120)
8	Accrued Pension / OPEB Liability	(523,431)	(523,431)	(523,431)
9	Materials & Supplies	163,027	163,027	163,027
10		10,499,707	11,104,218	11,749,281
11	Cash Working Capital Allowance	362,795	360,862	379,882
12	RATE BASE	\$ 10,862,502	\$ 11,465,080	\$ 12,129,163
13				
14	Cash Working Capital Allowance:			
15	Operating Expenses	\$ 3,918,021	\$ 3,858,440	\$ 4,057,472
16				
17	Deductions:			
18	Purchased Electricity	0	0	0
19	Uncollectible accounts	19,111	24,000	24,720
20	Depreciation Expense	996,548	947,542	993,695
21	Total Deductions	1,015,659	971,542	1,018,415
22	Cash Operating Expenses	2,902,362	2,886,898	3,039,058
23	Cash Operating Expenses Ratio	1/8	1/8	1/8
24	Cash Working Capital Allowance (A plus B)	\$ 362,795	\$ 360,862	\$ 379,882
25				
26	<u>Regulatory Accumulated deferred income tax:</u>			
27	Accumulated depreciation based on tax expense borne by ratepayers	16,761,193	17,805,373	18,885,423
28	Accumulated depreciation based on taxes paid by company	17,216,725	18,220,972	19,278,783
29	(Excess) depreciation taken by company	(455,532)	(415,599)	(393,360)
30	Federal tax rate	34.00%	34.00%	34.00%
31	Regulatory Accumulated deferred income tax (liability)	(154,881)	(141,304)	(133,742)

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

3

**Cost of Capital and Fair Rate of Return Based upon Hypothetical Ratemaking Capital Structure
12/31/2016 and 12/31/2017**

<u>Line</u>	<u>Type of Capital</u>		<u>Ratios (1)</u>
1	Long-Term Debt	(B)	51.00%
2	Preferred Stock		
3	Common Equity	(A)	49.00%
4	Total		<u>100.00%</u>
5			
6			
7	(A) Recommended hypothetical capital structure ratios as discussed in direct testimony.		
8	(B) Average debt cost rate calculated as follows:		

<u>12/31/17</u>	
<u>Cost Rate</u>	<u>Weighted Cost</u>
4.694%	2.39%
10.50%	5.15%
	<u>7.54%</u>
Using	<u>7.540%</u>

C2

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Balance Sheets
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 c[2]

Account Title	Per Books 12/31/2015	Pro Forma 12/31/2016	Pro Forma 12/31/2017
Assets and Other Debits			
Utility Plant			
Electric plant in service	\$21,635,694	\$22,730,108	\$23,966,734
Construction work in progress	14,029	14,029	14,029
Accumulated depreciation	(10,533,611)	(11,037,091)	(11,636,216)
<i>Total utility plant</i>	11,116,112	11,707,046	12,344,547
Other Property and Investments:			
Non-utility property	21,704	21,704	21,704
Regulatory asset	141,173	141,173	141,173
Regulatory asset- RS Plan	618,053	618,053	618,053
Rentals and other	4,111,318	4,111,318	4,111,318
<i>Total other property and investments</i>	4,892,248	4,892,248	4,892,248
Current Assets:			
Cash	299,122	299,122	299,122
Customer accounts receivable	714,778	714,778	714,778
Provision for uncollectible accounts	(35,000)	(35,000)	(35,000)
Accrued utility revenues	724,414	724,414	724,414
Other accounts receivable	199,150	199,150	199,150
Advances to affiliates	90,700	90,700	90,700
Inventories	163,027	163,027	163,027
Prepayments	198,794	198,794	198,794
Financial Transmission rights	227,053	227,053	227,053
Deferred income taxes	44,500	44,500	44,500
<i>Total current assets</i>	2,626,538	2,626,538	2,626,538
Total Assets and Other Debits	\$18,634,898	\$19,225,832	\$19,863,333

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Balance Sheets
12/31/2015, 12/31/2016 and 12/31/2017
Answer to S2 Pa. Code 53.52 c[2]

Account Title	Per Books 12/31/2015	Pro Forma 12/31/2016	Pro Forma 12/31/2017
Liabilities and Other Credits			
<u>Proprietary Capital:</u>			
Preferred stock		\$0	\$0
Common stock Issued	1,394,720	1,394,720	1,394,720
Retained earnings	9,991,556	10,590,165	10,285,114
Paid-in Capital, less Treasury Stock	859,338	859,338	859,338
<i>Total proprietary capital</i>	<u>12,245,614</u>	<u>12,844,223</u>	<u>12,539,172</u>
<u>Long-Term Debt:</u>			
Long term debt	1,277,991	1,277,991	1,277,991
Capitalized Lease Obligations	185,161	185,161	1,289,194
<i>Total long-term debt</i>	<u>1,463,152</u>	<u>1,463,152</u>	<u>2,567,185</u>
<u>Current and Accrued Liabilities:</u>			
Line of Credit	\$500,000	\$492,325	\$330,845
Current maturities of long-term debt	165,453	165,453	165,453
Current maturities of capitalized leases	95,967	95,967	95,967
Accounts payable	303,704	303,704	303,704
Due for purchased electricity	630,955	630,955	630,955
Accrued expenses	160,837	160,837	160,837
Accrued expenses- OPEB			0
Customer deposits	101,120	101,120	101,120
Derivative investment	227,053	227,053	227,053
Overcollected power costs		0	0
<i>Total current and accrued liabilities</i>	<u>2,185,089</u>	<u>2,177,414</u>	<u>2,015,934</u>
<u>Deferred Credits and Other Liabilities:</u>			
Deferred income taxes	1,775,000	1,775,000	1,775,000
Accrued postretirement cost	958,043	958,043	958,043
Other liabilities	8,000	8,000	8,000
<i>Total deferred credits</i>	<u>2,741,043</u>	<u>2,741,043</u>	<u>2,741,043</u>
Total Liabilities and Other Credits	<u>\$18,634,898</u>	<u>\$19,225,832</u>	<u>\$19,863,333</u>

C3 Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 20

Original Cost of Utility Plant in Service
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 c[3]

Line	Acct No.	Account Title	Original Cost						
			Balance 12/31/2015	Year Ended 12/31/2016		Balance 12/31/2016	Year Ended 12/31/2017		Balance 12/31/2017
			Per Books	Additions	Retirements	Pro Forma	Additions	Retirements	Pro Forma
1		Depreciable Plant:							
2		<i>Distribution Plant</i>							
3	360	Land & Land Rights	14,061			14,061			14,061
4	361	Structures and improvements				0			0
5	362	Station Equipment	625,857	14,966		640,823			640,823
6	362.01	Station Equipment- Fully depr.	134,900			134,900			134,900
7	364	Poles, Tower & Fixtures	3,254,323	157,887	(17,172)	3,395,038	178,000	(17,172)	3,555,866
8	365	Overhead Conductors & Devices	5,304,291	420,769	(125,936)	5,599,124	458,000	(125,936)	5,931,188
9	366	Underground Conduit	2,447,381	258,618	(5,023)	2,700,976	259,000	(5,023)	2,954,953
10	368	Line Transformers	2,387,522	111,616	(22,813)	2,476,325	115,000	(22,813)	2,568,512
11	369	Services	2,803,424	229,120	(18,494)	3,014,050	229,000	(18,494)	3,224,556
12	370	Meters	1,398,977	55,693	(65,374)	1,389,296	57,000	(65,374)	1,380,922
13	373	Street Lighting & Signal Systems	538,106	21,011	(5,562)	553,555	21,000	(5,562)	568,993
14		Total Distribution Plant	18,908,842	1,269,680	(260,374)	19,918,148	1,317,000	(260,374)	20,974,774
15									
16		<i>General Plant</i>							
17	390.1	Structures & Improvements, office	576,375			576,375			576,375
18	391	Office Furniture & Equipment	152,222	23,800		176,022			176,022
19	390X	General- Fully depreciated	764,864		(49,492)	715,372			715,372
20	392	Transportation Equipment	548,028	90,800		638,828	160,000		798,828
21	394	Tools, Shop & Garage Equipment	17,027			17,027			17,027
22	395	Laboratory & Stores Equipment	65,179			65,179			65,179
23	397	Communication Equipment	272,313	20,000		292,313	20,000		312,313
24	398	Miscellaneous Equipment	10,631			10,631			10,631
25		Intangible plant, organization	995			995			995
26	301	Intangible plant, EDI	319,218			319,218			319,218
27		Total General Plant	2,726,852	134,600	(49,492)	2,811,960	180,000	0	2,991,960
28									
29		Total Plant in Service	\$21,635,694	\$1,404,280	(\$309,866)	\$22,730,108	\$1,497,000	(\$260,374)	\$23,966,734

C3 Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 20

Original Cost of Utility Plant in Service
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 c[3]

Line	Acct No.	Account Title	Depreciation Rate	Accumulated Depreciation						Net Book Value	
				Balance 12/31/2015	Year Ended 12/31/2016		Balance 12/31/2016	Year Ended 12/31/2017		Balance 12/31/2017	12/31/2017
				Per Books	Additions	Retirements	Pro Forma	Additions	Retirements	Pro Forma	Pro Forma
1		Depreciable Plant:									
2		<i>Distribution Plant</i>									
3	360	Land & Land Rights	0.00%	0	0	0	0	0	0	0	14,061
4	361	Structures and improvements	4.00%	0	0	0	0	0	0	0	0
5	362	Station Equipment	4.00%	602,957	25,334	0	628,291	12,532	0	640,823	0
6	362.01	Station Equipment- Fully depr.		134,900	0	0	134,900	0	0	134,900	0
7	364	Polcs, Tower & Fixtures	4.13%	2,165,353	137,143	(34,089)	2,268,407	143,362	(34,089)	2,377,680	1,178,186
8	365	Overhead Conductors & Devices	4.00%	1,332,158	218,068	(216,828)	1,333,398	230,606	(216,828)	1,347,177	4,584,011
9	366	Underground Conduit	4.00%	1,256,384	102,967	(9,935)	1,349,416	113,119	(9,935)	1,452,600	1,502,353
10	368	Line Transformers	4.00%	1,591,595	97,277	(22,813)	1,666,059	100,897	(22,813)	1,744,143	824,369
11	369	Services	4.00%	1,029,617	116,349	(35,421)	1,110,545	124,772	(35,421)	1,199,897	2,024,659
12	370	Meters	4.00%	466,975	55,765	(65,374)	457,366	55,404	(65,374)	447,397	933,525
13	373	Street Lighting & Signal Systems	4.00%	179,116	21,833	(10,110)	190,839	22,451	(10,110)	203,180	365,813
14		Total Distribution Plant		8,759,055	774,737	(394,570)	9,139,222	803,144	(394,570)	9,547,796	11,426,978
15											
16		<i>General Plant</i>									
17	390.1	Structures & Improvements, office	3.00%	498,011	17,291	0	515,302	17,291	0	532,594	43,782
18	391	Office Furniture & Equipment	6.20%	47,332	10,176	0	57,508	10,913	0	68,421	107,601
19	390X	General- Fully depreciated		764,864		(49,492)	715,372	0	0	715,372	0
20	392	Transportation Equipment	12.50%	331,301	74,179	0	405,480	89,854	0	495,333	303,495
21	394	Tools, Shop & Garage Equipment	10.00%	9,476	1,703	0	11,179	1,703	0	12,881	4,146
22	395	Laboratory & Stores Equipment	6.666%	6,611	4,345	0	10,956	4,345	0	15,301	49,878
23	397	Communication Equipment	6.666%	113,405	18,819	0	132,224	20,152	0	152,376	159,937
24	398	Miscellaneous Equipment	6.666%	3,556	709	0	4,265	709	0	4,973	5,658
25		Intangible plant, organization		0	0	0	0	0	0	0	995
26	301	Intangible plant, EDI	14.28%		45,584	0	45,584	45,584	0	91,169	228,049
27		Total General Plant		1,774,556	172,805	(49,492)	1,897,869	190,551	0	2,088,420	903,540
28											
29		Total Plant in Service		\$10,533,611	\$947,542	(\$444,062)	\$11,037,091	\$993,695	(\$394,570)	\$11,636,216	\$12,330,518

C4

**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017**

**Reserve for Depreciation of Utility Plant
12/31/2015, 12/31/2016 and 12/31/2017
Answer to 52 Pa. Code 53.52 c[4]**

	<u>Account Title</u>	<u>Per Books 12/31/2015</u>	<u>Pro Forma 12/31/2016</u>	<u>Pro Forma 12/31/2017</u>
1	Reserve for Depreciation	\$10,533,611	\$11,037,091	\$11,636,216

C5

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Operating Income Setting Forth the Operating Revenues and Expenses at Present Rates
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[5]

	Year Ended 12/31/2015 [Per Books]	Year Ended 12/31/2015 Distribution Only	Year Ended 12/31/2016 Distribution Only	Year Ended 12/31/2017 Distribution Only
1 Operating revenue	\$14,869,380	\$4,627,133	\$4,628,013	\$4,632,673
2				
3 <u>Operating revenue deductions:</u>				
4 Operating expenses	12,211,607	2,541,888	2,531,261	2,607,199
5 Depreciation expense	996,548	996,548	947,542	993,695
6 Taxes other than income tax	978,361	379,585	379,637	379,912
7 Rate case expense amortization	0	0	0	76,667
8 Total Operating revenue deductions	14,186,516	3,918,021	3,858,440	4,057,472
9				
10 Net operating income before income taxes	682,864	709,111	769,573	575,200
11				
12 Income tax expense	238,756	249,411	170,963	(8,244)
13				
14 Net utility operating income	\$444,108	\$459,701	\$598,609	\$583,445

C5-1

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Comparison to Prior Rate Case
Prior Rate Case and Fully Projected Future Test Year 2017

Description	Fully Projected Future Test Year 2017	R-2010-2172662	Difference	Tax Gross-up 1.7889 <u>Revenue Requirement Effect</u>
1 Plant in service	\$23,966,734	\$17,743,422	\$6,223,312	
2 Accumulated Depreciation	(11,636,216)	(8,315,478)	(3,320,738)	
3 ADIT	(133,742)	(545,381)	411,638	
4 Other rate base, net	(67,613)	311,202	(378,815)	
5	<u>12,129,163</u>	<u>9,193,766</u>	<u>2,935,397</u>	
6 Return at R-2010-2172662 WACC	8.92%	8.92%		
7 Target return	1,082,134	820,245	261,889	468,482
8 Depreciation expense	993,695	764,148	229,547	410,627
9 Due to Capital spending- Rate base, Return, Depreciation			491,436	879,109
10				
11 Target rate of return on rate base	7.54%	8.92%	(1.38%)	
12 Rate base			12,129,163	
13 Due to Rate of Return on Rate base			(167,595)	(299,803)
14				
15 Taxes other than income	379,912	357,011	22,901	40,967
16 Distribution O&M expenses	2,675,622	2,395,683	279,939	500,771
17 (Revenue) at present rates	(4,632,673)	(4,337,086)	(295,587)	(528,763)
18 Due to Revenue and Expenses			7,253	12,975
19 Rounding				0
20 Total Revenue Deficiency				<u><u>592,281</u></u>
21				

D

**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Summary of Allocator Values**

Units	Allocator Names	Total	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Public Lighting	
Class Allocators									
1	InputAlloc	ALLOCATION VALUES							
2	MWh	MWh-Meter	177,519,531	87,147,217	713,519	34,381,940	54,672,013	119,107	485,735
3	MW	NCP-Prim	51,820	29,388	404	6,654	15,238	27	108
4	MW	NCP-Sec	44,784	29,388	404	6,654	8,202	27	108
5	MW	NCP-Ltr	19,244	7,911	339	2,657	8,202	27	108
6	#	AVG-CUST	6,890	5,752	17	1,071	39	12	0
7	#	Services_Cost	6,374,138	4,749,011	24,906	1,530,815	69,407		
8	#	Meters	6,890	5,752	17	1,071	39	12	0
9	\$	Mcter_Cost	1,187,698	764,218	8,422	299,485	115,573		
10	\$	Dist_Rev	4,566,662	2,401,408	22,255	949,512	1,118,118	14,383	60,985
11	\$	CustDeposits	101,118	71,544	664	13,276	15,634		
12	\$	Write-Offs	19,111	16,175	150	1,279	1,507		
13	\$	StLgt-Cost	465,322					238,452	226,870
14									
15	InputFunc	FUNCTIONAL ALLOCATORS		Total		Primary Dist	Secondary Dist	Billing	
16		OH_Cond	100.00%			75.00%	25.00%		
17		UG_Cond	100.00%			50.29%	49.71%		
18		Trans	100.00%			0.00%	100.00%		
19									
20									
21	InputClass	CLASSIFICATIONS			Total	Demand	Commodity	Customer	
22		PTF-Sec-Z	100.00%	16.61%			83.39%		
23		OII-Sec-Z	100.00%	23.22%			76.78%		
24		UG-Sec-Z	100.00%	42.07%			57.93%		
25		Trans-Min	100.00%	61.44%			38.56%		
26									

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Distribution System Functionalization and Classification

Primary / Secondary Split for OH and UG Conductors				
Line	Conductor Type	Circuit Miles	Line Miles (Circuit)	
			Miles X # of conductors)	Description
1	OH Primary (1 Ph)	89.07	178.14	1 phase wire, 1 neutral wire
2	OH Primary (2Ph)	4.84	14.52	2 phase wires, 1 neutral wire
3	OH Primary (3 Ph)	66.75	267.00	3 phase wires, 1 neutral wire
4	OH Secondary	84.50	84.50	1 triplexed conductor
5	UG Primary (1 Ph)	51.96	51.96	1 cable with concentric neutral
6	UG Primary (2 Ph)	0.49	0.98	2 cables with concentric neutral
7	UG Primary (3 Ph)	4.29	12.87	3 cables with concentric neutral
8	UG Secondary	60.41	60.41	1 duplexed or triplexed conductor
9		362.31	670.38	(UG SL and MBL)
10				
11	Totals			
12	OH Primary	160.66	459.66	
13	OH Secondary	84.50	84.50	
14	OH Total	245.16	544.16	
15				
16	UG Primary	56.74	65.81	
17	UG Secondary	60.41	60.41	
18	UG Total	117.15	126.22	
19				
20	Totals			Average
21	OH Primary	65.53%	84.47%	75.00%
22	OH Secondary	34.47%	15.53%	25.00%
23	OH Total	100.00%	100.00%	100.00%
24				
25	UG Primary	48.43%	52.14%	50.29%
26	UG Secondary	51.57%	47.86%	49.71%
27	UG Total	100.00%	100.00%	100.00%
28				
29	Zero-Load Components for Secondary			
30		Poles	Overhead Conductors	Underground Conductors
31	Labor	32.6%	32.7%	23.9%
32	Overhead	37.9%	34.1%	28.5%
33	Vehicle	12.8%	10.1%	5.6%
34	Zero-Load Component	83.4%	76.8%	57.9%
35	Material	16.6%	23.2%	42.1%
36	Total Cost	100.0%	100.0%	100.0%
37	Overheads are spread over labor hours.			

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Transformers Classification**

Transformers Minimum Size Component							
Transformers	Minimum Size	Cost for Minimum Size	Total Cost Minimum Size	Number	Replacement Cost	Minimum Size Component	
1	Line	TPD50 X 1/4	531	1,029,124	1,939	2,038,109	50.5%
2	Pad-Mount	TPD50 X 1/4	531	326,411	615	1,476,903	22.1%
3				<u>1,355,536</u>	<u>2,554</u>	<u>3,515,012</u>	38.6%

Transformers Unit Costs						
Part #	Description	Cost	Install	Total	Basis	
7	TPM15 Transformer, 15KVA, Pole	\$565	\$247	\$812	Actual	15
8	TPM25 Transformer, 25KVA, Pole	\$678	\$247	\$925	Actual	25
9	TPM25/480 Transformer, 25KVA/480, Pole	\$725	\$247	\$972	Actual	25
10	TPM37.5 Transformer, 37.5KVA, Pole	\$1,039	\$247	\$1,286	Actual	37
11	TPM50 Transformer, 50KVA, Pole	\$982	\$247	\$1,229	Actual	50
12	TPM50/480 Transformer, 50KVA/480, Pole	\$982	\$247	\$1,229	Actual	50
13	TPM75 Transformer, 75KVA, Pole	\$1,760	\$247	\$2,007	Actual	75
14	TPM100 Transformer, 100KVA, Pole	\$2,300	\$247	\$2,547	Actual	100
15	TPM167 Transformer, 167KVA, Pole	\$2,600	\$247	\$2,847	Actual	167
16	TPM100/480 Transformer, 100KVA/480, Pole	\$2,300	\$247	\$2,547	Actual	100
17	TPM167/480 Transformer, 167KVA/480, Pole	\$2,600	\$247	\$2,847	Actual	167
18	TPD25 Transformer, 25KVA, Pad	\$1,330	\$513	\$1,843	Actual	25
19	TPD50 Transformer, 50KVA, Pad	\$1,610	\$513	\$2,123	Actual	50
20	TPD50 X 1/4			\$531		
21	TPD75			\$2,441	Avg 50/100	75
22	TPD100 Transformer, 100KVA, Pad	\$2,245	\$513	\$2,758	Actual	100
23	TPD150/208 Transformer, 150KVA/208, Pad	\$5,150	\$513	\$5,663	Actual	150
24	TPD300/208 Transformer, 300KVA/208, Pad	\$7,293	\$513	\$7,806	Actual	300
25	TPD300/480 Transformer, 300KVA/480, Pad	\$7,293	\$513	\$7,806	Actual	300
26	TPD300 Transformer, 300KVA, Pad			\$7,806	Actual	300

D3

**Citizens Electric Company of Lewisburg
 Rate Case with Fully Projected Future Test Year 2017
 Transformers Classification**

Transformers Minimum Size Component							
Transformers	Minimum Size	Cost for Minimum Size	Total Cost Minimum Size	Number	Replacement Cost	Minimum Size Component	
1	Line	TPD50 X 1/4	531	1,029,124	1,939	2,038,109	50.5%
2	Pad-Mount	TPD50 X 1/4	531	326,411	615	1,476,903	22.1%
3				<u>1,355,536</u>	<u>2,554</u>	<u>3,515,012</u>	<u>38.6%</u>
4							
5							
Transformers Unit Costs							
27	TPD500/208	Transformer, 500KVA/208, Pad	\$8,120	\$513	\$8,633	Actual	500
28	TPD500/480	Transformer, 500KVA/480, Pad	\$8,120	\$513	\$8,633	Actual	500
29	TPD1000/480	Transformer, 1000KVA/480, Pad	\$11,225	\$513	\$11,738	Actual	1000
30	LR/250	Line Regulator, 250kVA	\$13,622	\$513	\$14,135	Actual	

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**Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Service Costs**

Line	Rate Class	Replacement Cost	Customers	Services Cost
1	Residential Overhead	\$710	4,831	3,431,925
2	Residential Underground	\$1,430	921	1,317,085
3	Residential	\$826	5,752	4,749,011
4				
5	GLP1	\$1,430	1,071	1,530,815
6	GLP3	\$1,795	39	69,407
7	SH	\$1,430	17	24,906
8				
9	Total Service Cost			6,374,138
10				

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Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017
Meter Costs

Line	Meter Types	Description	Material	Installation	CT / PT / Other	Total Cost Per Meter	Number Installed				
							RS	SH	GLP1	GLP3	MBL
1	M4S20T	Meter, 4S CI 20, 240V, Sing Ph	118.75	81.00		199.75	7		12		
2	M2S200T	Meter 2S, CI 200, 240V, Sing Ph	33.15	94.00		127.15	5,420	9	801		12
3	M2S320T	Meter 2S, CI 320, 240V, Sing Ph	122.75	94.00		216.75	246	1	55		
4	M12S200T	Meter, Form 12S Calss 200	97.45	99.00		196.45	74		11		
5	M8/9S20T	Meter 8/89, CI 20, AXS4E	287.50	230.00		517.50	2	4	100	29	
6	M15/16S20T	Meter, Form 15S.16S Calss 200	434.05	260.00		694.05		3	85		
7	CI200/5	C.T., Ratio 200:5 (600V)			119.35	119.35	28	3	293	18	
8	CI400/5	C.T., Ratio 400:5 (600V)			122.25	122.25	9	4	38	42	
9	CT600/5	C.T., Ratio 600:5 (600V)			192.00	192.00			8	9	
10	CT800/5	C.T., Ratio 800:5 (600V)			348.00	348.00				12	
11	CT1000/5	C.T., Ratio 1000:5 (600V)			150.74	150.74				6	
12	CT1200/5	C.T., Ratio 1200:5 (600V)			139.69	139.69				9	
13	CT2000/5	C.T., Ratio 2000:5 (600V)			139.69	139.69				3	
14	CTHV200/5	C.T., Ratio 100:5 (7200V)			465.00	465.00				6	
15	CTHV150/5	C.T., Ratio 150:5 (7200V)			465.00	465.00				6	
16	CTHV100/5	C.T., Ratio 200:5 (7200V)			465.00	465.00				6	
17	CTHV300/5	C.T., Ratio 300:5 (7200V)			465.00	465.00				0	
18	CTHV400/5	C.T., Ratio 400:5 (7200V)			465.00	465.00				3	
19	PTHV	P.T., H.V. (7200), RATIO 60:1			780.00	780.00				21	
20	PT2.4	P.T., L.V. (600), RATIO 2.4:1			620.00	620.00			24	27	
21	PT2.5	P.T., L.V. (600), RATIO 2.5:1			620.00	620.00			18	21	
22	VTPack2.4 1.1.1	VTPack 2.4 1.1.1			468.22	468.22		3	3		
23											
24	Total Cost						763,886	8,220	297,666	86,680	1,526
25	Customers above						5,749	17	1,064	29	12
26	Average per Customer						132.87	483.55	279.76	2,988.97	127.15
27	Customers in 2017						5,752	17	1,071	39	12
28	Meter Cost for Class						764,218	8,422	299,485	115,573	1,526

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**Citizens Electric Company of Lewisburg
 Rate Case with Fully Projected Future Test Year 2017
 Customer Deposits and Advances; Uncollectible Accounts**

<u>Line</u>	<u>Class</u>	<u>Revenue</u>	<u>Deposits</u>				<u>Net</u>
1	Residential	2,395,895	71,544				16,175
2	Space Heating	22,228	664				150
3	GLP-1	949,512	13,276				1,279
4	GLP-3	1,118,118	15,634				1,507
5		<u>4,485,753</u>	<u>101,118</u>				<u>19,111</u>
6							
7				<u>Write-offs</u>	<u>Collected</u>	<u>Net</u>	<u>Number</u>
8	Residential		72,208	24,892	8,567	16,325	70
9	Non-residential		28,910	2,861	75	2,786	9
10			<u>101,118</u>	<u>27,753</u>	<u>8,642</u>	<u>19,111</u>	<u>79</u>
11							
12	Residential / Res plus SH)	99.1%					
13	GLP1 / GLP1 plus GLP3)	45.9%					
14							

TAB E

CI

Citizens Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2017

Net Operating Income And Rates of Return
Historic Year 2015, Future Test Year 2016 and Fully Projected Future Test Year 2017
Answer to 52 Pa. Code 53.52 c[1]

Line	Description	Historic Year 2015		Present Rates	Present Rates Fully	Proposed Rates
		Per Books	Distribution Only	12/31/2016	Projected	Fully Projected
				Distribution Only	12/31/2017	Distribution Only
1	REVENUE					
2	Residential	\$2,395,895	\$2,395,895	\$2,396,796	\$2,401,408	\$2,958,204
3	Commercial and industrial	2,089,858	2,089,858	2,089,837	2,089,886	2,102,039
4	Lighting	75,368	75,368	75,368	75,368	93,222
5	Rounding					5,478
6	Electric operating revenue	4,561,122	4,561,122	4,562,002	4,566,662	5,158,942
7	Other revenue, net	66,011	66,011	66,011	66,011	66,011
8	GSSR	10,186,464	0	0	0	0
9	Consumed not billed, Under / Over	55,784	0	0	0	0
10	Total Revenue	14,869,380	4,627,133	4,628,013	4,632,673	5,224,953
11	<i>Annual kWh</i>	<i>174,724,087</i>		<i>173,964,621</i>	<i>177,519,531</i>	<i>177,519,531</i>
12	EXPENSES					
13	Purchased electricity	9,669,719	0	0	0	0
14	Distribution	1,107,711	1,107,711	1,049,658	1,081,148	1,081,148
15	Customer accounting & collection expenses	436,058	436,058	468,288	482,337	482,337
16	Sales expense, Public relations	0	0	0	0	0
17	Administrative & general expenses	998,119	998,119	1,013,315	1,043,714	1,043,714
18	Total Operating expenses	12,211,607	2,541,888	2,531,261	2,607,199	2,607,199
19						
20	Depreciation expense	996,548	996,548	947,542	993,695	993,695
21	Taxes other than income	978,361	379,585	379,637	379,912	414,533
22	Rate case expense amortization				76,667	76,667
23	Total Expenses	14,186,516	3,918,021	3,858,440	4,057,472	4,092,094
24						
25	Net operating income before income taxes	682,864	709,111	769,573	575,200	1,132,859
26						
27	Income tax expense	238,756	249,411	170,963	(8,244)	218,129
28	NET UTILITY OPERATING INCOME (LOSS)	\$444,108	\$459,701	\$598,609	\$583,445	\$914,731
29						
30	RATE BASE (B)	\$10,862,502	\$10,862,502	\$11,465,080	\$12,129,163	\$12,129,163
31	RATE OF RETURN ON RATE BASE (A / B)	4.09%	4.23%	5.22%	4.81%	7.54%

C1-7

**Citizens Electric Company of Lewisburg
 Rate Case with Fully Projected Future Test Year 2017**

3

**Cost of Capital and Fair Rate of Return Based upon Hypothetical Ratemaking Capital Structure
 12/31/2016 and 12/31/2017**

<u>Line</u>	<u>Type of Capital</u>	<u>Ratios (1)</u>
1	Long-Term Debt (B)	51.00%
2	Preferred Stock	
3	Common Equity (A)	49.00%
4	Total	<u>100.00%</u>

<u>12/31/17</u>	
<u>Cost Rate</u>	<u>Weighted Cost</u>
4.694%	2.39%
10.50%	<u>5.15%</u>
	<u>7.54%</u>
Using	7.540%

5
 6
 7 (A) Recommended hypothetical capital structure ratios as discussed in direct testimony.
 8 (B) Average debt cost rate calculated as follows:

TAB F

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

RULES AND REGULATIONS AND RATE SCHEDULES FOR ELECTRIC SERVICE

IN

**LEWISBURG BOROUGH; BUFFALO, EAST BUFFALO AND KELLY
TOWNSHIPS, UNION COUNTY; AND WEST CHILLISQUAQUE
TOWNSHIP, NORTHUMBERLAND COUNTY, PENNSYLVANIA**

Issued August 31, 2016

Effective October 30, 2016

Issued by
ERIC WINSLOW, PRESIDENT
1775 Industrial Boulevard
Lewisburg, PA 17837

N O T I C E !

**THIS SUPPLEMENT MAKES {{CHANGES}} TO EXISTING
RATES, RULES AND REGULATIONS**

See Page No. 2

LIST OF CHANGES MADE IN THIS SUPPLEMENT

Supplement No. 110 implements a distribution rate increase and certain other changes to Citizens' Rules and Regulations in its tariff. Specifically, Supplement No. 110:

- Page 37: Sets the "State Tax Adjustment Surcharge" to 0.00% as of October 30, 2016.
- Page 41: Increases the Customer Charge and the variable distribution charge for all energy consumption.
- Page 43: Increases the Customer Charge and consolidates the energy-based charges into a single rate.
- Page 44: Increases the "Minimum Charge."
- Page 45: Increases the Customer Charge and decreases the first block charge.
- Page 46: Increases the "Minimum Charge."
- Page 47: Under "Net Monthly Distribution Rate," increases the monthly per meter charge and the monthly per light post charge.
- Page 49: Under "Net Monthly Rates," increases the distribution charges for all available lighting types.
- Page 53: Increases the Customer Charge and the energy-based charge.

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(C) Indicates Change

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(C) Indicates Change

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of 0.00% will apply to all bills for service rendered on or after October 30, 2016. (C) (I) (C)

The State Tax Adjustment Surcharge will be recomputed using the elements prescribed by the Commission whenever the Company experiences a material change in any of the taxes used in calculation of the surcharge. Such recalculation will be submitted to the Commission within 10 days after the occurrence of the event which occasions such recomputation. If the recomputed surcharge is less than the one in effect the utility will, or if the recomputed surcharge is more than the one in effect the utility may, submit such recomputation a tariff or supplement to reflect such recomputed surcharge. The effective date of such tariff or supplement shall be ten days after filing. Any charges or credits in the surcharge shall be rolled into the base rates in the Company's next base rate proceeding.

(C) Indicates Change (I) Indicates Increase

**SCHEDULE RS
RESIDENTIAL SERVICE**

APPLICATION OF SCHEDULE

Service supplied in accordance with Company's Residential Service Requirements contained in Rule 31, in Company's Rules and Regulations.

NET MONTHLY DISTRIBUTION RATE

\$13.00 Customer Charge

(I)

2.3720 cents per kWh for all kWh

(I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 7.161 cents per kWh

(I) Indicates Increase

**SCHEDULE GLP-1
GENERAL LIGHT AND POWER SERVICE**

APPLICATION OF SCHEDULE

This rate schedule is for small general light and power service at secondary voltage or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

- \$15.50 Customer Charge (I)
- \$3.00 per kilowatt for all kilowatts of the Billing Demand (D)
- 0.9100 cents per kWh for all kWh (C)
- * * *

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 or the GSSR-2, and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers.

Customers with monthly billing demands under 400 kW for each of the prior 12 months will pay the GSSR-1. As set forth in the GSSR-1 Rider, the GSSR-1 rate includes projected energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 7.161 cents per kWh

Customers with a monthly billing demand of 400 kW or more during any month in the last 12 months will pay the GSSR-2. As set forth in the GSSR-2 Rider, the GSSR-2 rate includes the Administrative Charges defined in Rider GSSR-2 (including administrative, ancillary, and congestion charges from the wholesale supplier and administrative charges from the Company). Costs for energy, capacity and transmission (including RTEP) will be added to the Administrative Charge as set forth in the GSSR-2 Rider.

GSSR-2 Administrative Charge = 0.412 cents per kWh

(I) Indicates Increase (D) Indicates Decrease (C) Indicates Change

SCHEDULE GLP-1 (cont'd)
GENERAL LIGHT AND POWER SERVICE

MINIMUM CHARGE

\$15.50 per month, plus \$3.00 per kW times the Billing Demand, but not less than 50% of the highest Billing Demand of the preceding eleven months. (I)

BILLING DEMAND

Billing Demand is the average kilowatts supplied during the 15-minute period of maximum use during the current month, but not less than 5 kW.

Pending the installation of a demand meter, Billing Demand shall be determined by dividing the kilowatt-hour use by 200.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate.

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONTRACT PERIOD

Not less than one year.

SPECIAL PROVISION

Upon application, pursuant to Act 103 of 1985, volunteer fire companies and non-profit senior citizens' center may elect to have its electric service rendered under the Residential Service (RS) Rate Schedule upon execution of a contract for a minimum term of one year.

(I) Indicates Increase

SCHEDULE GLP-3
GENERAL LIGHT AND POWER SERVICE
50 KILOWATTS MINIMUM

APPLICATION OF SCHEDULE

General light and power service for not less than 50 kilowatts from available lines of three phase 230 volts or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

- \$55.00 Customer Charge (I)
- \$5.20 per kilowatt for all kilowatts of the Billing Demand
- 0.9120 cents per kWh for 30 kWh per kilowatt of the Billing Demand (D)
- 0.1000 cents per kWh for all additional kWh

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 or the GSSR-2, and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers.

Customers with monthly billing demands under 400 kW for each of the prior 12 months will pay the GSSR-1. As set forth in the GSSR-1 Rider, the GSSR-1 rate includes projected energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 7,161 cents per kWh

Customers with a monthly billing demand of 400 kW or more during any month in the last 12 months will pay the GSSR-2. As set forth in the GSSR-2 Rider, the GSSR-2 rate includes the Administrative Charges defined in Rider GSSR-2 (including administrative, ancillary, and congestion charges from the wholesale supplier and administrative charges from the Company). Costs for energy, capacity and transmission (including RTEP) will be added to the Administrative Charge as set forth in the GSSR-2 Rider.

GSSR-2 Administrative Charge = 0,412 cents per kWh

(I) Indicates Increase (D) Indicates Decrease

SCHEDULE GLP-3 (cont'd)
GENERAL LIGHT AND POWER SERVICE
50 KILOWATTS MINIMUM

MINIMUM CHARGE

The monthly minimum charge is the customer charge of \$55.00, plus \$5.20 (I) (C) per kW times the minimum Billing Demand requirement of this rate schedule but not less than 50 kW.

BILLING DEMAND

Billing Demand is the average kilowatts supplied during the 15-minute period of maximum use during the current month, but not less than 50% of the highest demand during the preceding eleven months.

VOLTAGE DISCOUNT

21 cents per kilowatt of Billing Demand when service is supplied at 12,000 volts for loads over 1000 kilowatts.

TAX ADJUSTMENT SURCHARGE

The Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate.

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONTRACT PERIOD

Not less than one year.

(I) Indicates Increase (C) Indicates Change

**SCHEDULE MBL
MUNICIPAL BOULEVARD STREET LIGHTING SERVICE BY CONTRACT
WITH MUNICIPAL AUTHORITIES**

AVAILABILITY

This schedule applies to street lighting with incandescent lamps controlled by Company when proper underground cables and lighting standards are available in the Borough of Lewisburg, Pennsylvania.

NET MONTHLY DISTRIBUTION RATE

\$4.08 for each meter	(I)
\$3.31 for each light post connected to the meter	(I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 7.161 cents per kWh

(I) Indicates Increase

**SCHEDULE OL
 OUTDOOR LIGHTING SERVICE BY CONTRACT
 HIGH PRESSURE SODIUM (HPS) & MERCURY VAPOR (MV)***

APPLICATION OF SCHEDULE

Outdoor dusk to dawn lighting service to any customer when such service can be supplied from existing overhead or underground secondary supply lines.

NET MONTHLY RATES

Watts	Lamp	Nominal Lumens	Supply OH/UG	Fixture Type	Distribution	Generation***	Total Cost
100	HPS	8,500	OH	Open	\$9.00	\$3.26	\$12.26
100	HPS	8,500	UG	Open	\$14.62	\$3.26	\$17.88
100	HPS	8,500	UG	Colonial**	\$17.13	\$3.26	\$20.39
400	HPS	45,000	OH	Cobra	\$14.05	\$11.65	\$25.70
400	HPS	45,000	UG	Cobra	\$22.12	\$11.65	\$33.77
175	MV*	6,650	OH	Open	\$7.20	\$5.01	\$12.21

(I)
 |
 (I)

*As a result of the passage of the 2005 Federal Energy Policy Act, Mercury Vapor lamps are now being discontinued. Therefore, Mercury Vapor lamps are no longer being offered for new installations. The Company reserves the right to replace any existing Mercury Vapor installation with a Company approved alternative.

**Colonial HPS and MV fixtures installed prior to March 1, 2008 will be billed at the 100W HPS UG open-type fixture rate.

*** Customers' monthly generation charge will be adjusted periodically to reflect changes in the Company's GSSR-1.

Alternative EGS supply is not available under this tariff.

HOURS OF SERVICE

All lamps will be controlled with automatic controls which will operate according to the degree of darkness, approximately 4,200 hours per year. The Company will endeavor to replace burned out lamps within 2 business days after notification. There is no reduction in the bill for lamp or power outages.

STANDARD EQUIPMENT AND SERVICE

All outdoor lighting facilities will be supplied, installed, operated, owned and maintained by the Company. New equipment installed under the above rates shall be the standard equipment of the type currently approved and furnished by the Company.

Company installs up to one span of secondary not exceeding 150 feet from an existing 120 Volt secondary supply and one pole for each lamp, provided the location of the pole is accessible by a service truck for the installation and maintenance of the pole and lamp.

(I) Indicates Increase

**SCHEDULE SH
SPACE HEATING****APPLICATION OF SCHEDULE**

This rate schedule is in the process of elimination and is available only to customers and service locations supplied hereunder continuously on and after August 8, 1981. For Space Heating through a separate meter for single phase service or three phase service, if available. Use of service for air conditioning and water heating equipment may be supplied hereunder in connection with the space heating equipment, all in accordance with the requirements specified herein.

NET MONTHLY DISTRIBUTION RATE

\$21.50 Customer Charge (I)

3.3270 cents per kWh (I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 7.161 cents per kWh

(I) Indicates Increase

TAB G

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Index to Class Cost of Service Study

SCHEDULE	DESCRIPTION
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<u>E-5B</u>	Functionalization Factors
<u>E-5C</u>	Classification Factors
<u>E-5D</u>	Class Allocation Factors

Sum
Summary of Results
Tot
E-1

Citizens Electric Company of Lewisburg
COS Study
FPPTY 2017
Summary of Results

Line	Account	No.	Balance	RS	SH	GLP-1	GLP-3	MBL	PL
1	Distribution Revenue		4,566,662	2,401,408	22,255	949,512	1,118,118	14,383	60,985
2	Forfeited Discounts		29,280	15,397	143	6,088	7,169	92	391
3	Other Revenue	302	36,731	22,660	241	5,212	8,478	37	103
4	Total Revenue	303	<u>4,632,673</u>	<u>2,439,465</u>	<u>22,640</u>	<u>960,812</u>	<u>1,133,765</u>	<u>14,512</u>	<u>61,479</u>
5			100.0%	52.7%	0.5%	20.7%	24.5%	0.3%	1.3%
6	Expenses		4,049,228	2,631,345	24,538	627,316	687,826	37,708	40,496
7	Net income		<u>583,445</u>	<u>(191,879)</u>	<u>(1,899)</u>	<u>333,496</u>	<u>445,939</u>	<u>(23,195)</u>	<u>20,983</u>
8									
9	Rate Base		<u>12,129,163</u>	<u>7,562,635</u>	<u>81,439</u>	<u>1,932,015</u>	<u>2,155,064</u>	<u>198,880</u>	<u>199,129</u>
10									
11	Return on Rate Base		<u>4.81%</u>	<u>(2.54%)</u>	<u>(2.33%)</u>	<u>17.26%</u>	<u>20.69%</u>	<u>(11.66%)</u>	<u>10.54%</u>
12									
13	Revenue Requirement		5,224,953	3,398,939	32,800	799,575	875,569	59,003	59,068
14			100.0%	65.1%	0.6%	15.3%	16.8%	1.1%	1.1%
15	Operating expenses		2,587,353	1,745,934	14,946	384,194	401,466	20,612	20,202
16	Depreciation expense		993,695	622,536	6,973	154,367	182,853	13,391	13,575
17	Regulatory Commission Expenses		71,793	44,764	482	11,436	12,756	1,177	1,179
18	General taxes / Other		110,479	68,484	765	17,438	20,347	1,715	1,730
19	Uncollectibles expense		24,720	12,999	120	5,140	6,053	78	330
20	GRT		304,378	198,076	1,910	46,603	50,870	3,459	3,459
21			<u>4,092,417</u>	<u>2,692,793</u>	<u>25,196</u>	<u>619,177</u>	<u>674,344</u>	<u>40,433</u>	<u>40,475</u>
22	Pre-tax income		1,132,536	706,146	7,604	180,398	201,225	18,570	18,593
23	Income taxes		217,997	135,923	1,464	34,724	38,733	3,574	3,579
24	Net income		<u>914,539</u>	<u>570,223</u>	<u>6,141</u>	<u>145,674</u>	<u>162,492</u>	<u>14,996</u>	<u>15,014</u>
25									
26	Return on Rate Base		7.54%	7.54%	7.54%	7.54%	7.54%	7.54%	7.54%
27									
28	Revenue Increase Required		592,281	959,473	10,160	(161,237)	(258,196)	44,491	(2,411)
29	Revenue Increase %		12.97%	39.95%	45.65%	(16.98%)	(23.09%)	309.33%	(3.95%)

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	PL
164	REVENUE REQUIREMENTS									
165	Target Rate of Return		7.5400%		7.5400%	7.5400%	7.5400%	7.5400%	7.5400%	7.5400%
166										
167	Rate Base		12,129,163		7,562,635	81,439	1,932,015	2,155,064	198,880	199,129
168										
169	Operating expenses		2,587,353		1,745,934	14,946	384,194	401,466	20,612	20,202
170	Uncollectibles expense		24,720		12,999	120	5,140	6,053	78	330
171	Depreciation expense		993,695		622,536	6,973	154,367	182,853	13,391	13,575
172	Regulatory Commission Expenses		71,793		44,764	482	11,436	12,756	1,177	1,179
173	General taxes / Other		110,479		68,484	765	17,438	20,347	1,715	1,730
174	Subtotal- Operating Costs to recover		3,788,039		2,494,716	23,285	572,574	623,474	36,974	37,015
175										
176	Target Return on Rate Base- After taxes		914,539		570,223	6,141	145,674	162,492	14,996	15,014
177										
178	Income taxes to recover		217,997		135,923	1,464	34,724	38,733	3,574	3,579
179										
180	Subtotal- Rev Req before GRT		4,920,576		3,200,862	30,890	752,972	824,699	55,544	55,609
181	GRT needed		304,378		198,076	1,910	46,603	50,870	3,459	3,459
182	TOTAL REVENUE REQUIREMENT		5,224,953		3,398,939	32,800	799,575	875,569	59,003	59,068
183										
184	Revenue at Present rates		4,632,673		2,439,465	22,640	960,812	1,133,765	14,512	61,479
185	Revenue Excess (Deficiency)		(592,281)		(959,473)	(10,160)	161,237	258,196	(44,491)	2,411

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Citizens Electric Company of Lewisburg
 COS Study
 FPPTY 2017

		Revenue Requirement By Functional Classification						
Account Description		Total Dollars	RS	SH	GLP-1	GLP-3	MBL	PL
1	Demand-related							
2	Primary	2,201,393	1,250,335	17,139	283,706	643,447	1,687	5,079
3	Secondary	552,306	303,841	7,010	79,660	158,891	675	2,229
4		<u>2,753,699</u>	<u>1,554,176</u>	<u>24,149</u>	<u>363,366</u>	<u>802,338</u>	<u>2,361</u>	<u>7,309</u>
5	NCP-Primary	51,820	29,388	404	6,654	15,238	27	108
6	Per kW / month-Demand	\$4.43	\$4.41	\$4.98	\$4.55	\$4.39	\$7.24	\$5.62
7								
8	kWh-Meter	177,519,531	87,147,217	713,519	34,381,940	54,672,013	119,107	485,735
9	Per kWh-Meter	\$0.01551	\$0.01783	\$0.03385	\$0.01057	\$0.01468	\$0.01983	\$0.01505
10								
11	Customer-related							
12	Secondary	1,111,017	804,583	3,162	187,938	11,919	53,510	49,905
13	Billing	1,360,237	1,040,179	5,489	248,271	61,312	3,132	1,854
14		<u>2,471,254</u>	<u>1,844,763</u>	<u>8,651</u>	<u>436,209</u>	<u>73,231</u>	<u>56,642</u>	<u>51,759</u>
15	Number of Bills	82,681	69,018	209	12,846	464	144	0
16	Per bill	\$29.89	\$26.73	\$41.39	\$33.96	\$157.83	\$393.35	-
17								
18	Total revenue requirement	<u>5,224,953</u>	<u>3,398,939</u>	<u>32,800</u>	<u>799,575</u>	<u>875,569</u>	<u>59,003</u>	<u>59,068</u>

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Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017

		Customer-Related Costs In Revenue Requirement					
Account Description	Total Dollars	RS	SH	GLP-1	GLP-3	MBL	PL
1 Service cost, net	2,024,659	1,508,459	7,911	486,243	22,046	0	0
2 Meter cost, net	933,525	600,672	6,619	235,394	90,840	0	0
3 ADIT- Service / Meter	(29,588)	(21,283)	(139)	(7,119)	(1,048)	0	0
4 Service / Meter-Related Rate Base	2,928,596	2,087,849	14,392	714,518	111,838	0	0
5 Rate of return on rate base	7.54%	7.54%	7.54%	7.54%	7.54%	7.54%	7.54%
6 Return on Service / Meter rate base	220,816	157,424	1,085	53,875	8,433	0	0
7 Income tax gross-up	52,636	37,525	259	12,842	2,010	0	0
8 GRT gross-up	16,920	12,064	83	4,129	644	0	0
9 Customer-charge return component	290,372	207,013	1,427	70,846	11,087	0	0
10							
11 Meter expenses	66,545	42,818	472	16,780	6,475	0	0
12 Meter reading expenses	16,650	10,713	118	4,198	1,620	0	0
13 Service / Meter depreciation expense	180,176	128,610	880	43,936	6,750	0	0
14 Customer records and collection	440,967	368,097	1,115	68,512	2,475	768	0
15 Customer-charge expense component	704,338	550,239	2,585	133,426	17,320	768	0
16							
17 Customer-charge expense component	994,710	757,252	4,012	204,272	28,407	768	0
18							
19 Number of Bills	82,681	69,018	209	12,846	464	144	0
20							
21 Customer-charge Components	\$12.03	\$10.97	\$19.20	\$15.90	\$61.22	\$5.33	-
22							
23 Distribution Plant in Service- Cost	20,974,774	12,680,496	157,868	3,272,311	4,244,355	305,565	314,179
24 Services / Meters % of Distribution Plant	14.1%	26.0%	14.2%	34.3%	4.0%	0.0%	0.0%
25 ADIT	(133,742)	(82,004)	(977)	(20,751)	(26,245)	(1,861)	(1,905)
26							
27 Income tax gross-up	23.84%	23.84%	23.84%	23.84%	23.84%	23.84%	23.84%
28 GRT gross-up	6.19%	6.19%	6.18%	6.19%	6.17%	6.23%	6.22%

Functions	Citizens Electric Company of Lewisburg								
Funtionalization	COS Study								
Fnc	FPPTY 2017								
E-2	Funtionalization								
Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing	Labor	Labor %
30	II. DEPRECIATION RESERVE								
31	Intangible Plant	108.3	91,169	IntanPt	127	138	90,904	-	
32	Transmission Plant	108.5	0	Tran	0	0	0	-	
33	Station Equipment	108.5	775,723	Prim	775,723	0	0	-	
34	Poles, Towers and Fixtures	108.6	2,377,680	OH_Cond	1,783,310	594,370	0	-	
35	OH Conductors and Devices	108.6	1,347,177	OH_Cond	1,010,411	336,766	0	-	
36	UG Conduits and Conductors	108.6	1,452,600	UG_Cond	730,460	722,140	0	-	
37	Line Transformers	108.6	1,744,143	Trans	0	1,744,143	0	-	
38	Services	108.6	1,199,897	Sec	0	1,199,897	0	-	
39	Meters	108.6	447,397	Bill	0	0	447,397	-	
40	Street Lighting	108.6	203,180	Sec	0	203,180	0	-	
41	General Plant	108.6	1,997,251	GenPtxL	835,178	401,504	760,570	-	
35	Total DEPRECIATION RESERVE	108	11,636,216		5,135,208	5,202,137	1,298,870	-	
42									
43	III. OTHER RATE BASE ITEMS								
44	Cash Working Capital	131	379,882	OpExp_Dist	158,117	81,547	140,218	-	
45	CWIP	131	14,029	Plant	6,234	6,372	1,423	-	
45	Materials & Supplies	255	163,027	OpExp_Dist	67,856	34,996	60,175	-	
46	Customer Deposits		(101,120)	Bill	0	0	(101,120)	-	
47	ADIT	154	(133,742)	Plant	(59,435)	(60,743)	(13,565)	-	
48	Accrued Pension / OPEB	182	(523,431)	Labor	(218,880)	(105,224)	(199,327)	-	
49	Total OTHER RATE BASE ITEMS	131-283	(201,355)		(46,107)	(43,053)	(112,195)	-	
50									
51	TOTAL RATE BASE		<u>12,129,163</u>		<u>5,327,570</u>	<u>5,495,030</u>	<u>1,306,563</u>	-	
52			12,129,163						

Functions	Citizens Electric Company of Lewisburg									
Functionalization	COS Study									
Fnc	FPPTY 2017									
11-2	Functionalization									
Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing	Labor	Labor %	
53	I. OPERATING AND MAINTENANCE EXPENSES									
54	B. TRANSMISSION EXPENSE									
55	Transmission Expense		0	Tran	0	0	0	-	0	0
56	Total TRANSMISSION Expense		0		0	0	0			
57										
58	C. DISTRIBUTION OPER. & MAINT. EXPENSE									
59	Ops Supv & Engineering	580	109,378	D-Labor-Op	60,179	31,466	17,733	-	106,192	97.09%
60	Station Expenses	582	9,187	Prim	9,187	0	0	-	8,719	94.91%
61	OH Line Expenses	583	191,753	OH_Cond	143,819	47,934	0	-	184,068	95.99%
62	Street Lighting Expenses	585	11,033	Sec	0	11,033	0	-	10,712	97.09%
63	Meter Expenses	586	66,545	Bill	0	0	66,545	-	61,857	92.95%
64	Customer Installation Expenses	587	8,273	Bill	0	0	8,273	-	7,932	95.88%
65	Misc. Distribution Expenses	588	238,733	OH_UG	136,801	101,933	0	-	157,184	65.84%
66	Rents	589	448	DistPt	201	218	29	-	0	0.00%
67	Maint Supv & Engineering	590	0	None	0	0	0	-	0	0.00%
68	Maint of Station Equip	592	11,208	Prim	11,208	0	0	-	5,882	52.48%
69	Maint of OH Lines	593	415,300	OH_Cond	311,484	103,816	0	-	194,704	46.88%
70	Maint of UG Lines	594	4,409	UG_Cond	2,217	2,192	0	-	3,281	74.41%
71	Maint of Line Transformers	595	11,134	Trans	0	11,134	0	-	7,810	70.14%
72	Maint of Lighting	596	3,584	Sec	0	3,584	0	-	3,230	90.11%
73	Maint of Misc. Plant	599	161	DistPt	72	78	11	-	156	97.09%
74	Total DISTR. OPER. & MAINT. EXP.	500-599	1,081,148		675,167	313,389	92,591	-	751,727	
75	Distribution Expense		1,081,148		675,167	313,389	92,591	-		
76	D. CUSTOMER ACCOUNTS AND SERVICE									
77	Supervision	901	0	None	0	0	0	-	0	0.00%
78	Meter Reading Exp	902	16,650	Bill	0	0	16,650	-	3,665	22.01%
79	Customer Records & Coll	903	440,967	Bill	0	0	440,967	-	318,123	72.14%
80	Uncollectible Accounts	904	24,720	Bill	0	0	24,720	-	0	0.00%
81	Subtotal - Customer Accounts Exp.	901-905	482,337		0	0	482,337	-	321,788	
82										
83	Customer Assistance	908	0	None	0	0	0	-	0	0.00%
84	OPEN	916	0	None	0	0	0	-	0	0.00%
85	Subtotal - Customer Service & Info.	908-916	0		0	0	0	-	0	
86	Total CUST. ACCT. & SRRV. EXP.	901-919	482,337		0	0	482,337	-	321,788	
87	#####									

Classify Classification Cls E-3	Citizens Electric Company of Lewisburg COS Study FPPTY 2017 Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
1	I. ELECTRIC PLANT IN SERVICE					
2	INTANGIBLE PLANT					
3	Organization	302	484	Sec-Pt	175	309
4	Land Rights	303	<u>0</u>	Customer	<u>0</u>	<u>0</u>
5	Total INTANGIBLE Plant		484		175	309
6						
7	C. TRANSMISSION PLANT					
8	Transmission Plant	361	<u>0</u>	None	<u>0</u>	<u>0</u>
9	Total TRANSMISSION Plant	350-359	0		0	0
10						
11	D. DISTRIBUTION PLANT					
12	Land and Land Rights	360	0	None	0	0
13	Station Equipment	362	0	None	0	0
14	Poles, Towers and Fixtures	364	888,892	PIF-Sec-Z	147,645	741,247
15	OH Conductors and Devices	365	1,482,673	OII-Sec-Z	344,274	1,138,399
16	UG Conduits and Conductors	366	1,469,014	UG-Sec-Z	618,086	850,928
17	Line Transformers	368	2,568,512	Demand	2,568,512	0
18	Services	370	3,224,556	Customer	0	3,224,556
19	Meters	371	0	None	0	0
20	Street Lighting	373	<u>568,993</u>	Customer	<u>0</u>	<u>568,993</u>
21	Total DiSTRIBUTION Plant	360-373	10,202,640		3,678,517	6,524,123
22						
23	E. GENERAL PLANT					
24	General Plant	389	474,313	Sec-Lab	173,676	300,637
25	Communication Equip	398	<u>62,784</u>	Sec-Lab	<u>22,989</u>	<u>39,795</u>
26	Total GENERAL Plant	389-399	537,097		196,665	340,431
27						
28	TOTAL UTILITY PLANT		<u>10,740,220</u>		<u>3,875,357</u>	<u>6,864,863</u>
29						

Classify Classification Cls E-3	Citizens Electric Company of Lewisburg COS Study FPPTY 2017 Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
30	II. DEPRECIATION RESERVE					
31	Intangible Plant	108.3	138	Sec-Pt	50	88
32	Transmission Plant	108.5	0	None	0	0
33	Station Equipment	108.5	0	None	0	0
34	Poles, Towers and Fixtures	108.6	594,370	PTF-Sec-Z	98,725	495,645
35	OII Conductors and Devices	108.6	336,766	OH-Sec-Z	78,196	258,569
36	UG Conduits and Conductors	108.6	722,140	UG-Sec-Z	303,840	418,300
37	Line Transformers	108.6	1,744,143	Demand	1,744,143	0
38	Services	108.6	1,199,897	Customer	0	1,199,897
39	Meters	108.6	0	None	0	0
40	Street Lighting	108.6	203,180	Customer	0	203,180
41	General Plant	108.6	401,504	Sec-GenPt	147,016	254,488
35	Total DEPRECIATION RESERVE	108	<u>5,202,137</u>		<u>2,371,970</u>	<u>2,830,168</u>
42						
43	III. OTHER RATE BASE ITEMS					
44	Cash Working Capital	131	81,547	Sec-OpExp	29,916	51,631
45	CWIP	131	6,372	Sec-Pt	2,299	4,073
45	Materials & Supplies	255	34,996	Sec-OpExp	12,838	22,158
46	Customer Deposits		0	None	0	0
47	ADIT	154	(60,743)	Sec-Pt	(21,918)	(38,825)
48	Accrued Pension / OPEB	182	<u>(105,224)</u>	Sec-Lab	<u>(38,529)</u>	<u>(66,695)</u>
49	Total OTHER RATE BASE ITEMS	131-283	<u>(43,053)</u>		<u>(15,394)</u>	<u>(27,659)</u>
50						
51	TOTAL RATE BASE		<u><u>5,495,030</u></u>		<u><u>1,487,994</u></u>	<u><u>4,007,037</u></u>
52						
53	I. OPERATING AND MAINTENANCE EXPENSE					

Classify Classification Cls E-3	Citizens Electric Company of Lewisburg COS Study FPFTY 2017 Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
54	B. TRANSMISSION EXPENSE					
55	Transmission Expense		0	None	0	0
56	Total TRANSMISSION Expense		0		0	0
57						
58	C. DISTRIBUTION OPER. & MAINT. EXP.					
59	Ops Supv & Engineering	580	31,466	Sec-Lab	11,522	19,944
60	Station Expenses	582	0	None	0	0
61	OH Line Expenses	583	47,934	OH-Sec-Z	11,130	36,804
62	Street Lighting Expenses	585	11,033	Customer	0	11,033
63	Meter Expenses	586	0	None	0	0
64	Customer Installation Expenses	587	0	None	0	0
65	Misc. Distribution Expenses	588	101,933	Sec-OH_UG	56,690	45,243
66	Rents	589	218	Sec-Pt	79	139
67	Maint Supv & Engineering	590	0	Sec-Lab	0	0
68	Maint of Station Equip	592	0	None	0	0
69	Maint of OH Lines	593	103,816	OH-Sec-Z	24,106	79,710
70	Maint of UG Lines	594	2,192	UG-Sec-Z	922	1,270
71	Maint of Line Transformers	595	11,134	Demand	11,134	0
72	Maint of Lighting	596	3,584	Customer	0	3,584
73	Maint of Misc. Plant	599	78	Sec-Pt	28	50
74	Total DISTR. OPER. & MAINT. EXP.	500-599	313,389		115,611	197,778
75	Distribution Expense		313,389		115,611	197,778
76	D. CUSTOMER ACCOUNTS AND SERVICE					
77	Supervision	901	0	None	0	0
78	Meter Reading Exp	902	0	None	0	0
79	Customer Records & Coll	903	0	None	0	0
80	Uncollectible Accounts	904	0	None	0	0
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0
82						
83	Customer Assistance	908	0	None	0	0
84	OPEN	916	0	None	0	0
85	Subtotal - Customer Service & Info.	908-916	0		0	0
86	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0
87						

Classify	Citizens Electric Company of Lewisburg					
Classification	COS Study					
Cls	FPPTY 2017					
E-3	Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
88	E. ADMINISTRATIVE AND GENERAL					
89	Administrative & General Salaries	920	121,379	Sec-Lab	44,445	76,934
90	Office Supplies & Expenses	921	31,376	Sec-Lab	11,489	19,887
91	Outside Services Employed	923	15,859	Sec-LabPt	5,765	10,095
92	Property Insurance	924	5,093	Sec-Pt	1,838	3,256
93	Injuries and Damages	925	13,476	Sec-Pt	4,863	8,614
94	Employee Pensions & Benefits	926	1,864	Sec-Lab	682	1,181
95	Regulatory Commission Expense	928	0	Sec-Pt	0	0
96	Miscellaneous General Expense	930	27,070	Sec-LabPt	9,840	17,230
93	Maint General Property	932	46,620	Sec-Pt	16,822	29,798
97	Total A&G Expense	920-932	262,738		95,743	166,995
98						
99	TOTAL OPERATING EXPENSES		576,128		211,354	364,774
100						
101	II. DEPRECIATION EXPENSE					
102	Intangible Plant		0	None	0	0
103	Station Equipment	361/362	0	None	0	0
104	Poles, Towers and Fixtures	364	35,838	PTF-Sec-Z	5,953	29,885
105	OH Conductors and Devices	364	57,647	OH-Sec-Z	13,385	44,261
106	UG Conduits and Conductors	364	56,235	UG-Sec-Z	23,661	32,574
107	Line Transformers	364	100,897	Demand	100,897	0
108	Services	364	124,772	Customer	0	124,772
109	Meters	364	0	None	0	0
110	Street Lighting	364	22,451	Customer	0	22,451
111	General Plant	364	29,142	Sec-GenPl	10,671	18,471
105	Total DEPRECIATION Expense	403	426,982		154,567	272,415
112						
113	III. TAXES and OTHER					
114	A. GENERAL TAXES					
115	Payroll related	408	0	None	0	0
116	PURTA, Real estate	408,16	10,900	Sec-Pt	3,933	6,967
117	PUC Assessment		32,525	Sec-RB	8,807	23,718
118	PA Use Tax	408	6,670	Sec-Pt	2,407	4,263
119	Subtotal - General Taxes		50,096		15,147	34,948
120						
121	B. GROSS RECEIPTS TAX					
122	Gross Receipts tax		84,088	Sec-Rev	28,336	55,753
123	Subtotal- Gross Receipts tax		84,088		28,336	55,753
124						

Classify	Citizens Electric Company of Lewisburg					
Classification	COS Study					
Cl's	FPF TY 2017					
E-3	Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
125	B. FEDERAL / STATE INCOME TAXES					
126	State Income Tax Expense		8,618	Sec-Pf	3,110	5,508
127	Federal Income Tax Expense		(12,362)	Sec-Pf	(4,461)	(7,902)
128	Subtotal - Federal / State Income Taxes	409-411	(3,744)		(1,351)	(2,393)
129	Total TAXES	408-411	130,440		42,132	88,308
130						
131	TOTAL EXPENSES		<u>1,133,549</u>		<u>408,053</u>	<u>725,496</u>
132						
133	IV. OPERATING REVENUES at Present Rates					
134	Distribution Revenue		1,434,366	Sec-RetRRPF	483,346	951,020
135	Forfeited Discounts		0	Sec-RetRRPF	0	0
136	Rent For Electric Property		8,299	PTF-Sec-Z	1,379	6,921
137	Other Electric Revenues		1,109	Sec-RetRRPF	374	735
138	Total REVENUES		1,443,774		485,099	958,676
139						
140	TOTAL EXPENSES		<u>1,133,549</u>		<u>408,053</u>	<u>725,496</u>
141	V. NET INCOME at Present Rates		<u>310,225</u>		<u>77,046</u>	<u>233,179</u>
142						
143	SUMMARY REPORT					
144	OPERATING REVENUES					
145	Utility Revenues	440-446	1,434,366		483,346	951,020
146	Other Operating Revenues	450-456	9,408		1,752	7,656
147	Total Operating Revenues		1,443,774		485,099	958,676
148						
149	OPERATING EXPENSES					
150	Distribution / Transmission	580-599	313,389		115,611	197,778
151	Customer Acctg & Service	901-919	0		0	0
152	Admin & General	920-932	262,738		95,743	166,995
153	Total Operating Expenses		576,128		211,354	364,774
154						
155	Depreciation Expense	403	426,982		154,567	272,415
156	Taxes Other Than Income Tax / Other	408	134,184		43,483	90,701
157	INCOME BEFORE INCOME TAXES		306,481		75,695	230,786
158	Income Taxes	409-411	(3,744)		(1,351)	(2,393)
159	NET INCOME		<u>310,225</u>		<u>77,046</u>	<u>233,179</u>
160						
161	RATE BASE		<u>5,495,030</u>		<u>1,487,994</u>	<u>4,007,037</u>
162	Return on Rate Base					

Classify Classification Cls E-3	Citizens Electric Company of Lewisburg COS Study FPPTY 2017 Classification					
Line	Account	No.	Secondary	Allocator	Demand	Customer
163						
164	REVENUE REQUIREMENTS					
165	Target Rate of Return		7.5400%		7.5400%	7.5400%
166						
167	Rate Base		5,495,030		1,487,994	4,007,037
168						
169	Operating expenses		543,602		202,547	341,056
170	Uncollectibles expense		0	None	0	0
171	Depreciation expense		426,982		154,567	272,415
172	Regulatory Commission Expenses		32,525	Sec-Pt	8,807	23,718
173	General taxes / Other		50,096		15,147	34,948
174	Subtotal- Operating Costs to recover		<u>1,053,205</u>		<u>381,068</u>	<u>672,137</u>
175						
176	Target Return on Rate Base- After taxes		414,325		112,195	302,131
177						
178	Income taxes to recover	23.84%	98,762		26,744	72,018
179						
180	Subtotal- Rev Req before GRT		1,566,293		520,007	1,046,286
181	GRT needed	6.23%	<u>97,030</u>		<u>32,299</u>	<u>64,731</u>
182	TOTAL REVENUE REQUIREMENT		<u><u>1,663,323</u></u>		<u><u>552,306</u></u>	<u><u>1,111,017</u></u>
183						

PrimDem
Class Allocation- Primary Demand
CAI
E-4A

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS 1	SH 2	GLP-1 4	GLP-3 5	MBL 6	PL 8	
53	I. OPERATING AND MAINTENANCE EXPENSES										
54	B. TRANSMISSION EXPENSE										
55	Transmission Expense		0	None	0	0	0	0	0	0	
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0	
57											
58	C. DISTRIBUTION OPER. & MAINT. EXP.										
59	Ops Supv & Engineering	580	60,179	PriD-Lab	34,129	470	7,728	17,696	32	126	
60	Station Expenses	582	9,187	NCP-Prim	5,210	72	1,180	2,701	5	19	
61	OH Line Expenses	583	143,819	NCP-Prim	81,562	1,122	18,468	42,291	75	301	
62	Street Lighting Expenses	585	0	None	0	0	0	0	0	0	
63	Meter Expenses	586	0	None	0	0	0	0	0	0	
64	Customer Installation Expenses	587	0	None	0	0	0	0	0	0	
65	Misc. Distribution Expenses	588	136,801	NCP-Prim	77,582	1,067	17,566	40,228	72	286	
66	Rents	589	201	NCP-Prim	114	2	26	59	0	0	
67	Maint Supv & Engineering	590	0	PriD-Lab	0	0	0	0	0	0	
68	Maint of Station Equip	592	11,208	NCP-Prim	6,356	87	1,439	3,296	6	23	
69	Maint of OH Lines	593	311,484	NCP-Prim	176,647	2,430	39,997	91,595	163	651	
70	Maint of UG Lines	594	2,217	NCP-Prim	1,257	17	285	652	1	5	
71	Maint of Line Transformers	595	0	None	0	0	0	0	0	0	
72	Maint of Lighting	596	0	None	0	0	0	0	0	0	
73	Maint of Misc. Plant	599	72	NCP-Prim	41	1	9	21	0	0	
74	Total DISTR. OPER. & MAINT. EXP.	500-599	675,167		382,897	5,268	86,698	198,540	354	1,411	
75	Distribution Expense		675,167		382,897	5,268	86,698	198,540	354	1,411	
76	D. CUSTOMER ACCOUNTS AND SERVICE										
77	Supervision	901	0	None	0	0	0	0	0	0	
78	Meter Reading Exp	902	0	None	0	0	0	0	0	0	
79	Customer Records & Coll	903	0	None	0	0	0	0	0	0	
80	Uncollectible Accounts	904	0	None	0	0	0	0	0	0	
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0	0	0	0	0	
82											
83	Customer Assistance	908	0	None	0	0	0	0	0	0	
84	OPEN	916	0	None	0	0	0	0	0	0	
85	Subtotal - Customer Service & Info.	908-916	0		0	0	0	0	0	0	
86	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0	0	0	0	0	
87											

PrimDem
Class Allocation- Primary Demand
CAI
E-4A

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBI	PL
164	REVENUE REQUIREMENTS									
165	Target Rate of Return		7.5400%		7.5400%	7.5400%	7.5400%	7.5400%	7.5400%	7.5400%
166										
167	Rate Base		5,327,570		3,021,342	41,566	684,109	1,566,624	2,796	11,133
168										
169	Operating expenses		1,085,561		613,859	8,504	138,422	322,890	69	1,817
170	Uncollectibles expense		0	None	0	0	0	0	0	0
171	Depreciation expense		410,520		232,812	3,203	52,714	120,717	215	858
172	Regulatory Commission Expenses		31,534	PriD-Pt	19,662	212	5,023	5,603	517	518
173	General taxes / Other		48,726		29,412	346	7,231	10,658	526	554
174	Subtotal- Operating Costs to recover		1,576,341		895,744	12,264	203,390	459,868	1,328	3,746
175										
176	Target Return on Rate Base- After taxes		401,699		227,809	3,134	51,582	118,123	211	839
177										
178	Income taxes to recover		95,752	23.84%	54,303	747	12,295	28,157	50	200
179										
180	Subtotal- Rev Req before GRT		2,073,792		1,177,856	16,145	267,268	606,149	1,589	4,786
181	GRT needed		127,601	6.23%	72,479	994	16,438	37,298	98	294
182	TOTAL REVENUE REQUIREMENT		<u>2,201,393</u>		<u>1,250,335</u>	<u>17,139</u>	<u>283,706</u>	<u>643,447</u>	<u>1,687</u>	<u>5,079</u>
183										
184	Revenue at Present rates		1,948,241		1,025,522	9,568	403,103	478,240	6,071	25,737
185	Revenue Excess (Deficiency)		<u>(253,152)</u>		<u>(224,813)</u>	<u>(7,571)</u>	<u>119,397</u>	<u>(165,207)</u>	<u>4,384</u>	<u>20,658</u>

SecnDem
Class Allocation- Secondary Demand
CAI
E-4B

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	PI	
53	I. OPERATING AND MAINTENANCE EXPENSES										
54	B. TRANSMISSION EXPENSE										
55	Transmission Expense		0	None	0	0	0	0	0	0	
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0	
57											
58	C. DISTRIBUTION OPER. & MAINT. EN										
59	Ops Supv & Engineering	580	11,522	SecD-Lab	7,236	115	1,698	2,432	8	32	
60	Station Expenses	582	0	None	0	0	0	0	0	0	
61	OH Line Expenses	583	11,130	NCP-Sec	7,304	100	1,654	2,038	7	27	
62	Street Lighting Expenses	585	0	None	0	0	0	0	0	0	
63	Meter Expenses	586	0	None	0	0	0	0	0	0	
64	Customer Installation Expenses	587	0	None	0	0	0	0	0	0	
65	Misc. Distribution Expenses	588	56,690	NCP-Sec	37,201	512	8,423	10,382	34	137	
66	Rents	589	79	NCP-Sec	52	1	12	14	0	0	
67	Maint Supv & Engineering	590	0	None	0	0	0	0	0	0	
68	Maint of Station Equip	592	0	None	0	0	0	0	0	0	
69	Maint of OH Lines	593	24,106	NCP-Sec	15,819	218	3,582	4,415	15	58	
70	Maint of UG Lines	594	922	NCP-Sec	605	8	137	169	1	2	
71	Maint of Line Transformers	595	11,134	NCP-Ltr	4,577	196	1,537	4,745	16	63	
72	Maint of Lighting	596	0	None	0	0	0	0	0	0	
73	Maint of Misc. Plant	599	28	NCP-Sec	19	0	4	5	0	0	
74	Total DISTR. OPER. & MAINT. EXP.	500-599	115,611		72,812	1,151	17,047	24,201	80	320	
75	Distribution Expense		115,611		72,812	1,151	17,047	24,201	80	320	
76	D. CUSTOMER ACCOUNTS AND SERVICE										
77	Supervision	901	0	None	0	0	0	0	0	0	
78	Meter Reading Exp	902	0	None	0	0	0	0	0	0	
79	Customer Records & Coll	903	0	None	0	0	0	0	0	0	
80	Uncollectible Accounts	904	0	None	0	0	0	0	0	0	
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0	0	0	0	0	
82											
83	Customer Assistance	908	0	None	0	0	0	0	0	0	
84	OPEN	916	0	None	0	0	0	0	0	0	
85	Subtotal - Customer Service & Info.	908-916	0		0	0	0	0	0	0	
86	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0	0	0	0	0	
87											

SecnDem
Class Allocation- Secondary Demand
CAI
E-4B

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	PL
164	REVENUE REQUIREMENTS									
165	Target Rate of Return		7.5400%		7.5400%	7.5400%	7.5400%	7.5400%	7.5400%	7.5400%
166										
167	Rate Base		1,487,994		775,216	20,495	212,452	472,033	1,565	6,233
168										
169	Operating expenses		202,547		123,197	2,200	29,572	47,064	17	498
170	Uncollectibles expense		0	None	0	0	0	0	0	0
171	Depreciation expense		154,567		76,395	2,274	21,891	53,129	176	702
172	Regulatory Commission Expenses		8,807	SecD-Pt	5,492	59	1,403	1,565	144	145
173	General taxes / Other		15,147		8,613	153	2,300	3,756	152	174
174	Subtotal- Operating Costs to recover		381,068		213,696	4,686	55,166	105,514	489	1,517
175										
176	Target Return on Rate Base- After taxes		112,195		58,451	1,545	16,019	35,591	118	470
177										
178	Income taxes to recover		26,744	23.84%	13,933	368	3,818	8,484	28	112
179										
180	Subtotal- Rev Req before GRT		520,007		286,080	6,600	75,003	149,589	635	2,099
181	GRT needed		32,299	6.23%	17,761	410	4,657	9,301	39	130
182	TOTAL REVENUE REQUIREMENT		552,306		303,841	7,010	79,660	158,891	675	2,229
183										
184	Revenue at Present rates		485,099		255,272	2,370	100,781	118,688	1,524	6,463
185	Revenue Excess (Deficiency)		(67,207)		(48,569)	(4,640)	21,121	(40,203)	850	4,234

SecnCus
Class Allocation- Secondary Customer
CA1
E-4C

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	PL
164	REVENUE REQUIREMENTS									
165	Target Rate of Return		7.5400%		7.5400%	7.5400%	7.5400%	7.5400%	7.5400%	7.5400%
166										
167	Rate Base		4,007,037		2,853,582	11,966	735,493	31,025	193,529	181,442
168										
169	Operating expenses		341,056		258,016	710	49,641	(2,227)	18,160	16,756
170	Uncollectibles expense		0	None	0	0	0	0	0	0
171	Depreciation expense		272,415		195,633	798	49,076	2,049	12,843	12,016
172	Regulatory Commission Expenses		23,718	SecC-Pt	14,788	159	3,778	4,214	389	389
173	General taxes / Other		34,948		22,857	192	5,815	4,299	908	875
174	Subtotal- Operating Costs to recover		672,137		491,295	1,860	108,309	8,335	32,301	30,036
175										
176	Target Return on Rate Base- After taxes		302,131		215,160	902	55,456	2,339	14,592	13,681
177										
178	Income taxes to recover		72,018	23.84%	51,287	215	13,219	558	3,478	3,261
179										
180	Subtotal- Rev Req before GRT		1,046,286		757,742	2,977	176,985	11,232	50,371	46,978
181	GRT needed		64,731	6.23%	46,841	184	10,954	686	3,138	2,927
182	TOTAL REVENUE REQUIREMENT		1,111,017		804,583	3,162	187,938	11,919	53,510	49,905
183										
184	Revenue at Present rates		958,676		506,263	4,656	198,967	233,070	3,010	12,710
185	Revenue Excess (Deficiency)		(152,341)		(298,320)	1,494	11,028	221,151	(50,500)	(37,195)

BillCus
Class Allocation- Billing Customer
CAI
E-4D

Citizens Electric Company of Lewisburg
COS Study
FPFTY 2017
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SII	GLP-1	GLP-3	MBL	PL
164	REVENUE REQUIREMENTS									
165	Target Rate of Return		7.5400%		7.5400%	7.5400%	7.5400%	7.5400%	7.5400%	7.5400%
166										
167	Rate Base		1,306,563		912,494	7,413	299,962	85,382	991	321
168										
169	Operating expenses		958,190		750,862	3,532	166,559	33,739	2,366	1,132
170	Uncollectibles expense		24,720	Write-Offs	12,999	120	5,140	6,053	78	330
171	Depreciation expense		156,193		117,696	697	30,686	6,957	157	0
172	Regulatory Commission Expenses		7,734	Bill-Pt	4,822	52	1,232	1,374	127	127
173	General taxes / Other		11,657		7,602	74	2,092	1,633	129	127
174	Subtotal- Operating Costs to recover		<u>1,158,494</u>		<u>893,982</u>	<u>4,475</u>	<u>205,709</u>	<u>49,756</u>	<u>2,856</u>	<u>1,716</u>
175										
176	Target Return on Rate Base- After taxes		98,515		68,802	559	22,617	6,438	75	24
177										
178	Income taxes to recover		23,483	23.84%	16,400	133	5,391	1,535	18	6
179										
180	Subtotal- Rev Req before GRT		1,280,491		979,184	5,167	233,717	57,729	2,948	1,746
181	GRT needed		79,746	6.23%	60,995	322	14,554	3,584	184	108
182	TOTAL REVENUE REQUIREMENT		<u>1,360,237</u>		<u>1,040,179</u>	<u>5,489</u>	<u>248,271</u>	<u>61,312</u>	<u>3,132</u>	<u>1,854</u>
183										
184	Revenue at Present rates		1,240,658		652,408	6,046	257,961	303,767	3,908	16,568
185	Revenue Excess (Deficiency)		<u>(119,580)</u>		<u>(387,772)</u>	<u>557</u>	<u>9,690</u>	<u>242,455</u>	<u>775</u>	<u>14,714</u>

Class: Citizens Electric Company of Lewisburg
 Class: COS Study
 Fac: FPPTY 2017
 E-5C Classification Factors

0	Allocator Name	In Use	Total	Demand	Commodity	Customer
1	None		0			
2		FALSE	0.00%	0.00%	0.00%	0.00%
3						
4	Demand		1	1		
5		TRUE	100.00%	100.00%	0.00%	0.00%
6						
7	Commodity		1		1	
8		TRUE	100.00%	0.00%	100.00%	0.00%
9						
10	Customer		1			1
11		TRUE	100.00%	0.00%	0.00%	100.00%
12						
13	PTF-Sec-Z		100.00%	16.61%	0.00%	83.39%
14		TRUE	100.00%	16.61%	0.00%	83.39%
15						
16	OH-Sec-Z		100.00%	23.22%	0.00%	76.78%
17		TRUE	100.00%	23.22%	0.00%	76.78%
18						
19	UG-Sec-Z		100.00%	42.07%	0.00%	57.93%
20		TRUE	100.00%	42.07%	0.00%	57.93%
21						
22	Trans-Min		100.00%	61.44%	0.00%	38.56%
23		TRUE	100.00%	61.44%	0.00%	38.56%
24						

Clas: Citizens Electric Company of Lewisburg
 Clas: COS Study
 Fac: FPFTY 2017
 E-5C Classification Factors

0	Allocator Name	In Use	Total	Demand	Commodity	Customer
25	Sec_RB		5,495,030	1,487,994	-	4,007,037
26		TRUE	100.00%	27.08%	0.00%	72.92%
27						
28	Sec-Pt		10,739,736	3,875,183	-	6,864,554
29		TRUE	100.00%	36.08%	0.00%	63.92%
30						
31	Sec-RB		5,495,030	1,487,994	-	4,007,037
32		TRUE	100.00%	27.08%	0.00%	72.92%
33						
34	Sec-OH_UG		15,465,982	8,601,428	-	6,864,554
35		TRUE	100.00%	55.62%	0.00%	44.38%
36						
37	Sec-GenPt		537,097	196,665	-	340,431
38		TRUE	100.00%	36.62%	0.00%	63.38%
39						
40	Sec-OpExp		576,128	211,354	-	364,774
41		TRUE	100.00%	36.69%	0.00%	63.31%
42						
43	Sec-DiPt		10,202,640	3,678,517	-	6,524,123
44		TRUE	100.00%	36.05%	0.00%	63.95%
45						
46	Sec-Lab		215,807	79,021	-	136,786
47		TRUE	100.00%	36.62%	0.00%	63.38%
48						
49	Sec-Rev		1,434,366	483,346	-	951,020
50		TRUE	100.00%	33.70%	0.00%	66.30%
51						
52	Sec-LabPt		200.00%	72.70%	0.00%	127.30%
53		TRUE	100.00%	36.35%	0.00%	63.65%
54						
55	Sec-RetRRPF		1,566,892	528,005	-	1,038,888
56		TRUE	100.00%	33.70%	0.00%	66.30%
57						

TAB H

Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2017

Line	Description	Present Rates (excl GSSR)	2016 GSSR-1	Present Rates (incl GSSR)	Proposed Rates (excl GSSR)	2016 GSSR-1	Proposed Rates (incl GSSR)	Proposed Increase (excl GSSR)	Proposed Increase (incl GSSR)	Class Change
1	Schedule RS- Residential Service									
2	Customer Charge per Bill	\$8.00		\$8.00	\$13.00		\$13.00	62.5%		23.2%
3										
4	Energy Charge, per kWh- All	\$0.02122	\$0.071610	\$0.09283	\$0.02372	\$0.071610	\$0.09533	11.8%	2.7%	
5	Schedule SH- Space Heating									
6	Customer Charge per Bill	\$13.25		\$13.25	\$21.50		\$21.50	62.3%		26.7%
7	Energy Charge, per kWh- All	\$0.02731	\$0.07161	\$0.09892	\$0.03327	\$0.07161	\$0.10488	21.8%	6.0%	
8	Schedule GLP-1									
9	Customer Charge per Bill	\$13.25		\$13.25	\$15.50		\$15.50	17.0%		0.6%
10					All kWh					
11	Energy Charge, per kWh- 1st 3500	\$0.010500	\$0.071610	\$0.08211	\$0.009100	\$0.071610	\$0.08071	(13.3%)	(1.7%)	
12	Energy Charge, per kWh- Above	\$0.009200	\$0.071610	\$0.08081						
13										
14	Demand Charge, per kW-Mth- All	\$3.00		\$3.00	\$3.00		\$3.00	-	-	
15	Schedule GLP-3									
16	Customer Charge per Bill	\$50.22		\$50.22	\$55.00		\$55.00	9.5%		0.0%
17										
18	Energy Charge, per kWh First 30 kWh X Billed Demand									
19	kW	\$0.009440	\$0.071610	\$0.0811	\$0.009120	\$0.071610	\$0.0807	(3.4%)	(0.4%)	
20	Additional kWh	\$0.001000	\$0.071610	\$0.0726	\$0.001000	\$0.071610	\$0.0726	-	-	
21										
22	Demand Charge, per kW Month									
23	All kW	\$5.20		\$5.20	\$5.20		\$5.20	-	-	

TAB I

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
NOTICE OF PROPOSED RATE INCREASE AND TARIFF CHANGES

To Our Customers:

Citizens' Electric Company of Lewisburg, PA (Citizens' or the Company) is filing a request with the Pennsylvania Public Utility Commission (PUC) to change your electric rates beginning October 30, 2016. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

In Pennsylvania, electric service is made up of three parts: "Generation" or the production of electricity; "Transmission" or the movement of electricity from where it is generated to the point of distribution; and "Distribution" or the delivery of electricity from transmission lines to your home or business. You can choose the company that generates your electricity. Citizens' is required to provide each customer in its service territory with distribution service, and to get generation and transmission service for its customers that do not find a competitive supplier. This does not change the quality, reliability or maintenance of your electric service.

Rate Request

Citizens' has requested an overall distribution service rate increase of \$592,000 per year. This request is for an increase of about 4.0% of the Company's total annual revenues for generation, transmission and distribution. The changes will be shown in the distribution portion of customers' bills. This overall rate increase will ensure that Citizens' is able to continue to offer safe and reliable electric distribution service. If this filing is approved, it will also reset the State Tax Adjustment Surcharge to 0.00% and adjust the Generation Supply Service Rate to reflect the roll-in of the taxes. This will have zero net impact on the generation portion of your bill.

If the Company's entire request to increase rates by \$592,000 is approved by the PUC, the total bill for a residential customer purchasing electricity from Citizens' and using 1,200 kWh per month would increase by \$8.13 per month, from \$124.04 to \$132.16. This is about a 6.6% increase in your total charges.

The total bill for commercial class customers purchasing electricity from Citizens' will vary depending on billing demand and rate schedule. For example, the bill for a commercial customer on Schedule GLP-1 with a 7 kW demand using approximately 2,555 kWh per month would decrease by \$1.33 per month, from \$244.04 to \$242.71. This is about a 0.5% decrease in total charges. The bill for a commercial customer on Schedule GLP-1 with a billing demand of 10 kW using approximately 3,650 kWh per month would see a decrease of \$4.03 per month, from \$342.76 to \$338.73. Finally, the bill for a commercial customer on Schedule GLP-3 with a billing demand of 150 kW using approximately 54,750 kWh per month would increase by \$3.34 per month, from \$4,843.60 to \$4,846.94.

Bills for other types of customers, including customers purchasing street and area lighting service or space heating service from Citizens', will also change. Any residential, commercial or other type of customer can contact Citizens' for an estimate of the impact of the proposed rate changes on its annual payments to the Company.

Tariff Changes

The Company is implementing certain changes to the rate design for some customer classes that will impact customers' total monthly charges. The updates will reflect the new generation supply and distribution service rate structures. The Company also is proposing to increase the monthly customer charges so a higher portion of its revenues are fixed. These changes are needed to ensure that the rates

better reflect the costs that the Company incurs to serve each customer class. The specific tariff changes related to these measures are included in the materials available from the Company.

More Information Available

To find out your customer class, how the requested increase may affect your electric bill, or if you are interested in reviewing the material filed with the PUC, contact Citizens' at 570-524-2231. The rates requested by the Company may be found in Tariff Supplement No. 110 to Tariff Electric- Pa. PUC No. 14. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at Citizens' office. Citizens' is open from 7:30 AM to 4:30 PM Monday through Friday. Citizens' office is located at 1775 Industrial Boulevard, Lewisburg PA. A copy will also be posted on Citizens' website at www.citizenselectric.com. Upon request, the company will send you the Statement of Reasons for Supplement No. 110 explaining why the rate increase has been requested

PUC Role

The state agency that approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company and shown above.

Actions You Can Take

There are three ways to challenge a company's request to change its rates:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC before October 30, 2016. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge.
2. You can send the PUC a letter telling them why you object to the requested rate increase. Sometimes there is information in these letters that makes the PUC aware of problems with the Company's service or management. This information can be helpful when the PUC investigates the rate request. Send your letter or request for a formal complaint form to the Pennsylvania Public Utility Commission, Post Office Box 3265, Harrisburg, PA 17105-3265.
3. You can be a witness at a public input hearing. Public input hearings are held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings, you have the opportunity to present your views in person to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings are held in the service area of the Company.

TAB J

PRESS RELEASE

On August 31, 2016, Citizens' Electric Company of Lewisburg, PA (Citizens' or the Company) filed a distribution rate increase proposal with the Pennsylvania Public Utility Commission (PUC). The amount of the proposed increase is \$592,000 per year or about 4.0% of the Company's current total annual revenue. The proposed effective date for the increase is October 30, 2016.

In Pennsylvania, electric service is "unbundled" into three components: "Generation" or the production of electricity; "Transmission" or the movement of electricity from where it is generated to the point of distribution; and "Distribution" or the delivery of electricity from transmission lines to homes and businesses. Customers can choose the company that generates their electricity. Citizens' is required to provide each customer in its service territory with distribution service, and to obtain generation and transmission service for its customers that do not find a competitive supplier. This does not change the quality, reliability and maintenance of your electric service.

If the Company's entire request to increase rates by \$592,000 is approved by the PUC, the total bill for a residential customer purchasing electricity from Citizens' and using 1,200 kWh per month would increase by \$8.13 per month, from \$124.04 to \$132.16. This is about a 6.6% increase in your total charges. The total bill for commercial class customers purchasing electricity from Citizens' will vary depending on billing demand and rate schedule. For example, the bill for a commercial customer on Schedule GLP-1 with a 7 kW demand using approximately 2,555 kWh per month would decrease by \$1.33 per month, from \$244.04 to \$242.71. This is about a 0.5% decrease in total charges. The bill for a commercial customer on Schedule GLP-1 with a billing demand of 10 kW using approximately 3,650 kWh per month would see a decrease of \$4.03 per month, from \$342.76 to \$338.73. Finally, the bill for a commercial customer on Schedule GLP-3 with a billing demand of 150 kW using approximately 54,750 kWh per month would increase by \$3.34 per month, from \$4,843.60 to \$4,846.94.

Bills for other types of customers, including customers purchasing street and area lighting service or space heating service from Citizens', will also change. Any residential, commercial or other type of customer can contact Citizens' for an estimate of the impact of the proposed rate changes on its annual payments to the Company.

The Company is implementing certain changes to the rate design for some customer classes that will impact customers' total monthly charges. These changes are needed to ensure that the rates better reflect the costs that we incur to serve each customer class. The specific changes are included in the materials available from the Company.

Over the past 20 years, the Company has experienced continuing increases in operating costs and the need for ongoing system utility plant additions. The proposed rates are necessary to fund increases in material, labor, vegetation management and other costs that have occurred since Citizens' last base rate case in 2010. Any questions concerning the increase or its effect on customers' bills can be directed to the Company at 570-524-2231.

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

TAB K

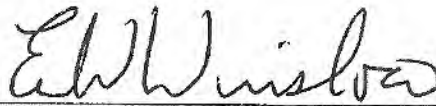
**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Citizens' Electric Company of	:	
Lewisburg, PA	:	
2016 Distribution Base Rate Filing	:	Docket No. R-2016-2531550
	:	
Supplement No. 110 to Tariff	:	
Electric - Pa. PUC No. 14	:	

**AFFIDAVIT OF ERIC W. WINSLOW,
PRESIDENT AND CHIEF EXECUTIVE OFFICER
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
LEWISBURG, PA**

5. Based on the information prepared by HSG Group, Inc., and submitted with the filing, the proposed rate increase for each Rate Schedule is just and reasonable and should be approved by the Commission,

6. All customers of record as of August 30, 2016, will receive a bill insert of the NOTICE OF PROPOSED RATE INCREASE AND TARIFF CHANGES attached at Tab I of the Company's filing. The bill insert will be included with the customer's next utility bill.

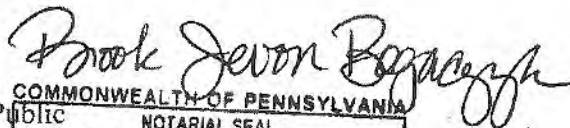


Eric W. Winslow, President and Chief Executive Officer
Citizens' Electric Company of Lewisburg, PA

SWORN TO and subscribed

before me this 31 day

of August, 2016.



Notary Public

