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April 15, 2014

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

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. Citizens' Electric Company of
Lewisburg, PA; Docket No. R-2014-2406399**

**Pennsylvania Public Utility Commission v. Wellsboro Electric Company;
Docket No. R-2014-2408050**

Dear Secretary Chiavetta:

Enclosed please find the Joint Petition for Settlement in the above-referenced proceedings. As evidenced by the attached Certificate of Service, all parties to the proceeding are being served with a copy of this document.

Very truly yours,

McNEES WALLACE & NURICK LLC

By

A handwritten signature in black ink, appearing to be 'Elizabeth P. Trinkle', written over a horizontal line.

Elizabeth P. Trinkle

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

Enclosures

c: Administrative Law Judge Susan D. Colwell (via E-mail and First Class Mail)
Certificate of Service

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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

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Harrisburg, PA 17101
swebb@pa.gov



Elizabeth P. Trinkle

Counsel to the Columbia Industrial Intervenors

Dated this 15th day of April, 2014, at Harrisburg, Pennsylvania.

("Supplement No. 80"), proposing a temporary, non-bypassable surcharge ("Interim Energy Cost Recovery Rider" or "IECR Rider") applicable to all of Citizens' customers. The proposed IECR Rider is designed to recover the net additional PJM Interconnection, L.L.C. ("PJM") costs incurred by Citizens' during January, 2014, due to abnormal and sustained cold weather conditions. Citizens' further requested an exception from the 60-day statutory notice period prescribed by 52 Pa. Code § 53.101, to allow proposed Supplement No. 80 become effective on April 1, 2014.

2. On February 28, 2014, Wellsboro filed with the PUC Supplement No. 76 to Tariff Electric-Pa. P.U.C. No. 8 ("Supplement No. 76"), proposing an identical Interim Energy Cost Recovery Rider applicable to all of Wellsboro's customers. Wellsboro also requested an exception from the 60-day statutory notice period to allow Supplement No. 76 to become effective on April 1, 2014.

3. On March 10, 2014, OSBA filed Formal Complaints against Supplement No. 80, docketed at C-2014-2409974, and Supplement No. 76, docketed at C-2014-2409952. The Companies filed Answers to the OSBA's Complaints on March 18, 2014.

4. On March 20, 2014, the Commission acted to institute Investigations, suspending the filings for both Companies by operation of law until August 1, 2014. The filings were referred to the Office of Administrative Law Judge where Administrative Law Judge ("ALJ") Susan D. Colwell was assigned both cases.

6. The Office of Consumer Advocate ("OCA") filed Notices of Intervention in both proceedings on March 21, 2014.

7. A Prehearing Conference was held on March 26, 2014. During the Prehearing Conference, the Parties jointly indicated their intent to resolve these proceedings by May 1,

2014. ALJ Colwell directed the Parties to take appropriate action by May 1, 2014, and noted that failure to do so would result in the parties being called into a hearing within one week of that time. On March 26, 2014, ALJ Colwell issued a Second Prehearing Order consolidating these proceedings and scheduling evidentiary hearing.

8. On March 28, 2014, in compliance with the Commission's March 20, 2014 Order, Wellsboro submitted Supplement No. 77 to Tariff Electric PA. P.U.C. No. 8 ("Supplement No. 77") and Citizens' submitted Supplement No. 83 to Tariff Electric-Pa. P.U.C. No. 14 ("Supplement No. 83"). Supplement No. 77 and Supplement No. 83 suspend the proposed Supplements until August 1, 2014.

II. TERMS OF SETTLEMENT

The terms of the Settlement are as follows:

9. The Companies and OSBA have engaged in discussions and exchanged information regarding the calculation of the proposed IECR Riders. Based on these discussions and its review of additional calculation data provided as part of the normal filing process, the OSBA has resolved the issues and questions raised in its Complaints with respect to the proposed Supplements. Accordingly, OSBA will not be filing testimony or otherwise litigating its Complaints at Docket Nos. C-2014-2409974 and C-2014-2409952. A letter to that effect was filed with the Commission on April 14, 2014 and is attached to this Joint Petition as Attachment B.

10. The Parties request that the Commission approve the Supplements effective June 1, 2014. The proposed effective date will allow the Companies to collect the net incremental costs incurred for PJM January 2014 charges (in comparison to originally projected charges) over a six month period (June 1 – November 30). At the end of the recovery period, the IECR

Riders will terminate, with any remaining over or undercollection reflected in the Companies' Generation Supply Service Rate ("GSSR") E-Factors for the 2nd Quarter 2015.¹ The Parties believe implementing the IECR Riders as proposed with updated calculations to reflect sales figures for the new 6-month period is in the public interest and should be approved expeditiously.

11. For illustrative purposes, Attachment A to the Settlement sets forth the revised IECR Rider rates based on the June 1, 2014, effective date. Upon approval of this Settlement, the Companies will submit the revised IECR Rider rates via compliance filing to enable the PUC's Bureau of Technical Utility Services to review these calculations and confirm their accuracy.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

12. This Settlement was achieved by the Parties after investigation of the Companies' Supplements, including informal discovery by the Companies and OSBA. The Settlement is lawful and supported by the record of this proceeding.

13. With the approval of the Settlement, the Parties and the Commission avoid the time, expense and uncertainty that would occur if the Parties were required to litigate the issues in this proceeding.

14. The Settlement enables the Companies to implement the proposed Interim Energy Cost Recovery Riders effective June 1, 2014. The proposed IECR Riders will appropriately enable the Companies to recover their known and measurable undercollections equitably from all customers. This is necessary to ensure the Companies' continued provision of safe and reliable electric distribution service.

¹ The Companies will file reconciliations of the surcharges within 30 days after the surcharges terminate.

15. The Parties are providing support for the Settlement via correspondence and a Statement in Support, which are attached to the Settlement as Attachments B through D. This Statement and correspondence will set forth additional arguments and reasons as to why approval of this Settlement without modification is appropriate and in the public interest.

IV. CONDITIONS OF SETTLEMENT

16. This Settlement is conditioned upon the Commission's approval of terms and conditions contained herein without modification. If the Commission modifies the Settlement, any Party may elect to withdraw from this Settlement and may proceed with litigation, and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon the other Parties within ten (10) business days after the entry of an order modifying the Settlement.

17. The Settlement is proposed by the Parties to resolve all issues in the instant proceeding and is made without any admission against, or prejudice to, any position that any Party may adopt during any subsequent litigation of this proceeding or any other proceeding.

18. If the ALJ adopts the Settlement without modification, the Parties waive their rights to file Exceptions and Reply Exceptions.

19. If the Commission does not approve the Settlement unmodified and in full, and the proceeding continues to further hearing, the Parties reserve their respective rights to present testimony and to conduct full cross-examination, briefing and argument.

20. The Commission's approval of this Settlement shall not be construed to represent approval of any Party's position on any issue.

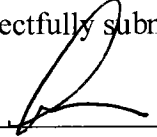
21. It is understood and agreed among the Parties that this Settlement is the result of compromises and does not necessarily represent the position(s) that would be advanced by any Party if this proceeding were fully litigated.

IV. CONCLUSION


WHEREFORE, the Parties respectfully request as follows:

1. That the ALJ and the Commission take the following actions (and any other findings and conclusions as may be required or appropriate):
 - a. Approve pursuant to Section 5.94(b) of the Commission's regulations, 52 Pa. Code § 5.94(b), the withdrawal of the Complaint of the Office of Small Business Advocate against Citizens' Electric Company of Lewisburg, PA at Docket No. C-2014-2409974;
 - b. Approve pursuant to Section 5.94(b) of the Commission's regulations, 52 Pa. Code § 5.94(b), the withdrawal of the Complaint of the Office of Small Business Advocate against Wellsboro Electric Company at Docket No. C-2014-2409952;
 - c. Approve Supplement No. 80 effective June 1, 2014.
 - d. Approve Supplement No. 76; effective June 1, 2014; and
 - d. Mark Docket Nos. R-2014-2406399 and R-2014-2408050 closed.

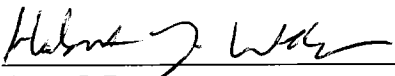
Respectfully submitted,



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*Counsel to Citizens' Electric Company of
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Company*



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Counsel for Office of Consumer Advocate

Dated April 15, 2014

ATTACHMENT A

Revised Calculations Supporting Interim Energy Cost Recovery Riders

**Citizens' Electric Company
January 2014 Excess Energy Charges**

	<u>Actual Jan 2014</u>	<u>Projected Jan 2014</u>	<u>Under Collected</u>	<u>Collected in Supplement 79</u>	<u>Balance Under Collected</u>
PJM Ancillary Charges F-Factor					
Transmissi	\$ 12,166.00	\$ (6,092.36)	\$ 18,258.36		\$ 18,258.36
Inadvertent	\$ (229.37)	\$ (60.01)	\$ (169.36)		\$ (169.36)
Meter Corr	\$ 1.07	\$ 23.88	\$ (22.81)		\$ (22.81)
Day Ahead	\$ 23.80	\$ 85.59	\$ (61.79)		\$ (61.79)
RealTime L	\$ 125.26	\$ 83.89	\$ 41.37		\$ 41.37
Total Anci	\$ 12,086.76	\$ (5,959.00)	\$ 18,045.76	\$ -	\$ 18,045.76
Spot Mark	\$ 1,007,297.18	\$ 82,497.00	\$ 924,800.18	\$ 595,062.00	\$ 329,738.18
Transmiss	\$ 376,019.95	\$ 4,321.00	\$ 371,698.95	\$ 147,712.00	\$ 223,986.95
Total F-Fa	\$ 1,395,403.89	\$ 80,859.00	\$ 1,314,544.89	\$ 742,774.00	\$ 571,770.89
PJM Ancillary Charges A-Factor					
Regulation	\$ 18,513.22	\$ 5,128.69	\$ 13,384.53	\$ -	\$ 13,384.53
Synchroniz	\$ 50,549.24	\$ 2,349.64	\$ 48,199.60	\$ -	\$ 48,199.60
Operating I	\$ 224,723.97	\$ 13,989.67	\$ 210,734.30	\$ -	\$ 210,734.30
Synchrono	\$ 15.60	\$ 5.94	\$ 9.66	\$ -	\$ 9.66
PJM Sched	\$ 5,016.39	\$ 4,722.30	\$ 294.09	\$ -	\$ 294.09
Transmissi	\$ 1,316.63	\$ 1,084.75	\$ 231.88	\$ -	\$ 231.88
Reactive S	\$ 6,699.69	\$ 9,563.40	\$ (2,863.71)	\$ -	\$ (2,863.71)
Black Start	\$ 52.22	\$ 69.87	\$ (17.65)	\$ -	\$ (17.65)
North Ame	\$ 227.95	\$ 209.39	\$ 18.56	\$ -	\$ 18.56
Reliability I	\$ 323.82	\$ 273.95	\$ 49.87	\$ -	\$ 49.87
Expansion	\$ 83.08	\$ 103.08	\$ (20.00)	\$ -	\$ (20.00)
Transmissi	\$ 11,346.96	\$ 10,704.80	\$ 642.16	\$ -	\$ 642.16
Transmissi	\$ (38,015.49)	\$ (8,910.55)	\$ (29,104.94)	\$ -	\$ (29,104.94)
Non-Firm I	\$ (433.64)	\$ (147.33)	\$ (286.31)	\$ -	\$ (286.31)
Capacity R	\$ (363.94)	\$ (1,323.41)	\$ 959.47	\$ -	\$ 959.47
Adjustmen	\$ -	\$ 602.04	\$ (602.04)	\$ -	\$ (602.04)
Load Reco	\$ -	\$ 44.56	\$ (44.56)	\$ -	\$ (44.56)
Miscellane	\$ -	\$ -	\$ -	\$ -	\$ -
Misc. Char	\$ 4,594.10	\$ 1,079.97	\$ 3,514.13	\$ -	\$ 3,514.13
Total Anci	\$ 284,649.80	\$ 39,550.76	\$ 245,099.05	\$ -	\$ 245,099.05
ARR's A/C	\$ (6,448.93)	\$ (6,448.93)	\$ -	\$ -	\$ -
Transmiss	\$ 101,892.04	\$ 101,892.04	\$ -	\$ -	\$ -
Capacity (I)	\$ 258,422.51	\$ 258,422.51	\$ -	\$ -	\$ -
Total A-Fa	\$ 638,515.42	\$ 393,416.38	\$ 245,099.05	\$ -	\$ 245,099.05
Non-Bypa	\$ 32,675.00	\$ -	\$ 32,675.00	\$ -	\$ 32,675.00
TOTALS	\$ 2,066,594.31	\$ 474,275.38	\$ 1,592,318.94	\$ 742,774.00	\$ 849,544.94

Sales	<u>MWh</u>
June	12,132
July	12,929
August	13,891
September	12,953
October	11,320
November	12,896
Total	<u>76,121</u>

Non-Bypassable Energy Surcharge

Total Excess Energy Charges	\$ 849,544.94
Total Sales June - November	76,121
Non-Bypassable Energy Surcharge per MWh	<u>\$ 11.16</u>
Non-Bypassable Energy Surcharge per MWh with GRT	<u>\$ 11.86</u>

**Wellsboro Electric Company
January 2014 Excess Energy Charges**

	<u>Actual Jan 2014</u>	<u>Projected Jan 2014</u>	<u>Under Collected</u>
PJM Ancillary Charges F-Factor			
1	\$ 127,593	\$ 37,600	\$ 89,993
2	\$ (167)	\$ (57)	\$ (110)
3	\$ 1	\$ 19	\$ (18)
4	\$ 16	\$ 59	\$ (43)
5	\$ 82	\$ 324	\$ (242)
6	<u>\$ 127,525</u>	<u>\$ 37,945</u>	<u>\$ 89,580</u>
7	\$ 268,777	\$ 64,787	\$ 203,990
8	\$ 46,105	\$ 2,834	\$ 43,271
9	<u>\$ 442,407</u>	<u>\$ 105,566</u>	<u>\$ 336,841</u>
PJM Ancillary Charges A-Factor			
10	\$ 8,094	\$ 6,233	\$ 1,861
11	\$ 3,155	\$ 4,789	\$ (1,634)
12	\$ 159,821	\$ 22,225	\$ 137,596
13	\$ 60	\$ 64	\$ (4)
14	\$ 695	\$ -	\$ 695
15	\$ (130)	\$ (56)	\$ (74)
16	\$ (22,208)	\$ (2,677)	\$ (19,531)
17	\$ (0)	\$ -	\$ (0)
18	\$ (440)	\$ -	\$ (440)
19	\$ (253)	\$ (2,933)	\$ 2,680
20	\$ (6)	\$ -	\$ (6)
21	\$ (4)	\$ -	\$ (4)
22	\$ 49	\$ 3,089	\$ (3,040)
23	<u>\$ 148,832</u>	<u>\$ 30,734</u>	<u>\$ 118,098</u>
24	\$ (13,832)	\$ (13,832)	\$ -
25	\$ 66,827	\$ 66,827	\$ -
26	<u>\$ 179,271</u>	<u>\$ 179,271</u>	<u>\$ -</u>
27	<u>\$ 381,098</u>	<u>\$ 262,999</u>	<u>\$ 118,098</u>
28	\$ 18,198	\$ -	\$ 18,198
29	<u>\$ 841,702</u>	<u>\$ 368,565</u>	<u>\$ 473,137</u>

Sales

MWh

Non-Bypassable Energy Surcharge

June	9,402		
July	10,135	Total Excess Charges	\$ 473,137
August	10,067		
September	9,734	Total Sales June - November	57,463
October	8,712		
November	9,413	Non-Bypassable Energy Surcharge per MWh	<u>\$ 8.234</u>
Total	<u>57,463</u>	Non-Bypassable Energy Surcharge with GRT	<u>\$ 8.750</u>

ATTACHMENT B

April 14, 2014 Letter of Office of Small Business Advocate



COMMONWEALTH OF PENNSYLVANIA

April 14, 2014

RECEIVED
2014 APR 14 PM 3:37
PA PUC
SECRETARY'S BUREAU

E-mail and Hand Delivery

Hon. Susan D. Colwell
Administrative Law Judge
Pa. Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105

**Re: Pennsylvania Public Utility Commission v. Citizens Electric Company of Lewisburg,
PA
Docket No. R-2014-2406399**

**Pennsylvania Public Utility Commission v. Wellsboro Electric Company
Docket No. R-2014-2408050**

Dear Judge Colwell:

The purpose of this letter is to advise you that the OSBA does not intend to file testimony or further pursue the complaints filed at the above-referenced dockets.

The Companies chose to address the underecovery that occurred in the later part of January in a proposed non-bypassable charge rather than making an interim generation service supply rate ("GSSR") filing. At issue, at the time the OSBA's complaints were filed, was the OSBA's inability to confirm all the numbers for the non-bypassable charge until after the original proposed implementation date.

The issues raised in the OSBA's complaints have been resolved. The OSBA has reviewed the final figures, confirmed it has no objections to the filings, and does not intend to file testimony or further pursue litigation of the above referenced complaints.

As evidenced by the enclosed certificate of service, all parties have been served as indicated.

Sincerely,

Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Enclosures

cc: Parties of Record
Brian Kalcic

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2014-2406399
Citizens Electric Company of Lewisburg, PA	:	
	:	
Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2014-2408050
Wellsboro Electric Company	:	

CERTIFICATE OF SERVICE

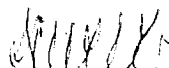
I certify that I am serving two copies of the foregoing document on behalf of the Office of Small Business Advocate, by e-filing, e-mail, and/or first-class mail (unless otherwise noted) upon the persons addressed below:

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Administrative Law Judge
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Sharon E. Webb
Assistant Small Business Advocate
Attorney ID No. 73995

Date: April 14, 2014

ATTACHMENT C

**Statement in Support of Citizens' Electric Company of Lewisburg, PA and Wellsboro
Electric Company**

No. 76") (collectively, "Supplements"). The Supplements propose a temporary, non-bypassable surcharge ("Interim Energy Cost Recovery Rider" or "IECR Rider") applicable to all of the Companies' customers. The proposed IECR Riders are designed to recover the net additional PJM Interconnection, L.L.C. ("PJM") costs incurred by the Companies during January, 2014, due to abnormal and sustained cold weather conditions.

2. On March 10, 2014, OSBA filed Formal Complaints against the Supplements. OCA filed Notices of Intervention in both proceedings on March 21, 2014. As a result, the Commission assigned the Supplements to the Office of Administrative Law where Administrative Law Judge ("ALJ") Susan D. Colwell was assigned both cases.

3. A Prehearing Conference was held on March 26, 2014. During the Prehearing Conference, the Parties jointly indicated their intent to resolve these proceedings by May 1, 2014. ALJ Colwell directed the Parties to take appropriate action by May 1, 2014, and noted that failure to do so would result in the parties being called into a hearing within one week of that time. Subsequently, the Parties determined that these proceedings could be resolved without litigation following discussions among the Parties regarding the IECR Riders and OSBA's review of additional calculation data provided as part of the normal filing process.

4. The Commission has a strong policy favoring settlements. As set forth in the Commission's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense, and uncertainty of litigation." 52 Pa. Code § 69.391; *see also* 52 Pa. Code § 5.231. Consistent with the Commission's policy, the Parties engaged in settlement discussions and exchanged settlement terms to amicably resolve this matter. As a result of those efforts, the Parties reached an agreement in principle, which has been memorialized in the Joint Petition.

II. STATEMENT IN SUPPORT

5. The Joint Petition reflects a reasonable and appropriate compromise of the Parties' positions in this matter, balancing OSBA's concerns with the Companies' objective of recovering the significant undercollections resulting from the net additional PJM costs incurred during January 2014. The Joint Petition affirms that the OSBA has resolved the issues and questions raised in its Complaints with respect to the proposed Supplements and therefore will not be filing testimony or otherwise litigating its Complaints. If approved by the Commission, the Settlement will allow the Supplements to become effective June 1, 2014.

6. As explained in the Statements of Reasons accompanying the Supplements, the month of January 2014 imposed severe winter weather conditions across the northeastern United States, including the PJM territory. Due to extraordinarily cold temperatures, demand for electricity increased across the PJM zone, which resulted in PJM spot prices and congestion charges far in excess of projections used to calculate the Companies' currently effective Generation Supply Service Rate ("GSSR") rates. Consequently, the Companies' payments to PJM for energy and ancillary services during the month of January were substantially higher than originally projected. Citizens' net remaining projected undercollection of PJM spot, congestion and ancillary service costs for January 2014 is \$816,869.94. Wellsboro's net underprojection of PJM spot, congestion and ancillary service costs for January 2014 is approximately \$455,000.

7. Under the Companies' existing process for establishing and reconciling the GSSR, the January PJM cost variances would not be reflected in the GSSR until July 1, 2014, and would result in a substantial E-Factor that would be added to the projection of the current 3rd Quarter default service generation costs. This substantial E-Factor would distort the price signals provided to the Companies' ratepayers in the 3rd Quarter GSSR. In addition, the Companies

would carry the significant amounts borrowed to pay for the extra costs on their lines of credit through July 1, 2014, with no reduction, which would stretch the Companies' borrowing capacity to their existing credit limits. Carrying forward such significant undercollections would send inaccurate price signals to customers and disrupt competitive markets in the Companies' service territories.

9. If approved, the Settlement will appropriately enable the Companies to recover their known and measurable undercollections. The Interim Energy Cost Recovery Riders will allow the Companies to collect, via non-bypassable surcharge, the net incremental costs incurred for PJM January 2014 charges (in comparison to originally projected charges) over a six month period (June 1 – November 30) beginning June 1, 2014. At the end of the recovery period, the IECR Riders will terminate, with any remaining over or undercollection reflected in the Companies' GSSR E-Factors for the 2nd Quarter 2015. Upon approval of the Settlement, the Companies will submit the revised IECR Rider rates via compliance filing to enable the PUC's Bureau of Technical Utility Services to review these calculations and confirm their accuracy.

10. Approval of the Joint Petition will further support competitive markets by reflecting actual market conditions in the Company's default service rates and enabling customer to make well-informed choices. Additionally, the proposed IECR Riders will facilitate a just and reasonable reconciliation by recovering the undercollections from all of the Companies' customers. Given that all customers within the Companies' service territories were taking default service in January 2014, all are responsible for the Company's actual incurred default service expenses under the Public Utility Code. 66 Pa. C.S. §§ 2807(e)(3.), 1307. The Settlement is therefore just, reasonable, and in full compliance with the requirements of Chapter 13 of the Pennsylvania Public Utility Code.

III. CONCLUSION

11. The Companies' respectfully submit that expeditious approval of the Joint Petition, without modification, is appropriate and in the public interest. The Joint Petition will facilitate the Companies' recovery of their known and measurable undercollections effective June 1, 2014. Such recovery is necessary to ensure the continued provision of safe and reliable electric distribution service. In addition, the Settlement represents a compromise solution that adequately addresses the needs of all parties to this proceeding.

12. Furthermore, the Settlement avoids the expense and uncertainty of fully litigating all of the matters in this proceeding and otherwise advances the policy of this Commission to encourage parties to resolve contested proceedings through settlement processes.

WHEREFORE, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company request that the Administrative Law Judge and the Commission expeditiously approve the Joint Petition for Settlement without modification.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By



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

Dated: April 15, 2014

ATTACHMENT D

April 15, 2014 Letter of the Office of Consumer Advocate

COMMONWEALTH OF PENNSYLVANIA



OFFICE OF CONSUMER ADVOCATE

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April 15, 2014

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
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Harrisburg, PA 17120

RE: Pennsylvania Public Utility Commission v.
Citizens' Electric Company of Lewisburg,
PA
Docket No. R-2014-2406399

Pennsylvania Public Utility Commission v.
Wellsboro Electric Company
Docket No. R-2014-2408050

Dear Secretary Chiavetta:

On February 18, 2014, Citizens' Electric Company of Lewisburg, PA (Citizens') filed with the Commission Supplement No. 80 to Tariff Electric-Pa. P.U.C. No. 14, proposing a temporary, non-bypassable surcharge (IECR Rider) applicable to all of Citizens' customers. The proposed IECR Rider is designed to recover the net additional PJM Interconnection, L.L.C. costs incurred by Citizens' during January, 2014, due to abnormal and sustained cold weather conditions. Citizens' Statement of Reasons at 3. On February 28, 2014, Wellsboro Electric Company filed with the PUC Supplement No. 76 to Tariff Electric-Pa. P.U.C. No. 8 (Supplement No. 76), proposing an identical IECR Rider applicable to all of Wellsboro's customers due to costs incurred this past winter. Wellsboro Statement of Reasons at 3.

The OCA filed a Notice of Intervention and Public Statement in the Companies' proceedings on March 21, 2014 in response to Complaints filed by the Office of Small Business Advocate (OSBA) against Citizens' Supplement No. 80 and Wellsboro's Supplement No. 76. On April 14, 2014, the OSBA filed a letter indicating that it would not further pursue the Formal

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Complaints it lodged against the Companies IECR Riders. Consistent with its initial review, the OCA has no issues with the IECR Riders for residential consumers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Aron J. Beatty', with a long horizontal flourish extending to the right.

Aron J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625

Enclosures

cc: Honorable Susan D. Colwell, ALJ
Certificate of Service

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