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January 31, 2011

VIA HAND DELIVERY

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

RECEIVED
2011 JAN 31 PM 3:54
PA PUC
SECRETARY'S BUREAU

RE: Affiliated Interest Contract – Contract for Services Between Wellsboro Electric Company and C & T Enterprises, Inc.; Docket No. G-2008-2021399

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to Chapter 21 of the Public Utility Code are four (4) copies of the proposed Revised Contract for Services between Wellsboro Electric Company ("Wellsboro" or "Company") and its parent corporation, C & T Enterprises, Inc. ("C & T") (individually, each a "Party" and collectively, the "Parties"). This contract, which was originally filed on December 31, 2007, has been revised per the request of the Bureau of Fixed Utility Services ("FUS"). In addition, enclosed is a revised Affiliated Interest Agreement among the following entities: Wellsboro, C & T, Citizens' Electric Company of Lewisburg, PA, Valley Energy, Inc., Tri-County Rural Electric Cooperative and Claverack Rural Electric Cooperative. As part of its review of the Contract for Services, FUS requested that the parties revise the Affiliated Interest Agreement that was previously approved at Docket No. G-00020948.

Addendum B, Schedule B-1 has been updated to reflect the C & T employees assigned to Wellsboro as of January 1, 2011. The annual charges for the C & T employees assigned to Wellsboro is highly confidential information to both Wellsboro and the employees at issue. As a result, Wellsboro requests confidential treatment of the information contained in Addendum B, Schedule B-1. Wellsboro has redacted the annual charges from the Addendum B, Schedule B-1 submitted with this filing. In addition, Wellsboro submits four (4) copies of the unredacted

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Secretary Chiavetta
January 31, 2011
Page 2

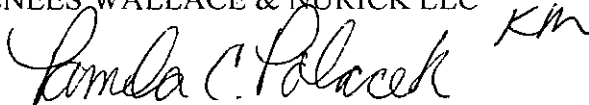
Schedule B-1 in separately sealed envelopes, each of which is marked as "Confidential." Wellsboro requests that this information be handled consistent with the Commission's policies regarding information designated as confidential.

* * *

As shown on the attached Certificate of Service, the statutory parties have been served with copies of this filing. Please date stamp the enclosed additional copy of this Transmittal Letter, and kindly return it to our messenger for our filing purposes. If you have any questions regarding this filing, please feel free to contact the undersigned. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

 KM

By

Pamela C. Polacek

PCP/km

Enclosures

c: Brent Killian, Bureau of Fixed Utility Services (via Hand Delivery)

AFFILIATED INTEREST AGREEMENT

Agreement dated as of this 6th day of October, 2010, between Citizens' Electric Company of Lewisburg, Inc. ("Citizens"), Wellsboro Electric Company ("WECO"), Valley Energy, Inc. – Pennsylvania Division ("VE-PA"), Valley Energy, Inc. – New York Division ("VE-NY"), C&T Enterprises, Inc. ("C&T"), Tri-County Rural Electric Cooperative, Inc. ("Tri-County"), and Claverack Rural Electric Cooperative, Inc. ("Claverack"), which are collectively referred to herein as the "Group" or individually as "Member".

Citizens', WECO and VE-PA are public utilities regulated by the Pennsylvania Public Utility Commission ("PUC-regulated Members"). VE-NY is a public utility regulated by the New York Public Service Commission. The other Members noted above do not provide public utility services that are subject to the jurisdiction of a state regulatory agency. A description of each Member is included as Attachment A. A corporate organization chart is included as Attachment B.

From time to time, Citizens', WECO, VE-PA, VE-NY, C&T, Claverack, and Tri-County may provide equipment for use by other Members and/or furnish services consistent with the categories specified herein and have agreed to the amounts to be paid.

Now, therefore, in consideration of the mutual covenants herein, the parties hereto agree as follows:

ARTICLE I

SERVICES PROVIDED AMONG GROUP MEMBERS ON TEMPORARY BASIS

Members of the Group may furnish personnel, equipment, and other resources on temporary basis to other Members of the Group. These services include C&T Shared Support

Services: Treasury/Corporate Finance, Human Resources, Information Technology, Key Accounts, Corporate Communication, Safety and Compliance, Call Center; and Group Member Services: Management, Construction, and Engineering. The rates and charges for such services shall be the lower of market or actual cost.

ARTICLE II

PAYMENT OF CHARGES FOR GROUP MEMBER SERVICES

- A. Services. A Member of the Group receiving services hereunder shall pay to the Member providing said services the actual cost thereof or a market rate, whichever is less. Payment for services rendered by personnel for another Member or in common with another Member shall be based on actual time spent by such personnel as reflected in their daily time sheets or other reasonable means of determination, and will include the actual wages, fringe benefits and overheads applicable to such personnel, including the employee's wage and salary (including base pay, overtime, vacation, holiday, sick, personal days and bereavement), benefits (life insurance, pension, medical, prescription, vision, and dental) and overhead (FICA/Medicare, FUTA/SUTA, matching 401(k) contributions, and workers compensation). Attachment C sets forth the elements of Benefits and Overhead, and the source of the charges for each. Costs incurred in connection with services rendered which can be readily identified and related exclusively to a Member shall be charged directly to that Member. Costs incurred by C&T in rendering services in shared support services that cannot be identified to a specific Member shall be allocated among the appropriate Members using allocation methods specified in Article III.

- B. Equipment. A Member of the Group using equipment hereunder shall pay to the Member providing the equipment all readily identifiable costs related to use of that equipment. Costs related to jointly-used equipment shall be allocated to Members based on the relative proportionate use of the equipment and/or other allocation methods generally accepted for ratemaking and financial reporting purposes.

ARTICLE III

C&T SHARED SUPPORT SERVICES

- A. C&T shall provide to the Members of the Group certain shared support services, including:
1. Treasury/Corporate Finance - advice and assistance on accounting, financial, regulatory support, management of long-term and short-term financing arrangements.
 2. Human Resources - responsibility for employee wages and benefits, completing bi-weekly payrolls, maintaining employee personnel files, processing insurance claims, counseling employees on benefits, handling job vacancies, administering evaluations and completing all payroll tax returns and other reports.
 3. Information Technology - support for the software and hardware used by the Members, including the purchase of required software and hardware, and acting as the liaison between the Members and tech support of the third party billing and accounting software companies.

4. Key Accounts - working with the Members' large industrial and commercial ("C&I") customers to meet customer requests such as arranging for energy audit, acts as the point of contact for potential new large C&I customers, and organizes meetings between the Members and their customers.
 5. Corporate Communications - provides public relations support and assists with press inquiries.
 6. Safety and Compliance - assists Members with understanding and fulfilling safety and compliance issues, including compliance with state and federal workplace safety regulations and requirements.
 7. Call Center - after hours call center to handle inquiries from Members' customers.
- B. To the extent a cost incurred by C&T to perform the shared support services can be directly allocated to a particular Member of the Group, it will be billed in accordance with the procedures set forth in Article V below.
- C. The labor, overhead, benefits, expenses, administrative expenses and other costs of C&T's provision shared support services that cannot be directly assigned shall be allocated as follows:
1. Treasury/Corporate Finance: The costs of the Corporate Finance function shall be allocated equally among Citizens', WECO and VE-PA/VE-NY (i.e., 1/3 to each). For purposes of this allocation, VE-PA/VE-NY will be classified as a single Member.

2. Call Center: The costs of the Call Center will be allocated to the Members based on a combination of a fixed monthly base fee and usage of the Call Center services during the month. On a calendar year basis, C&T will compare the revenues collected for the Call Center and the expenses of the Call Center. If the revenues exceed the expenses, C&T will refund the excess amount to the Members pro rata based on the percentage of calls handled for each Member in comparison to the total calls handled for the group. If the expenses exceed the revenues, C&T will collect the excess amount from the Members pro rata based on the percentage of calls handled for each Member in comparison to the total calls handled for the group.
3. Other Shared Support Services: The costs for the other shared support services will be allocated based on each Member's pro-rata share of the total meters and total revenues. Specifically, 60% of the costs will be allocated based on active meters and 40% of the costs will be allocated based on annual revenues. The results of this allocation shall be updated each calendar year.
4. Other Expenses: Any expenses of C&T that are not address through the allocations discussed in sections 1, 2 and 3 above shall be billed to the Group Members based on the allocation formula specified in section 3 above.

ARTICLE IV

GROUP MEMBER SERVICES PROVIDED ON AS NEEDED BASIS

Members of the Group may provide the following services to other Members on an as needed basis:

- A. Management - advice and guidance on business operations and projects such as additions or improvement to property, plant or equipment.
- B. Construction - personnel to assist in construction or service restoration activities.
- C. Engineering - advice on the design and implementation of utility system extensions and enhancements, including the connection of customer generation.

ARTICLE V

BILLING PRACTICES

As soon as practical after the 15th of each month, or such other period as may be agreed upon by the respective Members of the Group, a billing shall be rendered for all amounts due for services and expenses for such period, computed pursuant to this Agreement. These bills shall be in sufficient detail to show separately the charge for each class of service rendered. Each Member shall keep its books and records available at all times for inspection by regulatory bodies having jurisdiction over them and shall furnish, upon request, any and all information required with respect to services rendered, the costs thereof and the allocation of such costs among the parties to this Agreement.

ARTICLE VI

FINANCING

A Member may, from time to time, loan funds to another Member(s) of the Group. Short-term loans will be evidenced by promissory notes bearing interest at applicable market rates. Long-term loans will be evidenced by promissory notes bearing interest at applicable market rates or the equivalent cost of financing by the lending Member and containing repayment terms consistent with reasonable market terms or those assumed by the lending Member. All long term loans to PUC-regulated Members made pursuant to this Article shall be subject to the applicable provisions of the Public Utility Code, including but not limited to, Chapter 19 Securities and Obligations.

ARTICLE VII

CONTROLLING AGREEMENT

Until this Agreement takes effect, Citizens', C&T, Claverack, Tri-County, Wilderness and WECO will continue to operate pursuant to the Affiliated Interest Agreement dated March 29, 2002, that was approved at Pennsylvania Public Utility Commission Docket No. G-00020948. This Agreement shall be in full force and effect as of the date approved by the Pennsylvania Public Utility Commission, and shall continue in effect through December 31, 2010 (the "initial term"). Thereafter, the Agreement shall automatically renew for successive one-year terms unless terminated by any party hereto by giving the others sixty days written notice of termination prior to the end of the initial or renewal terms; provided, however, this Agreement shall terminate immediately with regard to any party as of the date such Member ceases to be an affiliated Member of the Group (except to the extent that compensation is still to be paid for services rendered by, or to, any Member prior to the date of such cessation of

affiliation). The terms of this Agreement shall be automatically extended to the successors and assignees of the parties. This Agreement may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

C&T ENTERPRISES, INC.

Date _____

By _____
Name _____
Title _____

CITIZENS' ELECTRIC COMPANY OF
LEWISBURG, INC.

Date _____

By _____
Name _____
Title _____

CLAVERACK RURAL ELECTRIC COOPERATIVE

Date _____

By _____
Name _____
Title _____

TRI-COUNTY RURAL ELECTRIC COOPERATIVE,
INC.

Date _____

By _____
Name _____
Title _____

WELLSBORO ELECTRIC COMPANY

Date _____

By _____

Name _____

Title _____

VALLEY ENERGY INC., New York Division

Date _____

By _____

Name _____

Title _____

VALLEY ENERGY, INC., Pennsylvania Division

Date _____

By _____

Name _____

Title _____

Attachment "A"

**AFFILIATED INTEREST AGREEMENT
OF
CITIZENS' ELECTRIC COMPANY, WELLSBORO ELECTRIC COMPANY,
VALLEY ENERGY, INC. – PENNSYLVANIA DIVISION, ET AL.**

DOCKET NO. _____

DESCRIPTION OF GROUP MEMBERS

Citizens' Electric Company of Lewisburg, Inc.

Citizens' is an investor-owned, for-profit electric utility incorporated under the laws of Pennsylvania. Citizens' serves approximately 6,800 customers in and around Lewisburg, Pennsylvania, in a 55 square mile territory in Northumberland and Union Counties. Approximately eighty percent (80%) of Citizens' customers are residential, with the remaining twenty percent (20%) of customers being commercial and small industrial users. Citizens' is subject to regulation by the Pennsylvania Public Utility Commission.

Claverack Rural Electric Cooperative, Inc.

Claverack is a rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937 providing service to approximately 18,000 customers in an eight-county region in Northeastern Pennsylvania. It's service area is approximately 1,820 square miles in area. Claverack's service area includes all or parts of the following counties: Bradford, Lackawanna, Luzerne, Lycoming, Sullivan, Susquehanna, Tioga and Wyoming. Approximately ninety-four percent (94%) of Claverack's customers are residential or seasonal customers. The remaining six percent (6%) are commercial or small industrial customers. The

Rural Utility Service, Office of the United States Department of Agriculture, provides oversight of Claverack's operations.

C&T Enterprises, Inc.

C&T is a Pennsylvania business corporation that functions as a public utility holding company, which owns all of the stock of Valley Energy, WECO, and Citizens'. C&T acts as a management services company for the Group Members.. C& T no longer provides or receives services from Wilderness Area Utilities, Inc (Wilderness), Susquehanna Energy Plus, LLC d/b/a Tioga Energy (SEP), or Tioga Propane, LLC (Tioga), which were Group Members under the previous Affiliated Interest Agreement dated March 29, 2002. SEP, Tioga and Wilderness are no longer conducting business and have disposed of their assets.

Tri-County Rural Electric Cooperative, Inc.

Tri-County is a member-owned rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937. Tri-County provides electric service to approximately 18,600 customers in the following counties in Northcentral, Pennsylvania: Bradford, Cameron, Clinton, Lycoming, McKeon, Potter and Tioga. Tri-County's service territory is approximately 4,484 square miles in area. The Rural Utility Service, Office of the United States Department of Agriculture, provides administrative oversight of Tri-County's operations.

Valley Energy, Inc. – Pennsylvania Division

VE-PA is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-PA is engaged in the business of supplying and distributing natural gas to approximately 4,920 residential customers and 770 commercial and industrial customers. VE-PA's service territory is in and around Sayre, Pennsylvania, in Northcentral Pennsylvania. VE-PA is subject to regulation by the Pennsylvania Public Utility Commission.

Valley Energy, Inc. – New York Division

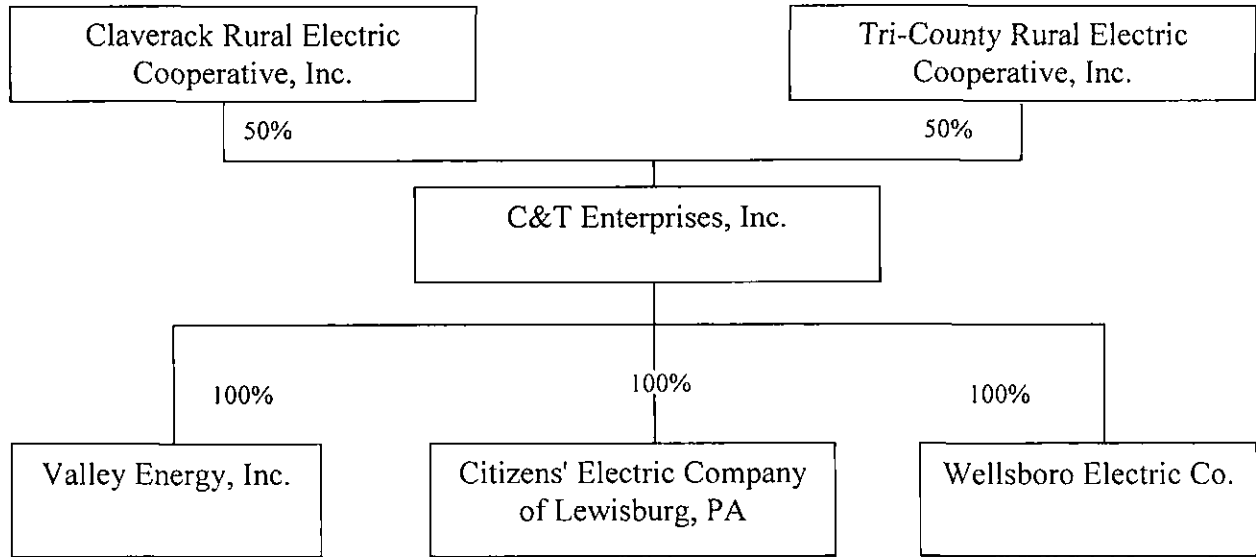
VE-NY is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-NY is engaged in the business of supplying and distributing natural gas to approximately 1,460 residential and 180 commercial and industrial customers. VE-NY's service area is in and around Waverly, New York. VE-NY is subject to regulation by the New York Public Service Commission.

Wellsboro Electric Company

WECO is a for-profit, investor owned utility rendering electric utility service in the Borough of Wellsboro, Pennsylvania and surrounding communities. WECO serves approximately 6,000 customers, over eighty percent (80%) of which are residential and twenty percent (20%) of which are commercial or industrial. WECO is regulated by the Pennsylvania Public Utility Commission.

Attachment "B"

C & T ENTERPRISES, INC., CORPORATE CHART



Attachment "C"
Overhead and Benefits

Overhead and Benefits for C&T Employees Assigned to a Member or Providing Shared Services

Workers comp is allocated based on % of total payroll and the rate is based on the rate charged by Federated.

$$\frac{\text{?}}{\text{Total Payroll}} \times \text{Federated?} = \text{Workers Compensation}$$

NRECA R&S, medical (e.g., Blue Cross Blue Shield), dental (e.g., Delta Dental), NRECA group insurance - are all charged as billed by the provider and charged by employee to the company they are assigned to.

401k - allocated based on company's % of total payroll and the options elected by the employee under the available plan (e.g., contribution level selected by employee, current matching policy, etc.)

FICA, Medicare, FUTA, SUTA allocated based on payroll and calculated using Federal and state rates.

Overhead and Benefits—Temporary Use of Member Employees by other Members

When an assigned employee is temporarily used by another Member, the Member receiving the temporary services is billed the employee's wages plus an overhead rate of 10%.

REVISED CONTRACT FOR SERVICES

THIS CONTRACT, made and executed in duplicate this 6th day of October, 2010, by and between **C&T ENTERPRISES, INC.**, a Pennsylvania corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania, (hereinafter referred to as "C&T") and **WELLSBORO ELECTRIC COMPANY** a Pennsylvania public utility corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania (hereinafter referred to as "Operating Company") (each, individually, "Party" or collectively, "Parties").

WHEREAS, C&T is a public utility holding company organized for the purpose of providing management, communication, financial, technical, operational and other business-related services to its public utilities and others; and

WHEREAS, Operating Company is a for-profit, investor-owned public utility that desires to purchase services from C&T and C&T desires to sell services to Operating Company; and

WHEREAS, Operating Company and C&T are also parties to a general Affiliated Interest Agreement that is filed with the Pennsylvania Public Utility Commission among Operating Company, C&T and other entities that are classified as affiliates of Operating Company under the relevant state statutes (the "AIA")¹; and

WHEREAS, the Parties wish to reduce their agreement to writing.

NOW THEREFORE, in consideration of the foregoing recitals of fact and the mutual benefits and obligations set forth herein, the Parties agree as follows:

1. DESCRIPTION OF SERVICES. The Parties agree to provide to each other the specific services described herein and set forth in the Addenda attached hereto, which Addenda shall be dated, signed by both C&T and Operating Company, marked alphabetically, e.g., Addendum "A," and so forth, and are incorporated by reference herein.
 - 1.1 PROVISION OF EMPLOYEES. C&T shall provide service to Operating Company through the assignment of individual C&T Employees to perform specific work and other activities for, and as directed by, the Operating Company. Services will be provided by the specific C&T Employees as identified in Addendum B. Such employees will be considered to be assigned to the Operating Company for purposes of the specific work and other activities.
 - 1.2 PROVISION AND USE OF VEHICLES, SPACE, MATERIALS AND OTHER EQUIPMENT. In addition to the services described in Paragraph 1.1 of this Contract, the Parties may provide to each other certain vehicles, space, materials and other equipment for use. The rates and charges for such vehicles, materials

¹ The Docket Number and date of approval of the most recent AIA will be set forth in Addendum A of this Contract, which will be updated as necessary.

and other equipment provided will be set forth in Addendum C to this Contract. The rates and charges for space will be set forth in Addendum D to this Contract.

- 1.3 OTHER SERVICES. In addition to the services described in Paragraphs 1.1 and 1.2 of this Contract, the Parties may provide other services of a nature mutually agreed on by C&T and Operating Company. C&T and Operating Company will execute additional Addenda to this Contract describing such services and specifying the rates and charges for the services. Alternatively, C&T and Operating Company may enter into additional contracts or agreements for such services.

2. RATES AND CHARGES. The rates and charges to be paid by each Party for the services provided shall be set forth on the Addenda attached hereto as provided for in Paragraph 1 of this Contract. These rates and charges shall reflect the lower of actual cost or market. Throughout the course and term of this Contract such rates and charges may be adjusted and revised for any calendar quarter period commencing on the first day of each calendar quarter, upon written notice from C&T to Operating Company not less than thirty (30) days in advance of the calendar quarter for which rates are to be changed. Operating Company's failure to notify C&T in writing of objection to the proposed rates and charges revision within thirty (30) days after receipt of proposed price revision shall be considered acceptance of such revision. In the absence of written notice from C&T to Operating Company regarding any revision of charges and rates, the rates and charges then in effect shall continue until notice is given in accordance with the foregoing schedule.
 - 2.1 LABOR & OVERHEAD CHARGES. C&T shall calculate and bill, on a periodic basis, labor and overhead for all Employees assigned to Operating Company. Overhead charges include, but are not limited to, payroll taxes, pension, workers compensation and health insurance contributions. C&T reserves the right to estimate the monthly cost of certain benefits, subject to subsequent reconciliation. As soon as practical, any benefit adjustments will be charged or credited to the Operating Company.
 - 2.2 SHARED SUPPORT SERVICE ALLOCATION. Consistent with the AIA, C&T will calculate and bill Operating Company for shared support services provided by C&T employees that are not assigned to Operating Company. Shared support services will include, but not be limited to, Human Resources, Payroll, Information Technology, Corporate Communications, Call, Center and Key Accounts.

3. BILLING AND PAYMENT. All rates and charges to be paid by Operating Company to C&T for services rendered to Operating Company shall be billed by C&T by invoice with sufficient detail to document and support the rates and charges set forth therein and submitted to Operating Company on or before the 15th day of each month for services rendered by C&T during the preceding month. Any amounts due from C&T to Operating Company shall be netted against the C&T charges on the monthly invoice. Payment of

such invoice shall be made in full by Operating Company to C&T on or before twenty (20) days from the date of receipt of such invoice, and in the event such invoice is not paid in full, the unpaid portion thereof shall, at C&T's option, accrue interest at the rate of one percent (1%) of the unpaid amount per month, with a partial month being counted as a full month.

- 3.1 ADVANCED PAYMENT. To enable C&T to meet its obligations due during the initial month of this Contract, C&T may continue to retain any Advanced Payment provided pursuant to the prior Contract for Services between the Parties. C&T may refund the Advanced Payment to the Operating Company, at any time before the termination of the Contract. To the extent not previously refunded, Operating Company shall be entitled to return of the Advanced Payment upon termination of this Contract. The amount of any Advanced Payment that remains in C&T's possession shall be set forth in Addendum E to this Contract.
- 3.2 ACCOUNTING LIABILITIES. In addition to any rates and charges due hereunder, Operating Company may set up a payable to C&T for amounts necessary under generally accepted accounting principles to book liabilities for future payments due, including for FAS 106 and accrued vacation obligations. C&T shall provide to Operating Company a separate invoice once per year indicating the amount of such liabilities for the year based on an actuarial estimate. Any variance between actual amounts paid by C&T during the year and the actuarial estimate provided to Operating Company shall be subject to reconciliation at the end of the year.
4. TERM. The initial term of this Contract for Services shall commence on the date of this Contract and shall continue for three years. This Contract will thereafter automatically renew for successive one-year terms unless terminated by either party by written notice provided at least sixty (60) days prior to the end of any initial or renewal term. Any such termination shall not affect any obligations undertaken or liabilities incurred by either party prior to the date of termination.
5. DESIGNATION OF OPERATING COMPANY OFFICERS. The Board of Directors of Operating Company retains full authority, power and discretion to designate the Officers for the Operating Company. To the extent the Board of the Operating Company designates a C&T Employee as an Officer of the Operating Company, the Parties shall enter into or revise Addendum B and appropriate schedules to assign the employee to the Operating Company.
6. TEMPORARY ASSIGNMENT OF C&T EMPLOYEES. Notwithstanding the categorization of the C&T Employees designated in Addendum B Schedule 1 to this Contract as being assigned to the Operating Company, C&T may, from time to time, request to use such employees to provide services to other entities. Operating Company's monthly compensation to C&T for such employee's services shall be reduced by the applicable percentage of employee's total working hours allocable to work outside Operating Company. Whenever employees assigned to Operating Company are

temporarily assigned to another operating company, their labor, overhead and expenses will be billed based the provisions of Article II, Section A and/or Article III of the AIA.

7. MANAGEMENT OF ASSIGNED C&T EMPLOYEES. Operating Company will have management authority over C&T Employees assigned to Operating Company under this Contract.
8. REQUEST FOR ADDITIONAL SERVICES. Operating Company may request, from time to time, that C&T provide additional services on a temporary or a permanent basis by C&T employees that are not permanently assigned to Operating Company. By way of example, Operating Company may request the placement of full-time staff members with IT experience on-site during a computer system conversion. Any request for additional services must be conveyed to C&T in a timely manner. To the extent such service is desired on a permanent basis, C&T and Operating Company shall mutually agree on addition of or modification to an Addendum to this Contract. If the permanently-assigned or temporarily-assigned C&T Employee is currently assigned to another entity, the Operating Company will pay a percentage of the compensation for said C&T Employee otherwise recoverable from the other entity based on the portion of total monthly working hours allocable to Operating Company or a written agreement between the two Operating Companies. To the extent such assignment is temporary and such C&T Employee is not currently assigned to another entity, C&T and Operating Company will mutually agree on appropriate compensation.
9. OVERSIGHT COMMITTEE. C&T shall form and convene an Oversight Committee to address complaints, problems or grievances that arise under this Contract or similar agreements entered into with other entities. Each such entity, including Operating Company, shall have the opportunity to designate a member of the Oversight Committee. The Oversight Committee will attempt to resolve all complaints, problems and grievances raised by the Operating Company and other represented entities. To the extent the Oversight Committee cannot resolve such issues, the issues will be submitted to a neutral arbitrator, mutually agreed to by Operating Company and C&T, for binding resolution. Such arbitration will be conducted according to the rules of the American Arbitration Association.
10. RELATIONSHIP OF THE PARTIES. The parties hereto understand and agree that C&T is to provide services under this Contract as an independent contractor to the Operating Company and not as an agent, employee, representative, or in any other manner or relationship whatsoever. At all times throughout the term hereof, C&T shall be free to and intends to contract to provide services to others. Except as stated herein nothing in this Contract shall in any way be construed to constitute C&T or any of C&T's agents or employees as the agent, employee or representative of the Operating Company.
11. CONFIDENTIALITY. All information furnished under and pursuant to this Contract shall be held by C&T and Operating Company in strict confidence and shall never be reproduced, revealed or made accessible in whole or in part, in any manner whatsoever, to any other persons unless required by law, applicable regulatory agencies (including the

Pennsylvania Public Utility Commission) or unless the Party first obtains the other Party's express and written consent; provided, however, the Party may reveal to the subject of the information that the other Party is a source of information about the subject and refer same to the Other Party for the purpose of obtaining such information and reviewing it. Any information specifically designated as "Confidential" may be viewed only by the Officers of the Party and only to the extent necessary to perform their designated duties. Each Party shall take reasonable steps to limit the public disclosure of confidential information provided hereunder.

12. INDEMNIFICATION. Operating Company shall hold C&T harmless against all liability or loss and against all claims or actions based on or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this contract or by conditions created thereby, or based on any violation of statute or regulation and the defense of any such claims or actions.
13. INSURANCE. C&T shall, at its sole cost and expense, be covered by comprehensive general liability insurance including contractual liability insurance with combined single limits of not less than One Million Dollars (\$1,000,000.00), which insurance coverage and limits shall be evidenced by certificates of insurance as requested by the Operating Company and which insurance policies shall name the Operating Company as additional insured thereon.
14. WORKERS COMPENSATION. Any employees assigned to Operating Company hereunder shall at all times remain C&T Employees for workers compensation purposes. C&T will take reasonable actions with respect to such employees, including, but not limited to, retaining an appropriate amount of Workers Compensation Insurance. C&T agrees to indemnify, defend and hold harmless Operating Company for any workers compensation claim asserted by a C&T Employee.
15. HEADINGS. The description headings of the various paragraphs of this Contract are inserted for reference purposes only and do not form a part of this Contract and shall in no way affect meaning or interpretation thereof.
16. ENTIRE AGREEMENT. This Agreement constitutes and contains the entire understanding and agreement of the parties hereto and supersedes any and all prior understandings and agreements, oral or written, by, between and among the parties regarding the subject matter hereof.
17. AMENDMENTS. This Contract and the Addenda incorporated herein shall be modified and/or amended only by writing signed by both parties hereto, and shall not be effective until filed with and approved by any applicable regulatory agencies, including the Pennsylvania Public Utility Commission. The requirement for approval prior to effectiveness shall not apply to periodic changes to Addenda to update information such as the information regarding the AIA set forth in Addendum A and the employees and related costs assigned to Operating Company under Addendum B.

18. AUTHORITY. C&T and Operating Company hereby covenant and agree, each to the other, that their respective signatories have the authority to execute and bind each pursuant to the appropriate actions of the governing bodies of each. C&T also warrants that it has the authority to provide the services contemplated hereunder.
19. NOTICES. Any notices to be delivered under the terms of this Contract shall be sent by U.S. Mail certified, return receipt requested, addressed as follows;

To C&T:

C&T Enterprises, Inc.
33 Austin Street
Wellsboro, PA 16901

To Operating Company:

Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901

20. FORCE MAJEURE. C&T shall use diligence to perform its obligations under this Contract, however, in the event that C&T is delayed in or prevented from performing or carrying out its obligations under this Contract by reason of an unforeseeable event or occurrence beyond reasonable control of and without the fault and negligence of C&T, including, but not limited to, acts of God, strike, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, acts of public enemy, explosion, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state or local legislative, executive, administrative, or judicial agency or body which, in any of the foregoing cases, by exercise of due foresight C&T could not reasonably have been expected to avoid, C&T shall not be liable to the Operating Company for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention, provided, however, that C&T shall use due diligence to remove the cause or causes thereof. The settlement of strikes and labor disturbances shall be wholly within the discretion of C&T. Economic hardship shall not constitute a Force Majeure under this Contract.
21. REGULATORY OVERSIGHT/APPROVAL. This Contract constitutes a component of the Affiliated Interest Agreement and relationship between C&T and Operating Company that is subject to oversight by the Pennsylvania Public Utility Commission ("PUC"). To the extent the PUC invalidates and/or modifies any portion of this Contract or the Affiliated Interest Agreement, either during an independent review of the agreement or in a proceeding before the Commission, and such action impacts the terms of this Contract, the parties agree to mutually negotiate in good faith modifications to this Contract consistent with the Commission's decision.

22. PRIOR AGREEMENTS. This Contract shall supersede and replace in its entirety the Contract for Services dated March 29, 2002, between the Parties; provided, however, that the Parties shall remain liable for any obligations incurred under the prior Contract for Services.
23. SEVERABILITY. All agreements and covenants contained in this Contract are severable, and in the event any of them are held to be invalid by any competent court, this Contract will be interpreted as if the invalid agreements or covenants were not contained in this Contract.
24. ASSIGNMENT. This Contract may not be assigned, transferred or conveyed in whole or part by either party without the express written permission of the other.
25. CONSTRUCTION. This Contract shall be governed by the laws of the Commonwealth of Pennsylvania.
26. BINDING EFFECTS. The parties hereto covenant and agree that the terms, conditions and provisions of this Contract shall be binding upon themselves, their respective successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered as of the day and year first above written.

ATTEST:

C&T ENTERPRISES, INC.

_____(SEAL)
Secretary

BY: _____

TITLE: _____

ATTEST:

WELLSBORO ELECTRIC COMPANY

_____(SEAL)
Secretary

BY: _____

TITLE: _____

**INDEX OF ADDENDA AND SCHEDULES
DATED THE 6th DAY OF OCTOBER, 2010**

- Addendum A: Information regarding currently-effective Affiliated Interest Agreement among C&T companies
- Addendum B: C&T Employees Assigned to Operating Company
- Schedule B-1: Specific C&T Employees and Charges
- Addendum C: Vehicles, Materials and Other Equipment
- Schedule C-1: Specific Covered Items
- Addendum D: Space
- Schedule D-1: Summary of Leased Space
- Schedule D-2: Lease for C&T Office
- Schedule D-3: Lease for C&T Call Center
- Addendum E: Outstanding Advanced Payment

**WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM A
(INFORMATION ON CURRENT AFFILIATED INTEREST AGREEMENT
AMONG C&T COMPANIES)**

The Pennsylvania Public Utility Commission approved the currently effective Affiliated Interest Agreement among the C&T companies on _____, at Docket No. _____.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

**WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM B
(EMPLOYEES)**

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company the services of the C&T Employees set forth on the attached listing, marked Schedule B-1. For the period during which this Addendum remains effective, the persons listed on Schedule B-1 shall be considered to be assigned to Operating Company. Schedule B-1 may be modified by mutual consent of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rate and charge for services provided by C&T Employees to Operating Company shall be calculated monthly based on C&T's direct monthly costs related to each such employee, including salary, payroll taxes and benefits. The annual charge for each employee will be listed on Schedule B-1, which shall consequently be designated as highly confidential and handled in accordance with the confidentiality provisions in Paragraph 11 of the Contract.

3. EMPLOYEE BONUSES.

The C&T Employees listed on Schedule B-1 may, from time to time, be provided certain bonuses or other performance-based incentives. To the extent such bonuses or incentives are proposed or instituted by C&T, Operating Company shall have the right to refuse, for reasonable reasons and grounds, to compensate C&T for such bonuses or incentives. Operating Company may also request that C&T provide a bonus or other incentive to specific C&T Employees listed on Schedule B-1. Bonuses or incentives shall be passed through to and paid by Operating Company.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

SCHEDULE B-1 TO ADDENDUM B

CONFIDENTIAL

**WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM C
(VEHICLES, MATERIALS AND EQUIPMENT)**

4. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the vehicles, materials and other equipment more particularly detailed and set forth on the attached listing, marked Schedule C-1 , which schedule is incorporated herein as though set forth at length. Schedule C-1 may be changed from time to time by mutual agreement of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services set forth in Paragraph 1 hereof shall be calculated monthly based on the monthly fixed and variable costs related to such vehicles, material or equipment.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

SCHEDULE C-1 TO ADDENDUM C

1. Currently there are no vehicles, material or other equipment being provided by the affiliated companies.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

**WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM D
(SPACE)**

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the space more particularly detailed and set forth on the attached Schedules marked as D-1, D-2, D-3, etc. To the extent a formal lease agreement exists related to certain space, that agreement will also be included as a Schedule to this Addendum.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services for space will be negotiated between the Parties.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

**SCHEDULE D-1 TO ADDENDUM D
SUMMARY OF SPACE LEASED BETWEEN PARTIES**

1. **C&T Office Lease:** Wellsboro ("Lessors") shall lease to C&T ("Lessee") approximately 860 square feet of unfinished space on the 3rd floor of Wellsboro's primary office building located at 33 Austin Street, Wellsboro, Pennsylvania. The lease is for a term of five (5) years commencing January 1, 2009 and terminating on December 31, 2013, or sooner if Lessee objects to a rent escalation as described below. The first twelve (12) month division under the lease period of the lease term shall be at the total rent of Three Thousand and 00/100 (\$3,000.00) DOLLARS payable in equal installments of Two Hundred Fifty and 00/100 (\$250.00) DOLLARS in advance on the first (1st) day of each month for that month's rental. Lessors reserve the right to provide Lessee ninety (90) days prior to the beginning of the second twelve (12) month period and each subsequent period thereafter, notice of increased rental amount. Such increased rental amount shall at no time exceed ten (10%) percent of the previous twelve (12) month period. Lessee shall advise Lessors within forty-five (45) days of the end of the first (1st) twelve (12) month period of Lessee's intent to accept the new rental term or waive notice to vacate and exit the leased premises at the end of the twelve (12) month period. The cost of build-out shall be the responsibility of Lessee. This lease is attached as Schedule D-2.

2. **C&T Call Center Lease:** Wellsboro shall lease to C&T approximately 2,600 square feet of finished space in Wellsboro's secondary office building located at 33 Austin Street, Wellsboro, Pennsylvania. The monthly charge shall be \$3,000. The monthly charge includes Wellsboro's costs to build-out the space. The lease term is 10 years, ending December 31, 2011. This lease is attached as Schedule D-3.

C&T ENTERPRISES, INC.

Date

by: _____

President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____

President & CEO

COMMERCIAL PROPERTY LEASE

This lease is made between Wellsborough Electric Company of 33 Austin Street, Wellsboro, Pennsylvania 16901; herein called Lessors and C&T Enterprises, Inc. of 1775 Industrial Blvd., Lewisburg, Pennsylvania 17837, herein called the Lessee.

Lessors hereby offer to lease to Lessee the premises situate in the Borough of Wellsboro, County of Tioga, Commonwealth of Pennsylvania, described as 33 Austin Street, 3rd Floor, Wellsboro, Pennsylvania 16901, upon the following TERMS and CONDITIONS:

1. **USE:** Lessee agrees that it will use and occupy the demised premises as offices and for no other purpose without the written consent of the Lessors first had and obtained; nor shall Lessee obstruct or interfere with the rights of other Lessee, or in any other way injure or annoy them, nor will the Lessee allow the leased premises or any part of it to be occupied by any other person than the Lessee or Lessee's employees without the written consent of the Lessors endorsed on this agreement.
2. **TERM:** Lessors demise the office located at 33 Austin Street, 3rd Floor, Wellsboro, Pennsylvania 16901, for a term of five (5) years commencing January 1, 2009 and terminating on December 31, 2013, or sooner, as provided herein.
3. **RENT:** The first twelve (12) month division under the lease period of the lease term shall be at the total rent of Three Thousand and 00/100 (\$3,000.00) DOLLARS payable in equal installments of Two Hundred Fifty and 00/100 (\$250.00) DOLLARS in advance on the first (1st) day of each month for that month's rental.

Lessors reserve the right to provide Lessee ninety (90) days prior to the beginning of the second twelve (12) month period and each subsequent period thereafter, notice of increased rental amount. Such increased rental amount shall at no time exceed ten (10%) percent of the previous twelve (12) month period. Lessee shall advise Lessors within forty-five (45) days of the end of the first (1st) twelve (12) month period of Lessee's intent to accept the new rental term or waive notice to vacate and exit the leased premises at the end of the twelve (12) month period.

All rental payments shall be made to Lessors at 33 Austin Street, Wellsboro, Pennsylvania 16901. Any payment made six (6) days or later after the due date shall be assessed a \$25.00 late fee which will be added to the monthly payment.

4. **SECURITY DEPOSIT:** Lessee shall deposit with Lessors on the signing of this lease the sum of the first and last month's rent as a security for the performance of Lessee's obligations under this lease, including without limitation the surrender of possessions of the premises to Lessors as herein provided. If Lessors apply any part of the deposit to cure any default of Lessee, Lessee shall on demand deposit with Lessors the amount so applied so that the Lessors shall have the full deposit on hand at all times during this lease.
5. **ALTERATIONS:** Lessee shall not, without first obtaining the written consent of Lessors, make any alterations, additions, or improvements, in, to or about the premises.
6. **ORDINANCES AND STATUTES:** Lessee shall comply with all statutes, ordinances and requirements of all municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.
7. **ASSIGNMENT AND SUBLETTING:** Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessors, which shall not unreasonably be withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessors, may terminate this lease.
8. **UTILITIES:** Lessee agree to provide and be solely liable and responsible for the payment of all utilities, including, but not limited to, gas, electric, telephone/FAX/TV and/or cable bills and the installation thereof, and garbage removal, as they become due.
9. **MAINTENANCE:** Lessee shall provide their own interior maintenance and custodial services for the leased premises. Lessors covenant to be solely responsible for snow removal and outside maintenance on the leased premises.
10. **PARKING:** Lessee shall have available for the Lessee's exclusive use parking spaces. Customer parking shall be provided on a first come, first serve basis.
11. **ENTRY AND INSPECTION:** Lessee shall permit Lessors or Lessor's agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessors anytime within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual

“To Let” or “For Lease” signs, and permit persons desiring to lease the same to inspect the premises thereafter. It is understood that the Lessors shall have the option and right to enter the leased premises at any time upon activation of the fire alarm system.

12. **POSSESSION:** If Lessors are unable to deliver possession of the premises at the commencement hereof, Lessors shall not be liable for any damage caused thereby, nor shall this lease be void or voidable, but Lessee shall not be liable for any rent until possession is delivered. Lessee may terminate this lease if possession is not delivered within ten (10) days of commencement of the term hereof.

13. **INDEMNIFICATION OF LESSORS:** Lessors shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agree to hold Lessors harmless from any and/or all claims for damages, no matter how caused.

14. **EMINENT DOMAIN:** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee’s use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

15. **DESTRUCTION OF PREMISES:** In the event of partial destruction of the premises during the term hereof, from any cause, Lessors shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under the existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within the said sixty (60) days, Lessors, at their option, may make the same within a reasonable time, this lease continuing in effect, with the rent proportionately abated as aforementioned, and in the event that Lessors shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third (1/3) of the replacement costs thereof, Lessors may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

16. **LESSOR'S REMEDIES ON DEFAULT:** If Lessee defaults in the payment of rent, or any additional rent, or defaults in the performance of any of the other covenants or conditions hereof, Lessors may give Lessee notice of such default, and if Lessee does not cure any such default within fifteen (15) days, after the giving of such notice [or if such default is of such a nature that it cannot be completely cured within such period, if Lessee does not commence such curing within fifteen (15) days, and thereafter proceeds with reasonable diligence and in good faith to cure such default], then Lessors may terminate this lease on not less than fifteen (15) days notice to Lessee. On the date specified in such notice the term of this lease shall terminate, and Lessee shall then quit and surrender premises to Lessors, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessors, Lessors may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects.

17. **NO WAIVER OF DEFAULT:** This agreement shall remain in full force and effect unless and until terminated under and pursuant to the terms of this agreement. The failure of either party to insist upon strict performance of any of the provisions of this agreement shall in no way affect the right of such party thereafter to enforce that provision. The waiver of any breach of any provision hereof shall not be construed as a waiver of any subsequent breach of the same or similar nature, and shall not be construed as a waiver of strict performance of any other obligations herein.

18. **ATTORNEY'S FEES:** In case suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.

19. **NOTICES:** Any notice which either party may be or is required to give, shall be given by mailing the same, postage prepaid, to Lessee at the premises, or Lessors at the address shown below, or at such other places as may be designated by the parties from time to time.

Lessor's Address: 33 Austin Street, Wellsboro, Pennsylvania 16901

Lessee's Address: 1775 Industrial Blvd. Lewisburg, Pennsylvania 17801.

20. **NOTICE OF DEFECTS:** Lessee shall give to Lessors prompt written notice of any accident to, or any defects in, to, or on the demised premises that may come to its attention.

21. **NOTICE TO VACATE:** Lessee shall advise the Lessors in writing, no later than six (6) months prior to the expiration of, the last twelve (12) month period of their intention to remain for an additional twelve (12) month period or vacate.

22. **HEIRS, ASSIGNS, SUCCESSORS:** This lease is binding upon and inures to the benefit of the heirs, assigns and successors in interest to the parties.

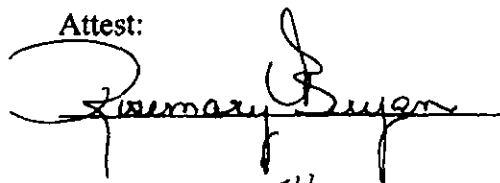
23. **SUBORDINATION:** This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

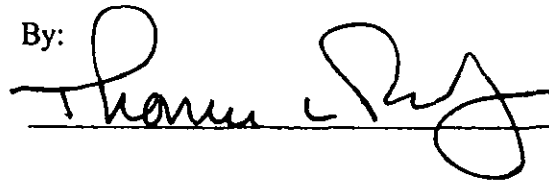
24. **LAW OF PENNSYLVANIA APPLICABLE:** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

25. **ENTIRE AGREEMENT:** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof:

Signed this 15th day of December, 2008.

WELLSBORO ELECTRIC COMPANY

Attest:


By: 

Signed this 15TH day of DECEMBER, 2008.

C&T ENTERPRISES, INC.

Attest:


By: 

COMMERCIAL PROPERTY LEASE

This Lease is made between **WELLSBORO ELECTRIC COMPANY**, of 33 Austin Street Wellsboro, Tioga County, Pennsylvania, 16901, herein called "Lessors", and **C&T ENTERPRISES, INC.**, of P.O. Box 551, Lewisburg, Pennsylvania, 17838, herein called the "Lessee".

Lessors hereby offer to lease to Lessee 2,600 square feet situate in the Borough of Wellsboro, County of Tioga, Commonwealth of Pennsylvania, 33 Austin Street, Wellsboro, Tioga County, Pennsylvania, 16901, upon the following **TERMS** and **CONDITIONS**:

1. **USE**: Lessee agrees that he will use and occupy the demised premises as a communications center only and for no other purpose without the written consent of the Lessors first had and obtained; nor shall Lessee obstruct or interfere with the rights of other Lessees, or in any other way injure or annoy them, nor will the Lessee allow the leased premises or any part of it to be occupied by any other person than the Lessee or Lessee's employees without the written consent of the Lessors endorsed on this Agreement.

2. **TERM**: Lessors demise the square footage at 33 Austin Street, Wellsboro, Tioga County, Pennsylvania, 16901, for a term of ten (10) years commencing January 1, 2001, and terminating on December 31, 2011.

3. **RENT**: Total rent for the lease term shall be at of \$3,000.00 per month payable in advance on the first (1st) day of each month for that month's rental.

All rental payments shall be made to Lessors at the address specified above. Any payment made ten (10) days or later after the due date shall be assessed a ten (10%) percent late fee which will be added to the monthly payment.

4. **ALTERATIONS**: Lessee shall not, without first obtaining the written consent of Lessors, make any alterations, additions, or improvements, in, to or about the premises. Lessors will pay only for materials that they deem necessary. Any alterations, additions or improvements, in, to or about the leased premises shall be made solely at the Lessee's expense, except for repairs to the roof. Further, any alterations, additions, or improvements in, to or about the premises, except movable or attachable office equipment shall be the property of the Lessors, and shall remain upon and be surrendered with the premises, as a part of it, at the termination of this lease, without molestation or injury.

5. **ORDINANCES AND STATUTES**: Lessee shall comply with all statutes, ordinances and requirements of a municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

6. **ASSIGNMENT AND SUBLETTING**: Lessee shall not assign this lease or sublet any portion of the premises without prior written consent of the Lessors, which shall not unreasonably be withheld. Any such assignment or subletting without consent shall be void and, at the option of the Lessors, may terminate this lease.

7. **UTILITIES**: Lessors agree to provide and be responsible for the payment of the following: electric, gas, water, sewer, and removal of garbage. Lessee shall be solely liable for telephone/FAX/TV and/or cable bills, as they become due.

8. **ENTRY AND INSPECTION**: Lessee shall permit Lessors or Lessors' agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessors anytime within sixty (60) days prior to the expiration of this lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter. It is understood that the Lessors shall have the option and right to enter the leased premises at any time upon activation of the fire alarm system.

9. INDEMNIFICATION OF LESSORS: Lessors shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessors harmless from any/and all claims for damages, no matter how caused. Further, Lessee agrees to carry liability insurance in the minimum amount of \$1,000,000.00 on the demised premises listing the Lessors as a named insured.

10. EMINENT DOMAIN: If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

11. DESTRUCTION OF PREMISES: In the event of partial destruction of the premises during the term hereof, from any cause, Lessors shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under the existing governmental laws and regulations, but such partial destruction shall not terminate this lease, except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within the said sixty (60) days, Lessors, at their option, may make the same within a reasonable time, this lease continuing in effect, with the rent proportionately abated as aforementioned, and in the event that Lessors shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third (1/3) of the replacement costs thereof, Lessors may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

12. LESSORS' REMEDIES ON DEFAULT: If Lessee defaults in the payment of rent, or any additional rent, or default in the performance of any of the other covenants or conditions hereof, Lessors may give Lessee notice of such default, and if Lessee does not cure any such default within fifteen (15) days after the giving of such notice [or if such default is of such a nature that it cannot be completely cured within such period, if Lessee does not commence such curing within fifteen (15) days, and thereafter proceeds with reasonable diligence and in good faith to cure such default], then Lessors may terminate this lease on not less than ten (10) days notice to Lessees. On the date specified in such notice the term of this lease shall terminate, and Lessees shall then quit and surrender premises to Lessors, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessors, Lessors may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects.

13. NO WAIVER OF DEFAULT: No failure to enforce any term shall be deemed a waiver. This agreement shall remain in full force and effect unless and until terminated under and pursuant to the terms of this agreement. The failure of either party to insist upon strict performance of any of the provisions of this agreement shall in no way affect the right of such party thereafter to enforce that provision. The waiver of any breach of any provision hereof shall not be construed as a waiver of any subsequent breach of the same or similar nature, and shall not be construed as a waiver of strict performance of any other obligations herein.

14. ATTORNEY'S FEES: In case suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.

15. NOTICES: Any notice which either party may be or is required to give, shall be given by mailing the same, postage prepaid, to the addresses shown below:

LESSEES: P.O. Box 551
Lewisburg, Pennsylvania 17837

LESSORS: 33 Austin Street
Wellsboro, Pennsylvania 16901

or at such other places as may be designated by the parties from time to time.

16. NOTICE OF DEFECTS: Lessee shall give to Lessors prompt written notice of any accident to, or any defects in, to, or on the demised premises that may come to its attention.

17. ASSIGNS AND SUCCESSORS: This lease is binding upon and inures to the benefit of the assigns and successors in interest to the parties.

18. SUBORDINATION: This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

19. LAW OF PENNSYLVANIA APPLICABLE: This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

20. ENTIRE AGREEMENT: The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof:

Signed this 31st day of March, ~~2000~~ ²⁰⁰⁹.

WELLSBORO ELECTRIC COMPANY

Attest: *Annette L. Bender*

By: *Colby Eschen*

Signed this 1st day of April, ~~2000~~ ²⁰⁰⁹.

C&T ENTERPRISES, INC.

Attest: *Annette L. Bender*

By: *BOBBI Kelmey*

**WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM E
(ADVANCED PAYMENT)**

Pursuant to Paragraph 3.1 of the Contract, C&T currently holds an Advanced Payment from Operating Company of \$49,000.

C&T ENTERPRISES, INC.

Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

Date

by: _____
President & CEO

CERTIFICATE OF SERVICE

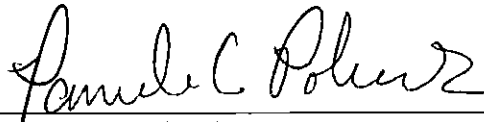
I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant).

VIA E-MAIL AND FIRST-CLASS MAIL

Irwin A. Popowsky, Esq.
Office of Consumer Advocate
555 Walnut Street
Forum Place - 5th Floor
Harrisburg, PA 17101-1921
spopowsky@paoca.org

William R. Lloyd, Jr., Esq.
Office of Small Business Advocate
Suite 1102, Commerce Building
300 North Second Street
Harrisburg, PA 17101
willlloyd@state.pa.us

Johnnie E. Simms, Esq.
Office of Trial Staff
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265
josimms@state.pa.us



Pamela C. Polacek

Counsel to Wellsboro Electric Company

Dated this 31st day of January, 2011, at Harrisburg, Pennsylvania.

RECEIVED
2011 JAN 31 PM 3:54
PA PUC
SECRETARY'S BUREAU