

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2016-2531550
Office of Consumer Advocate	:	C-2016-2566526
Office of Small Business Advocate	:	C-2016-2567115

v.

Citizens' Electric Company
of Lewisburg PA

Pennsylvania Public Utility Commission	:	R-2016-2531551
Office of Consumer Advocate	:	C-2016-2566522
Office of Small Business Advocate	:	C-2016-2567132

v.

Wellsboro Electric Company

SCHEDULING ORDER

On August 31, 2016, Citizens' Electric Company of Lewisburg, PA (Citizens'), Utility Code 110050, filed Supplement No. 110 to Tariff Electric – Pa. P.U.C. No. 14, and Wellsboro Electric Company (Wellsboro), Utility Code 111200, filed Supplement No. 102 to Tariff Electric – Pa. P.U.C. No. 8, both tariffs to become effective October 30, 2016, and containing proposed increases in distribution rates and other tariff changes. Citizens' is seeking an overall revenue increase of \$592,000 per year, or 12.8% over present revenues, producing a 7.54% rate of return. Wellsboro is seeking an overall revenue increase of \$1,000,000 per year, or 21.3% over present revenues, producing a 7.38% rate of return.

Citizens' is requesting an increase in distribution base rates due to replacing its aging distribution infrastructure, a \$6 million increase for utility plant in service, Electronic Data

Interchange (EDI) implementation, an increase in vegetation management efforts, and workforce training.

Wellsboro is requesting an increase in distribution base rates due to replacing its aging distribution infrastructure, an \$8 million increase for utility plant in service, ongoing vegetation management, EDI implementation, and large customer facility closures.

Formal complaints were filed on both docket numbers by the Office of Consumer Advocate (OCA) on September 14, 2016, and by the Office of Small Business Advocate (OSBA) on September 19, 2016. The Bureau of Investigation and Enforcement (I&E) filed its notice of appearance in this matter on September 16, 2016.

Pursuant to 66 Pa. C.S. §1308(d), these filings were suspended by Order dated October 6, 2016, until May 30, 2017, unless permitted by Commission Order to become effective at an earlier date. In that Order, the Commission concluded that investigation and analysis of these proposed tariff filings and the supporting data indicate that the proposed changes in rates, rules, and regulations may be unlawful, unjust, unreasonable, and contrary to the public interest. The Commission also ordered that this matter be assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary in order to issue a Recommended Decision to the Commission, giving consideration to the reasonableness of the Respondents' existing rates, rules, and regulations.

By Notice dated October 13, 2016, the Office of Administrative Law Judge scheduled an Initial Prehearing Conference for Monday, October 31, 2016 at 10:00 a.m. in Hearing Room 4 of the Commonwealth Keystone Building, 400 North Street, Harrisburg, PA 17120 before Administrative Law Judges Joel H. Cheskis and Andrew M. Calvelli. The Initial Prehearing Conference was held as scheduled and various procedural matters were discussed. Appearing at the Conference were the following attorneys: Adeolu A. Bakare, Esq. on behalf of Citizens Electric Company of Lewisburg, PA and Wellsboro Electric Company, Amy E. Hirakis, Esq. on behalf of OCA, Sharon E. Webb, Esq. on behalf of OSBA and Scott B. Granger, Esq. on behalf of I&E.

As a preliminary matter, the two filings, and the associated formal complaints, were formally consolidated for purposes of hearing and decision. Additionally, the following procedural schedule was agreed upon:

OCA and I&E Direct Testimony	December 1, 2016
OSBA Direct Testimony	December 2, 2016
Settlement Discussions	Prior to December 15, 2016
All Parties' Rebuttal Testimony	December 22, 2016
All Parties' Surrebuttal Testimony	January 10, 2017
Companies' Oral Rejoinder Outline	January 13, 2017 (noon)
Hearings (including Oral Rejoinder)	January 17, 2017 and January 18, 2017
Main Brief	February 2, 2017
Reply Brief	February 10, 2017

The hearings will be held in Harrisburg and will begin at 10:00 a.m.

At this time, the parties have indicated that there is no need for public input hearings. In addition, a discussion was held regarding the need for a Protective Order or any modification to the Commission's regulations regarding discovery. The parties indicated that there was currently no need for any Protective Order but were instructed to submit a joint proposed Protective Order if the need arose. Furthermore, the following discovery modifications were agreed to:

- a. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.
- b. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally

within four (4) calendar days, and unresolved objections shall be served to the ALJ in writing within six (6) days of service of the interrogatories.

c. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.

d. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.

e. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.

f. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

g. Any discovery-related pleading such as objections, motions, or answers served on a Friday or the day before a holiday recognized by the Commission will be deemed to have been served on the following business day for purposes of tracking due dates.

Finally, the parties were reminded that Commission policy promotes settlements. 52 Pa. Code §5.231(a). The parties are encouraged to commence settlement discussions as early as possible. Even if the parties are unable to settle this case, they may still resolve some of the questions or issues during their discussions. If the parties reach an agreement on all issues, a formal hearing will not be necessary and the scheduled hearing will be cancelled. The parties are reminded, however, that decisions of the Commission must be supported by substantial evidence. 2 Pa. C.S. § 704. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. Any settlement submitted for approval must be supported by substantial evidence.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the tariff Supplement No. 110 to Tariff Electric – Pa.P.U.C. No. 14 of Citizens’ Electric Company of Lewisburg, Docket Number R-2016-2531550, the tariff Supplement No. 102 to Tariff Electric – Pa.P.U.C. No. 8 of Wellsboro Electric Company, Docket Number R-2016-2531551, and the associated formal complaints filed by the Office of Consumer Advocate and Office of Small Business Advocate, Docket Numbers C-2016-2566526, C-2016-2567115, C-2016-2566522 and C-2016-2567132, are hereby consolidated.

2. That the following schedule for this consolidated proceeding is adopted:

OCA and I&E Direct Testimony	December 1, 2016
OSBA Direct Testimony	December 2, 2016
Settlement Discussions	Prior to December 15, 2016
All Parties’ Rebuttal Testimony	December 22, 2016
All Parties’ Surrebuttal Testimony	January 10, 2017
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3. That the parties shall receive all documents and shall copy all other parties on documents they file with the Commission or serve on me. The parties are expected to conduct discovery, attend hearings, or present or cross-examine witnesses, as appropriate. The

parties shall serve the documents listed above so that the documents are received in-hand by the parties and presiding officer no later than 4:30 p.m. on the dates listed. Parties may serve the documents listed above via e-mail to meet this requirement, with hard copy to follow by regular first class mail, so long as the electronic version is Microsoft Word compatible and no larger than 5 MB per email. Parties shall not file testimony with the Commission, but shall file a certificate of service.

4. That written testimony shall comply with the requirements of 52 Pa.Code §5.412 and shall be marked with numerical, sequential statement numbers. Parties serving preserved testimony pursuant to 52 Pa.Code § 5.412(f) are required, within thirty (30) days after the final hearing, to either eFile with or provide to the Secretary's Bureau a Compact Disc (CD) containing all testimony furnished to the court reporter during the proceeding, consistent with the Commission's Implementation Order, dated January 10, 2013, at Docket No. M-2012-2331973.

5. That all parties shall comply with the provisions of 52 Pa.Code §5.243(e) which prohibits the introduction of evidence during rebuttal which should have been included in the party's case-in-chief or which substantially varies from the party's case-in-chief, unless the party is introducing evidence in support of a proposed settlement.

6. That the parties shall conduct discovery pursuant to 52 Pa.Code §§5.321-5.373, subject to the below-listed modifications:

a. Answers to written interrogatories shall be served in-hand within ten (10) calendar days of service. Discovery and discovery-related pleadings propounded after 12:00 noon on a Friday or after 12:00 noon on any business day immediately preceding a state holiday will be deemed served on the next business day for purposes of determining the due date of the responses and responsive pleadings.

b. Objections to interrogatories shall be communicated orally within three (3) calendar days of service of the interrogatories; unresolved objections shall be served to the ALJ in writing within five (5) days of service of the interrogatories. Objections to interrogatories served on a Friday shall be communicated orally within four (4) calendar days, and unresolved objections shall be served to the ALJ in writing within six (6) days of service of the interrogatories.

- c. Motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of the written objections.
- d. Answers to motions to dismiss objections and/or direct the answering of interrogatories shall be filed within three (3) calendar days of service of such motions.
- e. Responses to requests for document production, entry for inspection, or other purposes must be served in-hand within ten (10) calendar days.
- f. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- g. Any discovery-related pleading such as objections, motions, or answers served on a Friday or the day before a holiday recognized by the Commission will be deemed to have been served on the following business day for purposes of tracking due dates.

The parties are encouraged to cooperate and exchange information on an informal basis. The parties shall cooperate rather than engage in numerous or protracted discovery disagreements that require formal resolution.

7. That all motions to compel shall contain a certification by counsel setting forth the informal discovery undertaken and their efforts to resolve their discovery disputes informally. If a motion to compel does not contain this certification, the parties will be directed to pursue informal discovery. There are limitations on discovery and sanctions for abuse of the discovery process. 52 Pa.Code §§5.361, 5.371-5.372

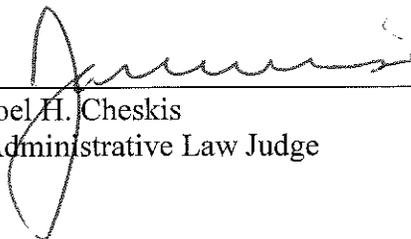
8. That the evidentiary hearing will be held in Harrisburg and will commence at 10:00 a.m. unless changed by the presiding officer.

9. That the parties shall stipulate to any matters which they can reasonably stipulate to, in order to expedite this proceeding, lessen the burdens of time and expense of litigation on all parties and conserve administrative hearing resources. 52 Pa.Code §§5.232 and 5.234.

10. That the evidentiary hearing in this matter constitutes a formal legal proceeding and will be conducted in accordance with the Commission's Rules of Administrative Practice and Procedure, as well as the rules of evidence as applied to administrative hearings.

11. That any provision of this order may be modified upon motion and good cause shown by any party in interest in accordance with 52 Pa.Code §5.223(a).

Date: November 3, 2016



Joel H. Cheskis
Administrative Law Judge



Andrew M. Calvelli
Administrative Law Judge

PENNSYLVANIA PUBLIC UTILITY COMMISSION v
R-2016-2531550 – CITIZENS ELECTRIC COMPANY OF LEWISBURG PA
R-2016-2531551 - WELLSBORO ELECTRIC COMPANY

PAMELA C POLACEK ESQUIRE
ADEOLU A BAKARE ESQUIRE
MCNEES WALLACE & NURICK LLC
PO BOX 1166
HARRISBURG PA 17108-1166

Accepts e-Service

ARON J BEATTY ESQUIRE
AMY E HIRAKAS ESQUIRE
OFFICE OF CONSUMER ADVOCATE
555 WALNUT STREET
5TH FLOOR FORUM PLACE
HARRISBURG PA 17101-1923

Accepts e-Service

C-2016-2566526 – Citizens
C-2016-2566522 - Wellsboro

SHARON WEBB ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
300 NORTH SECOND STREET SUITE 202
HARRISBURG PA 17101

C-2016-25677115 – Citizens
C-2016-2567132 - Wellsboro

SCOTT B GRANGER ESQUIRE
PA PUBLIC UTILITY COMMISSION
BUREAU OF INVESTIGATION & ENFORCEMENT
PO BOX 3265
HARRISBURG PA 17105-3265

Accepts e-Service