

John J. Gallagher

Attorney at Law

711 Forrest Road, Harrisburg, PA 17112

Tel. (717) 599-5839

✉ jgallagher@jglawpa.com

July 8, 2014

VIA HAND DELIVERY

Honorable Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

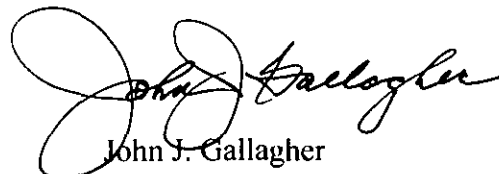
**Re: Joint Petition for Settlement
Docket No. R-2013-2397353 (Gas)**

Dear Secretary Chiavetta:

On behalf of Pike County Light & Power Company ("Pike"), the bureau of Investigation & Enforcement ("I&E"), the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA"), please find enclosed an original and one (1) copy of the Joint Petition for Settlement in the above-captioned matter.

Please contact me at your convenience should you have any questions concerning these responses.

Sincerely,


John J. Gallagher

Enclosures

RECEIVED
2014 JUL -8 PM 4:17
PA PUC
SECRETARY'S BUREAU

RECEIVED

2014 JUL -8 PM 4: 18

PA PUC
SECRETARY'S BUREAU

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :

v. :

Docket No. R-2013-2397353

Pike County Light & Power Company :
(Gas) :

**JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

Pike County Light & Power Company ("Pike (Gas)" or "Company"), the Bureau of Investigation and Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA"), collectively referred to as "Joint Petitioners," by their respective counsel, respectfully request: (a) that Administrative Law Judge Christopher P. Pell ("ALJ Pell" or "ALJ") recommend approval of this Joint Petition for Settlement of Rate Investigation ("Petition" or "Settlement"), without modification, under the terms and conditions as set forth herein; (b) that the Pennsylvania Public Utility Commission ("Commission") adopt said ALJ recommendation and approve this Settlement; and (c) that the Commission permit Pike (Gas) to file tariff supplements attached hereto at **Appendix A**, effective on one (1) days' notice for service rendered on and after the entrance of the Order approving the Settlement, but in any event no sooner than September 1, 2014. In support of this Settlement, the Joint Petitioners set forth the following:

I. FACTUAL AND PROCEDURAL BACKGROUND

1. On January 17, 2014, Pike (Gas) filed with the Commission Supplement No. 92 to Tariff Gas – Pa. P.U.C. No. 6 to become effective March 18, 2014. Supplement No. 92 to Tariff Gas - PA P.U.C. No. 6 contains proposed changes in Pike (Gas)'s rates, rules, and regulations and sets forth a request to adjust current gas rates in order to produce additional distribution revenues of approximately \$151,000 per year, an increase of approximately 24.7% in natural gas distribution revenues, or 10% in overall gas revenues based on the twelve months ended September 30, 2013.

2. Notices of Appearance were filed by I&E on January 23, 2014; OCA on February 11, 2014; and OSBA on February 25, 2014.

3. On March 6, 2014, the Commission entered an Order suspending the effective date of the proposed tariff until October 18, 2014 and instituted an investigation into the rate filing. Pike then voluntarily extended the suspension period until October 31, 2014.

4. ALJ Pell was assigned to the instant matter and presided over a Pre-Hearing Conference on March 27, 2014.

5. On April 9, 2014, the ALJ issued a Prehearing Order setting forth the litigation schedule for the proceeding, including dates for evidentiary hearings in Harrisburg.

6. During the course of this proceeding, I&E, OCA, and OSBA have propounded and Pike (Gas) has responded to more than 140 interrogatories and discovery requests. In addition, the Company has made its witnesses available to the parties to answer specific questions. The parties have used discovery extensively to investigate Pike (Gas)'s filing and to prepare their respective positions on the rate change request.

7. In addition, the parties have filed testimony in this proceeding. The Company filed the Direct Testimony of the following witnesses on January 17, 2014 together with its rate filing:

- a. Accounting Panel - Kenneth A. Kosior, Joseph Miller and Peter Carmona;
- b. Forecasting Panel – Lynn M. Urbano and Douglas B. Elgort;
- c. Gas Rate Panel – Cheryl Ruggiero and Louis LaPietra;
- d. Charles D. Hutcheson - Manager, Property Tax & Depreciation, Consolidated Edison Company of New York, Inc.;
- e. Robert B. Hevert, Managing Partner, Sussex Economic Advisors; and
- f. Barbara J. Altenburg, Director, Gas Technical Services.

8. The Company filed *Rebuttal Testimony from its Accounting Panel, its Rate Panel, Robert B. Hevert and Wayne A. Banker* on May 19, 2014.

9. The OSBA filed the Direct, Rebuttal and Surrebuttal Testimony of Robert D. Knecht on April 29, 2014, May 19, 2014 and June 4, 2014.

10. I&E filed the Direct Testimony and Exhibits of Emily Sears, Christine Wilson and Ethan H. Cline on April 29, 2014, and the Surrebuttal Testimony of Emily Sears, Lisa A. Boyd and Ethan H. Cline on June 4, 2014.

11. The OCA filed the Direct Testimony of David J. Effron, Aaron L. Rothschild, and Scott J. Rubin on April 29, 2014, Rebuttal Testimony of Scott J. Rubin on May 19, 2014, and the Surrebuttal Testimony of David J. Effron and Aaron L. Rothschild on June 4, 2014.

12. Following the filing of testimony and exhibits and before the date for the commencement of evidentiary hearings in this matter, the parties met and engaged in settlement negotiations resulting in this Settlement. Joint Petitioners have been able to agree to a proposed revenue increase and a rate design to recover the agreed-upon increase and a number of other settlement terms that effectively resolve all the issues raised by the

participants in this proceeding.

13. While Joint Petitioners have not agreed upon specific adjustments reflective of their respective positions, except as set forth below, they are in full agreement that Commission approval of this Settlement would result in rates that are just and reasonable and therefore in the public interest.

II. TERMS AND CONDITIONS OF SETTLEMENT

14. Under the terms of the settlement, Pike (Gas) will be permitted to establish rates which will produce an overall increase in annual natural gas distribution operating revenues of approximately \$100,000, an increase of 16.4% over current natural gas distribution revenues.

15. These rates, as determined in accordance with the attached proof of revenues (**Appendix B**) and tariff supplement, will be effective on one day's notice for service rendered no sooner than September 1, 2014.

16. The increase in overall revenues by class from present rates as proposed in this Settlement is as follows:

Customer Class	Present Revenues (\$000)	Revenues per Settlement (\$000)	Revenue Increase (\$000)	Percent Increase
SC-1 (Residential)	\$1,142.3	\$1,237.2	\$94.9	8.3%
SC-2 (Commercial)	\$373.8	\$378.8	\$5.1	1.4%
TOTAL	\$ 1,516.1	\$1,616.1	\$100.0	6.6%

17. In addition to, and in consideration of, the agreed-upon overall increase in operating revenues, Joint Petitioners agree to various terms and conditions set forth as follows:

- a. *Effective Date and Stay-Out* - The rates reflecting the increase set forth above

will become effective no sooner than September 1, 2014. Pike (Gas) agrees that it will not file for a new general base rate increase prior to September 1, 2016. However, if a legislative body or administrative agency, including the Commission, orders or enacts fundamental changes in policy, regulation or statutes which directly and substantially affect Pike (Gas)'s rates, Pike (Gas) may file for a change in rates under Sections 1308(a) and (b) (governing general rate relief) before the expiration of the stay-out period and this Settlement shall not prevent the Company from filing tariff supplements to the extent necessitated by such action. Notwithstanding the foregoing provision, Pike (Gas) is allowed to file a tariff or tariff supplement proposing changes in its State Tax Adjustment Surcharge, Gas Cost Rate, and Base Cost of Gas. Nothing in this paragraph is intended to limit Pike (Gas)'s rights under Section 1308(e) (governing extraordinary rate relief). In addition, nothing in this paragraph is intended to limit Pike's rights under 66 Pa. C.S. Section 1350, *et seq.* to petition the Commission for approval of the establishment of a distribution system improvement charge.

- b. *Rate Structure/Rate Design* - Joint Petitioners agree to the distribution of revenue among customer classes in this Settlement as set forth in the attached Proof of Revenues at **Appendix B**. In addition, the Customer Charges will be set at \$7.50 for Service Classification No. 1 (SC- 1) and \$9.40 for SC-2.
- c. *Other Tariff Changes* – Pike (Gas) will add the term “Legal Rate of Interest” to the tariff and change the interest rate applicable to non-residential customer deposits to be equal to the Legal Rate of Interest. In addition, Pike (Gas) agrees

to update the tariff to be consistent with the current regulations contained in PA Code Title 52, Chapter 56. Finally, Pike (Gas) agrees to remove Rider B - Take or Pay Recovery Surcharge from the tariff.

- d. *Depreciation Rates* – The depreciation rate changes proposed by Pike (Gas) are contained in **Appendix C** and will be implemented effective on September 1, 2014.

18. The design and structure of rates for Pike (Gas) customers under this Settlement are developed based upon the customer and usage charges contained within the tariff supplement set forth in **Appendix A**. Joint Petitioners agree that rates and charges set forth in **Appendix A** are just and reasonable and are in the public interest. Joint Petitioners have agreed to undertake best efforts to provide this Petition and all supporting documentation as promptly as possible with the goal of having the rates become effective by September 1, 2014.

19. By separate Stipulation for the Admission of Testimony and Exhibits into the Evidentiary Record, the Joint Petitioners requested that Pike (Gas)'s original filing and rebuttal filing, including all exhibits, testimony and supporting data, be admitted into the record as originally filed with the Secretary of the Commission. 52 Pa. Code §§ 53.52, 53.53. In addition, the Joint Petitioners requested the admission of the Direct Testimony of David J. Effron, OCA St. No. 1; Direct Testimony of Aaron L. Rothschild, OCA St. No. 2; Direct Testimony of Scott J. Rubin, OCA St. No. 3; Rebuttal Testimony of Scott J. Rubin, OCA St. No. 3R; Surrebuttal Testimony of David J. Effron, OCA St. No. 1-SR; and Surrebuttal Testimony of Aaron L. Rothschild, OCA St. No. 2-SR; Direct Testimony of Emily Sears, I&E St. No. 1 and I&E Ex. No. 1; Direct Testimony of Christine Wilson, I&E St. No. 2 and I&E Ex. No. 2; Direct Testimony of Ethan H. Cline, I&E St. No. 3 and I&E Ex. No. 3; Surrebuttal

Testimony of Emily Sears, I&E St. No. 1-SR; Surrebuttal Testimony of Christine Wilson, I&E St. No. 2-SR; Surrebuttal Testimony of Ethan H. Cline, I&E St. No. 3-SR and I&E Ex. No. 3-SR; Direct Testimony of Robert D. Knecht, OSBA St. No. 1; Rebuttal Testimony of Robert Knecht, OSBA St. No. 2; and Surrebuttal Testimony of Robert D. Knecht, OSBA St. No. 3.

20. Joint Petitioners agree that adoption and approval of this Petition for Settlement by the ALJ and the Commission is in the public interest. Under this Settlement, the monthly bill for distribution service of a typical residential customer using 100 Ccf in a winter month will increase from \$45.33 to \$54.13, or by approximately 19.4%, rather than the 28.9% originally requested by the Company. On a total bill basis, the total monthly bill of a typical residential heating customer using 100 Ccf in a winter month will increase from \$109.78 to \$118.65, or by approximately 8.1%, rather than the 12% originally requested by the Company.

21. This Settlement provides for a sound and reasonable revenue requirement and appropriately balances the interests of Pike (Gas) and its customers. In addition, adoption and approval of this Petition for Settlement will avoid the need for the evidentiary hearings and the cross-examination of witnesses, for briefing, and for continued litigation of this proceeding, thereby eliminating substantial costs.¹

22. This Petition for Settlement arises from extensive discovery, testimony and discussions and reflects compromises by all sides. It is being proposed to settle the instant case. Accordingly, this Petition for Settlement is made without any admission against, or prejudice to, any positions which any Joint Petitioner might adopt during any subsequent

¹ It should be noted that the majority of witnesses in this proceeding would be required to come to Harrisburg from out-of-town for hearings and that settlement of this matter eliminates significant costs for travel.

any other proceeding.

23. If the Commission withholds approval of this Petition for Settlement as to any of the terms and conditions, or alters any of the terms and conditions, any Joint Petitioner may withdraw from this settlement upon written notice of its intent to the Commission and the remaining parties within three (3) business days of the date of entry of the Commission's Order and may resume with the litigation of this proceeding within ten days of the entry of the Order making any such modifications.

24. Joint Petitioners agree that Commission approval of this Petition for Settlement without modification shall be considered to have the same effect as full litigation of the instant proceeding resulting in the establishment of rates that are Commission-made rates.

25. In the event that the Commission does not approve this Petition for Settlement, the Joint Petitioners reserve their respective rights to resume litigation. If the ALJ, in his *Recommended Decision*, recommends that the Commission adopt this Petition for Settlement as herein proposed, Joint Petitioners agree to waive the filing of Exceptions. However, Joint Petitioners do not waive their rights to file Exceptions with respect to any additional matters dealt with, or any modifications to the terms and conditions of this Petition for Settlement recommended by the ALJ in his *Recommended Decision*.

26. The Joint Petitioners recognize that this Petition for Settlement does not bind formal complainants who have not joined herein. The Joint Petitioners are not aware of any other active formal complainants in this matter.

27. Pike (Gas), I&E, OCA, and OSBA have attached to this Petition for Settlement, as Appendices "D", "E", "F", and "G", respectively, Statements of Support setting forth the bases upon which they believe the Settlement is fair, just and reasonable and is, therefore, in the public

interest.

28. The Joint Petitioners agree that this Settlement shall not constitute or be cited as controlling precedent in this or any other jurisdiction.

WHEREFORE, Joint Petitioners, by their respective counsel, respectfully request as follows:

1. That ALJ Pell and the Commission approve this Petition for Settlement inclusive of its terms and conditions without modification;
2. That the Commission permit Pike (Gas) to file a tariff supplement (**Appendix A**) on one day's notice, so as to increase distribution revenues of Pike (Gas) by approximately \$100,000, beginning no sooner than for service rendered on and after September 1, 2014; and,
3. That the Commission terminate and mark closed its inquiry and investigation at Docket No. R-2013-2397353, including all complaint dockets associated therewith.

Respectfully submitted,

**PIKE COUNTY LIGHT & POWER
COMPANY (GAS)**

By: 

John J. Gallagher, Esquire
Counsel for Pike County
Light & Power Company
711 Forrest Road

OFFICE OF CONSUMER ADVOCATE

By: 


Aron J. Beatty
Lauren M. Burge
Assistant Consumer Advocates
Office of Consumer Advocate
555 Walnut Street

Harrisburg, PA 17112

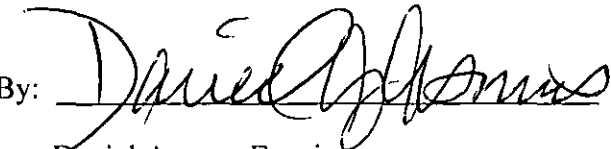
Fifth Floor, Forum Place
Harrisburg, PA 17101-1923

**BUREAU OF INVESTIGATION
AND ENFORCEMENT**

**OFFICE OF SMALL BUSINESS
ADVOCATE**

By: 

Charles Daniel Shields,
Senior Prosecutor
Bureau of Investigation and Enforcement
P.O. Box 3265
Harrisburg, PA 17105-3265

By: 

Daniel Asmus, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101

DATED: June __, 2014

PIKE COUNTY LIGHT & POWER COMPANY

RECEIVED

RATES AND RULES

GOVERNING THE

FURNISHING OF

GAS SERVICE

IN

THE BOROUGHS OF MATAMORAS AND MILFORD

AND VICINITY,

PIKE COUNTY, PENNSYLVANIA

(See Leaf No. 5)

JUL - 8, 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

NOTICE

This Supplement is used to change existing rates. (See Leaf No. 2).

PIKE COUNTY LIGHT & POWER COMPANY

83rd REVISED LEAF NO. 2
SUPERSEDING 81st REVISED LEAF NO. 2
82nd REVISED LEAF NO. 2 CANCELED

2. CHANGES MADE BY THIS SUPPLEMENT

Supplement No. ___ has been filed to reflect:

- (1) Increased Service and Commodity Charges for Service Classifications Nos. 1 and 2;
- (2) a roll-in of State Tax Adjustment Surcharge into base rates;
- (3) the addition of the term "Legal Rate of Interest" to the section Abbreviations and Definitions;
- (4) elimination of Rider B, Take-Or- Pay Recovery Surcharge; and
- (5) updates to conform language to the current regulations contained in PA Code Title 52, Chapter 56.

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY:

Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

83rd REVISED LEAF NO. 3
SUPERSEDING 81st REVISED LEAF NO. 3
82nd REVISED LEAF NO. 3 CANCELED

3. TABLE OF CONTENTS

	<u>Leaf Number</u>
1. Title Page	1 Supplement No. ___
2. Changes Made by This Tariff	2 83rd Revised
3. Table of Contents	3 83rd Revised, 4 17th Revised 4A 77th Revised
4. Territory to which Tariff Applies	5 4th Revised
5. Abbreviations and Definitions	
5.1 Abbreviations	5 4th Revised
5.2 Definitions	5 4th Revised, 6 3rd Revised, 7, 8 4th Revised
 RULES & REGULATIONS	
6. How to Obtain Service	
6.1 Applications	9 4th Revised
6.2 Permits	9 4th Revised
6.3 Temporary Service	9A 1st Revised
6.4 Main Extensions	9A 1st Revised, 9B Original
6.5 Cash Deposits for Non-Residential Customers	10 4th Revised
6.6 Credit and Deposit Procedures for Applicants and Residential Customers	10A 4th Revised, 10B 3rd Revised 10C 1st Revised
6.7 Taxes on Contributions in Aid of Construction and Customer Advances Reserved for Future Use	10C 1st Revised 10G, 10H, 10I, 10J 1st Revised
7. Service Connections	
7.1 Location	11 Original
7.2 Services Installed by Company	11 Original
7.3 Services Installed by Others	11 Original
8. Piping and Equipment	
8.1 Piping, Apparatus and Inspection	12 1st Revised
8.2 Increased Capacity	12 1st Revised

(Continued)

ISSUED: EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

17th REVISED LEAF NO. 4
SUPERSEDING 15th REVISED LEAF NO. 4
16th REVISED LEAF NO. 4 CANCELED

3. TABLE OF CONTENTS (Continued)

RULES AND REGULATIONS (Continued)

	<u>Leaf Number</u>
9. Metering and Billing	
9.1 Access to Customer's Premises	13 2nd Revised
9.2 Identification of Employees	13 2nd Revised
9.3 Meters	13 2nd Revised
9.4 Meter Reading	13 2nd Revised
9.5 Rendering of Bills	14 3rd Revised
9.6 Late Payment Charge	14 3rd Revised
9.7 Change of Rate	14 3rd Revised
9.8 Budget Billing	14A 7th Revised, 14B 4th Revised
10. Limitations of Service Classifications	
10.1 Residential	15 1st Revised
10.2 Sub-metering	15 1st Revised
10.3 Gas Emergency Plan	16, 17 18A, 19, 20, 21 1st Revised 18 2nd Revised
11. Liability	
11.1 Company Liability	22 Original
11.2 Customer Obligations	22, 23 Original
12. Termination of Service	
12.1 Termination of Service for Non-Residential Customers	24 1st Revised
12.2 Termination of Service for Residential Customers	24 1st Revised, 25 3rd Revised, 26 3rd Revised 27 3rd Revised
12.3 Notice Procedures - Termination for Residential Customers	27 3rd Revised, 27A 1st Revised, 28 3rd Revised, 29 4th Revised
12.4 Notice Procedures After Dispute Filed for Residential Customers	29 4th Revised
12.5 Emergency Provisions for Residential Customers	29A 3rd Revised, 30 4th Revised
12.6 Termination at Any Premises Other than the Residential Customer's Residence	31, 32 1st Revised
12.7 Third Party Notification for Residential Customers	33 1st Revised
Reserved for Future Use	34, 35, 36 1st Revised

(Continued)

ISSUED: EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

77th REVISED LEAF NO. 4A
SUPERSEDING 75th REVISED LEAF NO. 4A
76th REVISED LEAF NO. 4A CANCELED

3. TABLE OF CONTENTS (Continued)

RULES AND REGULATIONS (Continued)		Leaf Number
13.	Refusal or Discontinuance of Service to Non-Residential Customers	37 Original
14.	Interruption and Discontinuance of Service to Residential Customers	
	14.1 Interruption of Service	38 3rd Revised
	14.2 Discontinuance of Service	38, 39 3rd Revised
15.	Restoration of Service	
	15.1 Restoration of Service	40, 40A 5th Revised
	15.2 Personnel Available to Restore Service	40A 5th Revised
16.	Disputes; Termination Disputes; Informal and Formal Complaints for Residential Customers	
	16.1 General Provisions	40B 3rd Revised
	16.2 Company Dispute Procedures	40C 5th Revised
	Rider A - Gas Cost Rate	41 2nd Revised 42 27th Revised 43 4th Revised 44 2nd Revised
	State Tax Adjustment Surcharge	44C 30th Revised
SERVICE CLASSIFICATIONS		
1.	Residential and Residential Space Heating Service	45 43rd Revised 45A 3rd Revised
2.	General Service and Non-Residential Space Heating Service	46 42nd Revised 46A 3rd Revised

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 5
SUPERSEDING 2nd REVISED LEAF NO. 5
3rd REVISED LEAF NO. 5 CANCELED

4. TERRITORY TO WHICH TARIFF APPLIES

<u>COUNTY</u>	<u>TOWNSHIP</u>	<u>BOROUGH</u>
Pike	Westfall	Matamoras

5. ABBREVIATIONS AND DEFINITIONS

5.1 ABBREVIATIONS

Btu British Thermal Unit(s)
Cf Cubic Feet
Ccf Hundred Cubic Feet
Mcf Thousand Cubic Feet

5.2 DEFINITIONS

(C)

- (1) Applicant - A natural person, at least 18 years of age, not currently receiving service who applied for residential service provided by the Company or any adult occupant whose name appears on the mortgage, deed, or lease of the property for which the residential utility service is requested.
- (2) Billing month - A period of not less than 26 and not more than 35 days.
- (3) Billing period - A billing period shall be a billing month.
- (4) Company - PIKE COUNTY LIGHT & POWER COMPANY.
- (5) Customer - A present Customer of, or an applicant for, the Company's service. A natural person remains a customer after discontinuance or termination until the final bill for service is past due.
- (6) Cycle billing - A system of billing employed by a Company, which results in the normal rendition of bills for Company service, to a group or portion of all customers on different or specified days of any one billing period.
- (7) Delinquent Account - Charges for company service which have not been paid in full by the due date stated on the bill or otherwise agreed upon; provided that an account shall not be deemed delinquent if: prior to the due date a payment or settlement agreement with the company has been entered into by the residential customer; a timely filed notice of dispute is pending before the Company; or pursuant to time limits provided in this Section, an informal or formal complaint is timely filed with, and is pending before, the Commission.
- (8) Discontinuance of Service - The cessation of service with the consent of the residential customer and otherwise in accordance with Section 14.2 (relating to discontinuance of service).

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 6
SUPERSEDING 1st REVISED LEAF NO. 6
2nd REVISED LEAF NO. 6 CANCELED

5. ABBREVIATIONS AND DEFINITIONS (Continued)

5.2 DEFINITIONS (Continued)

(C)

- (9) Dispute - A grievance of an applicant, customer, or occupant about the Company's application of any provision covered by this section, including but not limited to such subjects as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts, or the proper party to be charged. If, at the conclusion of an initial contact or, when applicable, a follow up response, the applicant, customer or occupant indicates satisfaction with the resulting resolution or explanation of the subject of the grievance, the contact will not be considered a dispute.
- (10) Dwelling - A house, apartment or single meter multi-unit structure being supplied with residential service.
- (11) Emergency - An unforeseen combination of circumstances requiring temporary discontinuance of service in order to effect repairs or maintenance, or to eliminate an imminent threat to life, health, safety or property.
- (12) Household Income - The combined gross income of all adults in a residential household who benefit from the Company's service.
- (13) Legal Rate of Interest - The current rate of interest pursuant to 41 P.S §202.
- (14) Notice or Termination Notice - A written statement which in conspicuous print, clearly and fully includes the following information when applicable:
 - (a) The reason for the proposed termination.
 - (b) An itemized statement of all amounts currently due, including any required deposit.
 - (c) A statement that a specific reconnection fee will be required to have service restored after it has been terminated if such a reconnection fee is a part of the Company's tariff on file with the Commission.
 - (d) A date on or after which service will be terminated unless: payment in full is received, the grounds for termination are otherwise eliminated, a settlement or payment agreement is entered or a dispute is filed with the Company or the Commission.
 - (e) A statement that the residential customer should immediately contact the company to attempt to resolve the matter, including the address and telephone number where questions may be filed and payment and settlement agreements entered into with the Company.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 7
SUPERSEDING 2nd REVISED LEAF NO. 7
3rd REVISED LEAF NO. 7 CANCELED

5. ABBREVIATIONS AND DEFINITIONS (Continued)

5.2 DEFINITIONS (Continued)

(C)

(14) Notice or Termination Notice (Continued)

(f) The following statement: "If, AFTER discussing your problem with the Company you remain dissatisfied, you may file an informal complaints with the Public Utility Commission. TO AVOID TERMINATION OF SERVICE PENDING RESOLUTION OF A DISPUTE THIS IN-FORMAL COMPLAINT MUST BE FILED BEFORE THE PROPOSED DATE FOR TERMINATION OF YOUR SERVICE. You may file an informal complaint by telephoning the Public Utility Commission at 800-692-7380 or by writing to the following address: Pennsylvania Public Utility Commission, Box 3265, Harrisburg, Pennsylvania 17120.

(g) A serious illness notice, in a form prescribed by the Commission.

(15) Occupant - Any person who resides in the premises to which Company service is provided.

(16) Payment Agreement - An agreement whereby a residential customer who admits liability for billed service is permitted to amortize or pay the unpaid balance of the account in one or more payments.

(17) Person - An individual, partnership, corporation, association, including any lessee, assignee, trustee, receiver, executor, administrator and other successors in interest.

(18) Physician - An individual licensed to engage in the practice of medicine and surgery in all of its branches, or in the practice of osteopathy or osteopathic surgery by a jurisdiction within the United States of America.

(19) Premises or Affected Premises - Unless otherwise indicated, the residence of the occupant.

(20) Residential Customer. A natural person in whose name a residential service account is listed and who is primarily responsible for payment of bills rendered for the service or any adult occupant whose name appears on the mortgage, deed or lease of the property receiving residential service.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 8
SUPERSEDING 2nd REVISED LEAF NO. 8
3rd REVISED LEAF NO. 8 CANCELED

5. ABBREVIATIONS AND DEFINITIONS (Continued)

5.2 DEFINITIONS (Continued)

(C)

- (21) Residential Service - Company service supplied to a dwelling including service provided to a commercial establishment if concurrent service is provided to a residential premises attached thereto. Company service provided to a hotel or motel shall not be considered residential service.
- (22) Settlement Agreement - A mutually satisfactory settlement of any claim or dispute, reduced to writing and signed by the parties or their representatives. The settlement agreement offered by the Company shall state immediately preceding the space provided for the residential customer's name and in boldface print at least two point sizes larger than any other used thereon: "If you are not satisfied with this agreement, do not sign it. You may file an informal complaint before the Public Utility Commission without making yourself subject to retaliation by the Company. If you do sign this agreement, you give up your right to a hearing before the Commission on any matter involved in this dispute except the Company's failure to follow the terms of this agreement".
- (23) Termination of Service - Cessation of service, whether temporary or permanent, without the consent of the residential customer.
- (24) Gas Main or Main Extension - is the piping system used for the distribution of gas and owned by the Company which (a) is located within the limits of any public highway or on a private right of way, and (b) is used or useful for supplying two or more Gas Services.
- (25) Gas Service - is the pipe and accessory equipment from the main to the outlet fitting of the Company's meter.

(C) Indicates Change

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 9
SUPERSEDING 2nd REVISED LEAF NO. 9
3rd REVISED LEAF NO. 9 CANCELED

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE

(C)

6.1 APPLICATIONS

An application for service may be made by the owner or occupant of any building or premises at any office of the Company. The Company will require that applications be in writing on the form prescribed by the Company. An application or agreement for service shall not be modified or affected by any promise or representation, oral or written, by an unauthorized agent or employee of the Company. Contracts for service shall not be transferable or assignable.

Upon acceptance by the Company of a Customer's application for service and in each case upon the Customer's compliance with all applicable rules, regulations, terms and conditions, as required for the availability and beginning of service under the Service Classification applied for, the Company will supply service as may be required for the building or premises for which service is requested.

The Company's credit and application procedures for applicants are as follows: (1) positive identification of applicant obtained from previous customer record or through one of the major credit reporting bureaus or through in-person identification; (2) determination of liability for a past due balance; and (3) determination if a deposit is required based upon applicant's previous account history if available or through third party credit scoring of applicant.

6.2 PERMITS

The Company will make application for any necessary highway permits for installing its service facilities and shall not be required to furnish service until a reasonable time after such permits are granted. The Customer, at his expense, must obtain and present to the Company for registration satisfactory easements, rights of way, permits (except highway permits), consents, or certificates necessary to give the Company access to his installation and equipment and to enable its service to be connected therewith, or for other purposes in connection with the supply of service. Also, the Customer, at his expense, must secure all permits, municipal and otherwise, required by law for the installation and operation of equipment utilizing the service on his premises.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 10
SUPERSEDING 2nd REVISED LEAF NO. 10
3rd REVISED LEAF NO. 10 CANCELED

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (Continued)

6.5 CASH DEPOSITS FOR NON-RESIDENTIAL CUSTOMERS (C)

Deposits may be required from Customers taking service for a period of less than thirty days, in an amount equal to the estimated gross bills for such temporary period. Deposits may be required from all other Customers provided that, in no instance, may deposits be required in excess of the estimated gross bill for any single billing period plus one month (the maximum period not to exceed four months) with a minimum of \$5.00.

Deposits shall be returned to the depositor when he shall have paid undisputed bills for service over a period of twelve consecutive months; and any Customer having secured the return of a deposit shall not be required to make a new deposit unless the service has been discontinued and the Customer's credit standing impaired through failure to comply with tariff provisions.

The payment of any undisputed bill, within the meaning of the Public Utility Law, shall be payment of the bill with or without discount or penalty, within thirty days following the period for which the bill was rendered or payment within thirty days following presentation of the bill, or the payment of any contested bill, payment of which is withheld beyond the period herein mentioned and the dispute is terminated substantially in favor of the Customer and payment made by the Customer within ten days thereafter.

Interest will be paid on deposits at the Legal Rate of Interest without deduction for any taxes thereon. Upon deposits held for more than a year, the Company will pay to the patron, annually, the interest accrued thereon.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 10A
SUPERSEDING 2nd REVISED LEAF NO. 10A
3rd REVISED LEAF NO. 10A CANCELED

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (Continued)

6.6 CREDIT AND DEPOSIT PROCEDURES FOR APPLICANTS AND RESIDENTIAL CUSTOMERS (C)

(A) General

The Company may require a cash deposit in an amount equal to one-sixth of an applicant's or residential customer's estimated annual bill from the following:

- (1) An applicant, who previously received delivery service and was a residential customer of the Company, whose service was terminated for any of the following reasons:
 - (a) non-payment of an undisputed delinquent account;
 - (b) failure to complete payment of a deposit, to provide a guarantee, or to establish credit;
 - (c) failure to permit access to meters, service connections or other property of the Company for the purpose of replacement, maintenance, repair, or to read the meter;
 - (d) unauthorized use of the Company's service delivered on or about the affected dwelling;
 - (e) failure to comply with the material terms of a payment agreement;
 - (f) fraud or material misrepresentation of identity for the purpose of obtaining service;
 - (g) tampering with meters, including, but not limited to, bypassing a meter or removal of an automatic meter reading device or other equipment; and
 - (h) violating any tariff provision so as to endanger the safety of person or the integrity of the Company's delivery system.
- (2) Any applicant or residential customer who is unable to establish creditworthiness to the satisfaction of the Company through the use of a generally accepted credit score methodology which employs standards for using the methodology that fall within the range of general industry practice.
- (3) A residential customer who fails to comply with a material term or condition of a payment agreement.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

RULES AND REGULATIONS

6. HOW TO OBTAIN SERVICE (Continued)

6.6 CREDIT AND DEPOSIT PROCEDURES FOR APPLICANTS AND RESIDENTIAL CUSTOMERS (C)
(Continued)

(B) Third-Party Guarantor

An applicant may furnish a written guarantee from a third party guarantor in lieu of cash deposit. Request for a third party guarantor will not be honored until the Company has verified the legitimacy of the guarantor's authorization. The Guarantor shall be responsible for all missed payments owed to the Company by such residential customer.

(C) Payment Of Deposits

The Company may deny service to an applicant that fails to pay the full amount of the cash deposit. Residential customers who are required to pay a deposit to have their service restored following termination shall have up to 90 days to pay the deposit. An applicant whose service has been terminated may elect to pay any required deposit in three installments: 50% payable upon determination that a deposit is required; 25% payable 30 days after the date of such determination; and the remaining balance due no later than 90 days after the date of such determination. The customer retains the option to pay the deposit in full before the due date.

(D) Deposit Holding Period, Application of Deposits and Interest

- (1) The Company may hold a deposit until the residential customer establishes a timely payment history or up to a maximum of 24 months. A timely payment history is established when a residential customer has paid in full and on time all amounts due the Company for twelve consecutive months.
- (2) At the end of the holding period established in (1) above, the Company shall deduct the outstanding balance from the deposit and shall return or credit any positive difference to the residential customer.
- (3) If a residential customer's service is terminated or if a residential customer's account falls into delinquent account status before the end of the holding period established in (1) above, the Company shall deduct from the deposit the amount owed to the Company and shall credit the residential customer's account any remaining balance. In the case of termination of service, any balance due the residential customer shall be returned within 60 days of the termination of service.
- (4) Interest shall accrue and be payable on all deposits until returned to the residential customer at the Legal Rate of Interest.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

7th REVISED LEAF NO. 14A
SUPERSEDING 5th REVISED LEAF NO. 14A
6th REVISED LEAF NO. 14A CANCELED

RULES AND REGULATIONS

9. METERING AND BILLING (Continued)

9.8 BUDGET BILLING (C)

- (1) All residential and non-residential customers, unless otherwise prohibited, may elect to pay for service taken in accordance with the following provisions:
- a. The customer will make equal monthly payments during the Budget.
 - b. If at the end of the Budget Year, the amount paid by the customer is less than the amount due for actual service rendered:
 - (i) the balance due for residential customers, customers who are a condominium association, cooperative housing corporation, and master metered gas heated multifamily dwelling units during the time that such units are either owned by the Federal Department of Housing and Urban Development or subject to a first mortgage held or guaranteed by that agency, exceeding \$100 but less than \$300 shall be, at the request of the customer, amortized over a six-month period. Reconciliation amounts exceeding \$300 shall be amortized over at least a twelve-month period at the request of the customer. Shorter amortization periods are permissible at the request of the customer.
 - (ii) the balance due for all other customers will be billed in the month ending the budget year and shall be payable by the customer in full at that time.
 - c. If at the end of the Budget Year, the amount paid by the customer is greater than the amount due for actual service rendered, the Company shall apply a credit to the customer's account equal to the amount overpaid or, at the customer's request, shall refund an amount equal to the overpayment.
- (2) The Budget Year will be the twelve-month period beginning with the billing month the customer initially enrolls in budget billing.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 25
SUPERSEDING 1st REVISED LEAF NO. 25
2nd REVISED LEAF NO. 25 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(C) Conditions for Not Terminating Service

- (1) Evidence is present which indicates that payment has been made.
- (2) A serious illness or medical condition exists at the premises.
- (3) A dispute or complaint is properly pending.
- (4) The employee is authorized to receive payment and payment in full is tendered in any reasonable manner.

(D) Days Termination of Service is Prohibited

The Company may terminate service from Monday thru Friday as long as the Company is able to accept payment to restore service on the day of termination and can restore service on the following day.

(E) Winter Terminations

Unless otherwise authorized by the Commission, after November 30 and Before April 1 ("winter period"), the Company shall not terminate service to residential customers with household incomes at or below 250% of the Federal Poverty Level, except for termination in accordance with Section 12.2(B) above. The Company may terminate service during the winter period to residential customers with household incomes exceeding 250% of the Federal Poverty Level.

(F) Unauthorized Termination of Service

Unless expressly and specifically authorized by the Commission, service shall not be terminated nor will a termination notice be sent for any of the following reasons:

- (1) Nonpayment for concurrent service of the same class received at a separate metering point. This does not include concurrent service periods of 90 days or less accrued during the transfer of service from one location to another.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 26
SUPERSEDING 1st REVISED LEAF NO. 26
2nd REVISED LEAF NO. 26 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(F) Unauthorized Termination of Service (Continued)

- (2) Nonpayment for a different class of service received at the same or a different location. Service may be terminated however, when, under the Company's tariff, a change in classification is necessitated upon the completion of construction work previously billed at a different rate applicable during construction.
- (3) Nonpayment, in whole or in part, of non-basic charges for leased or purchased merchandise, appliances, or special services, including but not necessarily limited to merchandise and appliance installation fees, rental and repair costs; meter testing fees; special construction charges; and other non-recurring or recurring charges that are not essential to delivery or metering of service.
- (4) Nonpayment of bills for delinquent accounts of the prior residential customer at the same address unless the Company has established that the applicant or customer was an adult occupant at the same address during the time period the delinquent account accrued.
- (5) Nonpayment of, or failure to restore a deposit applied to, a delinquent account which is based all or in part on a "make-up" bill for previously unbilled Company service which accrued within the past four years, resulting from: Company billing error, meter failure, leakage that could not reasonably have been detected or loss of service not caused by the residential customer or occupant; or four or more consecutively estimated bills, if the "make-up" bill exceeds the otherwise normal, estimated bill for the billing period during which the "make-up" bill is issued by at least 50% or at least \$50, whichever is greater. This section shall not prohibit termination where the Company reviews the bill with the residential customer and offers to enter a payment agreement which may, at the residential customer's option, extend: at least as long as the period during which the excess amount was accrued; or at least as long as necessary so that the quantity of service billed in any one billing period will not be greater than the normal estimated quantity for such period plus 50%.
- (6) Noncompliance with a payment agreement prior to the due date of the bill, which forms the basis of the agreement.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 27
SUPERSEDING 1st REVISED LEAF NO. 27
2nd REVISED LEAF NO. 27 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.2 TERMINATION OF SERVICE FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(F) Unauthorized Termination of Service (Continued)

- (7) Nonpayment of charges for Company service for which the Company ceased billing more than four years prior to the date the bill is rendered.
- (8) Nonpayment for residential service already furnished in the name or names of persons other than the residential customer, unless a court, district justice or administrative agency has determined that the residential customer is legally obligated to pay for the service previously furnished or unless the Company has established that the applicant or customer was an occupant at the same address during the time period the delinquent amount accrued. This section shall not affect a Company's creditor rights and remedies otherwise permitted by law.
- (9) Nonpayment of charges calculated on the basis of estimated billings, unless the estimated bill was required because Company personnel were unable to gain access to the affected premises to obtain an actual meter reading on two occasions and have made a reasonable effort to schedule meter reading at a time convenient to the residential customer or occupant.
- (10) Nonpayment of delinquent accounts: which accrued over two billing periods or more; which remain unpaid in whole or in part for six months or less; and which amount to a total delinquency of less than \$25.

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (C)

(A) Notice Requirements for Authorized Termination of Service

Prior to a termination of service under Section 12.2 (A) above, the Company shall:

- (1) Provide written notice of the termination to the residential customer at least 10 days prior to the date of the proposed termination. The termination notice shall remain effective for 60 days.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

1st REVISED LEAF NO. 27A
ORIGINAL LEAF NO. 27A CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(A) Notice Requirements for Authorized Termination of Service (Continued)

- (2) Shall attempt to contact the residential customer or occupant, either in person or by telephone, to provide notice of the proposed termination at least three days prior to the scheduled termination. If personal contact by one method is not possible, the Company is obligated to attempt the other method. Phone contact shall be deemed complete upon attempted calls on two separate days to the residence between the hours of 8 A.M. and 9 P.M. if the calls were made at various times of the day, with the various times of day being daytime before 5 P.M. and evening after 5 P.M. and at least 2 hours apart. Calls made to contact telephone numbers provided by the customer shall be deemed to be calls to the residence. If contact is attempted by a home visit, only one attempt is required. The Company shall conspicuously post a written termination notice at the residence if unsuccessful in attempting to personally contact a responsible adult occupant during the home visit.
- (3) During the months of December through March, unless personal contact has been made with the residential customer or the responsible adult by personally visiting the residential customer's residence, the Company shall, 48 hours prior to the scheduled date of termination, post a notice of the proposed termination at the service address.
- (4) After complying with paragraphs (2) and (3) above, the Company shall attempt to make personal contact with the residential customer or responsible adult at the time of termination. The termination shall not be delayed for failure to make personal contact.

(B) Post Termination Notice Requirements

Upon termination, the Company shall make a good faith attempt to provide a post termination notice to the customer or a responsible adult person or occupant at the affected premises. If providing a post-termination notice to the customer or responsible person at the affected premises is not possible, then the Company shall conspicuously post the notice at the affected premises. In the case of a single meter, multiunit dwelling, the Company shall conspicuously post the notice at the dwelling, including in common areas when possible.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY:

Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 28
SUPERSEDING 1st REVISED LEAF NO. 28
2nd REVISED LEAF NO. 28 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(C) Notice When Dispute Pending

The Company shall not mail or deliver a notice of termination, if a notice of dispute has been filed and is unresolved, and if the subject matter of the dispute forms the grounds for the proposed termination. Any notice mailed or delivered in contravention of this section shall be void.

(D) Procedures Upon Residential Customer or Occupant Contact Prior to Termination

- (1) If at any time after the issuance of the initial termination notice and prior to the actual termination of service, a residential customer or occupant contacts the Company concerning a proposed termination, an authorized Company employee shall fully explain:
- (a) The reasons for the proposed termination;
 - (b) All available methods for avoiding a termination, including:
 - (i) paying what is past-due on the most recent previous Company negotiated or Commission payment agreement ; and
 - (ii) entering a payment agreement;
 - (c) The residential customer's right to file a dispute with the Company, and, thereafter, an informal complaint with the Commission;
 - (d) The procedures for resolving disputes and informal complaints, including the address and telephone number of the Company and the following address and telephone number of the Commission: Public Utility Commission, Box 3265, Harrisburg, Pennsylvania 17120, telephone number 800-692-7380.
 - (e) The residential customer's duty to pay any portion of a bill which he does not honestly dispute; and
 - (f) The medical emergency procedures.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY:

Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 29
SUPERSEDING 2nd REVISED LEAF NO. 29
3rd REVISED LEAF NO. 29 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.3 NOTICE PROCEDURES - TERMINATION FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(D) Procedures Upon Residential Customer or Occupant Contact Prior to Termination (Continued)

(2) The Company through its employees, shall exercise good faith and fair judgment in attempting to enter a reasonable payment agreement, or otherwise equitably to resolve the matter. Factors to be taken into account when attempting to enter into a reasonable payment agreement shall include, but not be limited to, the size of the unpaid balance, the residential customer's ability to pay, the residential customer's payment history and the length of time over which the bill accumulated.

(E) Use of Termination Notice Solely as Collection Device Prohibited

The Company shall not threaten to terminate service when it has no present intent to terminate service or when actual termination is prohibited under this section; notice of the intent to terminate shall be used only as a warning that service will in fact be terminated in accordance with the procedures set forth by this section unless the residential customer or occupant remedies the situation which gave rise to the Company's enforcement efforts.

12.4 NOTICE PROCEDURES AFTER DISPUTE FILED FOR RESIDENTIAL CUSTOMERS (C)

(A) Limited Notice Upon Noncompliance with Report or Order

Upon the failure to timely appeal from, or comply with a Company report, an informal complaint report, or an order from a formal complaint, the original grounds for termination shall be revived and the Company shall not be required to give further written notice so long as:

- (1) The residential customer is personally contacted as described in 12.3(A) of this tariff (relating to personal contact), at least three days prior to termination; and
- (2) At the time of termination, the Company serves personally on the residential customer, or posts conspicuously at the residential customers residence and the affected premises, including common areas where permissible, a post-termination notice complying with the provisions of 12.3(B) of this tariff (relating to post termination notice).

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 29A
SUPERSEDING 1st REVISED LEAF NO. 29A
2nd REVISED LEAF NO. 29A CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.5 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS (C)

(A) General Provision

The Company shall not terminate, or refuse to restore, service to any premises when any occupant therein is certified by a physician or nurse practitioner to be seriously ill or afflicted with a medical condition that will be aggravated by a cessation of failure to restore service.

(B) Postponement of Termination Pending Receipt of Certificate

If, prior to termination of service, the Company employee is informed that an occupant is seriously ill or is afflicted with a medical condition that will be aggravated by a cessation of service and that a medical certification will be procured, termination shall not occur for at least three days. If no certification is produced within that three-day period, the Company may resume the termination process at the point where it was suspended.

(C) Medical Certifications

Certifications initially may be written or oral. The residential customer shall obtain a letter from a licensed physician or nurse practitioner and promptly forward it to the Company. All certifications, whether written or oral, must include the following:

- (1) The name and address of the residential customer in whose name the account is registered;
- (2) The name and address of the person with the medical condition and his or her relation to the residential customer and/or occupant;
- (3) The nature and anticipated length of the affliction; and
- (4) The name, office address and telephone number of the certifying physician or nurse practitioner.

(D) Length of Postponement; Renewals

Service shall not be terminated for the time period specified in a medical certification provided that the maximum length of the certification shall be 60 days.

- (1) Time period not specified. If no length of time is specified, or if the time period is not readily ascertainable, service shall not be terminated for at least 60 days.
- (2) Renewals. Certifications may be renewed in the same manner and for the same time period as provided in Sections 12.5(B) and 12.5(C) of this tariff (relating to postponement of termination pending receipt of certificate and medical certifications).

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

4th REVISED LEAF NO. 30
SUPERSEDING 2nd REVISED LEAF NO. 30
3rd REVISED LEAF NO. 30 CANCELED

RULES AND REGULATIONS

12. TERMINATION OF SERVICE (Continued)

12.5 EMERGENCY PROVISIONS FOR RESIDENTIAL CUSTOMERS (Continued) (C)

(E) Restoration of Service

When service is required to be restored under Sections 12.5(A) - 12.5(C) of this tariff (relating to emergency provisions), the Company shall make a diligent effort to have service restored on the day of receipt of the medical certification. In any case, service shall be restored within twenty-four hours. The Company shall have employees available or on call to restore service in emergencies.

(F) Residential Customer's Duty to Pay Bills

Whenever service is restored or termination postponed pursuant to the medical emergency procedures, the residential customer shall retain a duty to make payment on all current undisputed bills or budget billing amount.

(G) Termination Upon Expiration of Medical Certification

When the initial and all renewal certifications have expired, the original ground for termination shall be revived and the Company may terminate service without additional written notice, if notice previously has been mailed or delivered pursuant to the notice requirements of this tariff.

(H) Company's Right to Petition the Commission

- (1) The Company may petition the Commission for waiver from the medical certification procedures for the following purposes:
 - (a) Contest the validity of a certification. To request an investigation and hearing by the Commission or its designee when the Company wishes to contest the validity of certification.
 - (b) Terminate service prior to expiration of certification. To request permission to terminate service for the failure of the customer to make payments on current undisputed bills.
- (2) The Company shall continue to provide service while a final Commission adjudication on the petition is pending.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 38
SUPERSEDING 1st REVISED LEAF NO. 38
2nd REVISED LEAF NO. 38 CANCELED

RULES AND REGULATIONS

14. INTERRUPTION AND DISCONTINUANCE OF SERVICE
TO RESIDENTIAL CUSTOMERS

14.1 INTERRUPTION OF SERVICE (C)

The Company may temporarily interrupt service when necessary to effect repairs or maintenance, to eliminate an imminent threat to life, health, safety, or substantial property damage, or for reasons of local, State or National emergency.

(A) Interruption with Prior Notice

When the Company knows in advance of the circumstances requiring the service of interruption, prior notice of the cause and expected duration of the interruption shall be given to residential customer and occupants who may be affected.

(B) Interruption without Prior Notice

When service must be interrupted due to unforeseen circumstances notice of the cause and expected duration of the interruption shall be given as soon as possible, to residential customer and occupants who may be affected.

(C) Notification Procedures

When residential customers and occupants are to be notified pursuant to this section, the Company shall take all responsible steps, such as personal contact, phone contact, and use of the mass media, to notify affected residential customers and occupants of the cause and expected duration of the interruption.

(D) Permissible Duration

Service may be interrupted for only such periods of time as necessary to protect the health and safety of the public, to protect property, or to remedy the situation which necessitated the interruption; and service shall be resumed as soon as possible.

14.2 DISCONTINUANCE OF SERVICE (C)

The Company may discontinue service without prior written notice under the following circumstances:

(A) Residential Customer's Residence

A residential customer shall give at least seven days notice to the Company, specifying the date on which service is to be discontinued. The Company may transfer an unpaid balance to a new residential service account of the same customer.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 39
SUPERSEDING 1st REVISED LEAF NO. 39
2nd REVISED LEAF NO. 39 CANCELED

RULES AND REGULATIONS

14. INTERRUPTION AND DISCONTINUANCE OF SERVICE
TO RESIDENTIAL CUSTOMERS (Continued)

14.2 DISCONTINUANCE OF SERVICE (Continued) (C)

(B) Other Premises or Dwellings

(1) A residential customer at a dwelling other than his or her residence; or at a single meter multi-family residence, whether or not his or her residence but in either case, requests discontinuance with at least seven days notice, specifying the day on which it is desired that service be rendered, may do so only under the following conditions:

(a) The residential customer states in writing that the premises are unoccupied and such statement shall be on a form conspicuously bearing notice that information provided by the residential customer will be relied upon by the Pennsylvania Public Utility Commission in administering a system of uniform service standards for public utilities, and that any false statements are punishable criminally; or

(b) The occupant(s) affected by proposed cessation inform the Company orally or in writing of their consent to the discontinuation.

The Company may transfer an unpaid balance to a new residential service account of the same customer.

(2) Where the conditions set forth in subsection (1) of this paragraph have not been met, the residential customer will continue to be responsible for payment of bills until the Company terminates service in accordance with Section 12.6(A) of this tariff (relating to general rule).

(C) Indicates Change

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

5th REVISED LEAF NO. 40
SUPERSEDING 3rd REVISED LEAF NO. 40
4th REVISED LEAF NO. 40 CANCELED

RULES AND REGULATIONS

15. RESTORATION OF SERVICE

15.1 RESTORATION OF SERVICE

(C)

(A) Requirements for Residential Reconnection

When service to a dwelling has been terminated, the Company shall inform the applicant or residential customer where payment can be made to restore service and shall reconnect service after receiving:

- (1) Full payment of any outstanding charges plus a reconnection fee of \$27.00 if the residential customer or applicant has a household income exceeding 300 percent of the Federal Poverty Level or has defaulted on 2 or more payment agreements. If an applicant or residential customer with household income exceeding 300 percent of the Federal Poverty Level experiences a life event the residential customer or applicant shall be permitted a period of not more than 3 months to pay the outstanding balance required for reconnection. For purposes of this paragraph, a life event is a job loss that extended beyond 9 months, a serious illness that extended beyond nine months, or death of the primary wage earner; or
- (2) Full payment over 12 months of any outstanding charges plus a reconnection fee of \$27.00 if the residential customer or applicant has a household income exceeding 150 percent of the Federal Poverty Level but not greater than 300 percent of the Federal Poverty Level; or
- (3) Full payment over 24 months of any outstanding charges plus a reconnection fee of \$27.00 if the residential customer or applicant has a household income not exceeding 150 percent of the Federal Poverty Level; or
- (4) Payment of any outstanding balance or payment of a portion of the outstanding balance if the applicant resided at the premises for which service is being requested during the time the outstanding balance accrued and for the time the applicant resided there, not exceeding the four years from the date of the service request. The four-year limit does not apply if the balance includes amounts that the Company was not aware of because of fraud or theft on the part of the applicant. The Company may establish that the applicant resided at the premises for which service is requested through the use of mortgage, deed, or lease information or a commercially available credit reporting service or by other methods approved by the Commission.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

5th REVISED LEAF NO. 40A
SUPERSEDING 3rd REVISED LEAF NO. 40A
4th REVISED LEAF NO. 40A CANCELED

RULES AND REGULATIONS

15. RESTORATION OF SERVICE (Continued)

15.1 RESTORATION OF SERVICE (Continued) (C)

(B) Requirements for Non-Residential Reconnection

When service to a non-residential building has been terminated, the Company shall inform the applicant where payment can be made to restore service and shall reconnect service after receiving full payment of any outstanding charges plus a reconnection fee of \$27.00.

(C) Timing of Reconnection

The Company shall restore service provided that the applicant has met all conditions for the restoration of service, as follows:

- (1) Within 24 hours for erroneous terminations or upon receipt by the Company of a valid medical certification,
- (2) Within 24 hours for termination occurring after November 30 and before April 1,
- (3) Within three days for erroneous terminations requiring street or sidewalk digging,
- (4) Within three days from April 1 to November 30 for proper terminations,
- (5) Within seven days for proper terminations requiring street or sidewalk digging.

15.2 PERSONNEL AVAILABLE TO RESTORE SERVICE

The Company shall have adequate personnel available between 9 a.m. and 5 p.m. on each working day, or for a commensurate period of eight consecutive hours, to restore service when required under this Section.

(C) Indicates Change

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

3rd REVISED LEAF NO. 40B
SUPERSEDING 1st REVISED LEAF NO. 40B
2nd REVISED LEAF NO. 40B CANCELED

RULES AND REGULATIONS

16. DISPUTES: TERMINATION DISPUTES: INFORMAL AND FORMAL COMPLAINTS
FOR RESIDENTIAL CUSTOMERS

16.1 GENERAL PROVISIONS

(C)

(A) Dispute Procedures

A notice of dispute, including termination disputes, must proceed, according to the provisions set forth in this section.

(1) Attempted Resolution

If, at any time prior to the actual termination of service, a residential customer advises the Company that he or she disputes any matter covered by this Section, including, but not limited to credit determinations, deposit requirements, the accuracy of Company metering or billing, or the proper party to be charged, the Company shall attempt to resolve the dispute in accordance with 16.2(A) of this Section (relating to general rule).

(2) Termination Stayed

Except as otherwise provided in this Section, when a termination dispute or complaint has been properly filed in accordance with the provisions of this section (relating to disputes: termination disputes: informal and formal complaints), termination shall be prohibited until resolution of the dispute or complaint; however, the disputing party shall pay the undisputed portions of the bill.

(B) Time For Filing an Informal Complaint

To be timely filed, an informal complaint must be filed prior to actual termination of service.

(C) Effect of Failure to Timely File an Informal Complaint

Failure to timely file an informal complaint, except for good cause, shall constitute a waiver of any applicable rights to retain service without complying with the Company's termination notice or conference report.

(C) Indicates Change

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

5th REVISED LEAF NO. 40C
SUPERSEDING 3rd REVISED LEAF NO. 40C
4th REVISED LEAF NO. 40C CANCELED

RULES AND REGULATIONS

16. DISPUTES: TERMINATION DISPUTES: INFORMAL AND FORMAL COMPLAINTS
FOR RESIDENTIAL CUSTOMERS (Continued)

16.2 COMPANY DISPUTE PROCEDURES

(C)

(A) General Rule

Upon initiation of a dispute covered by this section, the Company shall:

- (1) Not issue a termination notice based on the disputed subject-matter;
- (2) Investigate the matter using methods reasonable under the circumstances, which may include telephone or personal conferences or both with the residential customer or occupant;
- (3) Make a diligent attempt to negotiate a reasonable payment agreement if the residential customer or occupant is eligible for a payment agreement and claims a temporary inability to pay an undisputed bill. Factors which shall be considered in the negotiation of any payment agreement include, but are not limited to, the size of the unpaid balance, the residential customer's ability to pay, the residential customer's payment history and the length of time over which the bill accumulated;
- (4) Provide the residential customer or occupant with the information necessary for an informed judgment, including but not limited to relevant portions of tariffs, statements of account, and results of meter tests; and
- (5) Within 30 days of the initiation of the dispute, issue its report to the complaining party. Such reports shall be in writing and shall be sent to the complaining party, if requested, or if the Company deems it necessary.

(C) Indicates Change

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY:

Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

27th REVISED LEAF NO. 42
SUPERSEDING 25th REVISED LEAF NO. 42
26th REVISED LEAF NO. 42 CANCELED

RIDER A - GAS COST RATE (Continued)

(C) Definitions (Continued) (C)

Interest shall be computed monthly at the appropriate rate as provided for in Section 308(e) of the Public Utility Law from the month the over or under collection occurs to the effective month such over collection is refunded or such under collection is recouped. Customers shall not be liable for interest on net under collections.

Additionally, supplier refunds received prior to the end of the August billing period will be included in the calculation of "E" with interest added at the Legal Rate of Interest calculated in accordance with the foregoing procedure beginning with the month such refund is received by the Company.

"S"--projected Mcf of gas to be billed to customers during the computation year.

"B"--base cost of purchased gas of \$6.5793 per Mcf. The base cost is the portion of purchased gas costs included in the base rate charges of Service Classification Nos. 1 and 2 of this Tariff.

The base cost shall be adjusted at the time of annual gas cost rate filing to include at least ninety percent (90%) of the Company's experienced gas rates in effect as of the end of the June billing period, plus such portion of the projected gas purchase costs as the Commission shall permit.

"T"--the State gross receipts tax rate, expressed as a decimal. For computation of the gas cost rate, the tax rate shall be the one in effect during the gas cost rate's application period.

"Purchased Gas"--the volume of gas purchased by the Company that is delivered to the Company's customers, plus such portion of the company-used and unaccounted-for gas as the Commission permits, including, but not limited to, natural gas, liquefied natural gas, synthetic gas, liquefied propane and naphtha.

"Computation year"--the fiscal period from September through August of each year.

(C) Indicates Change

ISSUED: EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

2nd REVISED LEAF NO. 44A
SUPERSEDING 1st REVISED LEAF NO. 44A

[Intentionally Left Blank]

ISSUED: EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, PA

PIKE COUNTY LIGHT & POWER COMPANY

7th REVISED LEAF NO. 44B
SUPERSEDING 6th REVISED LEAF NO. 44B

[Intentionally Left Blank]

(C) Indicates Change

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

30th REVISED LEAF NO. 44C
SUPERSEDING 28th REVISED LEAF NO. 44C
29th REVISED LEAF NO. 44C CANCELED

STATE TAX ADJUSTMENT SURCHARGE

(I)

In addition to the charges provided in this tariff, except for charges or credits applied under the Gas Cost Rate, the Take or Pay Surcharge, and/or the Income Tax Adjustment, an adjustment of 0.00% will be applied for all service rendered on and after the effective date of this leaf.

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

(I) Indicates Increase

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

43rd REVISED LEAF NO. 45
SUPERSEDING 41st REVISED LEAF NO. 45
42nd REVISED LEAF NO. 45 CANCELED

SERVICE CLASSIFICATION NO. 1

APPLICABLE TO USE OF SERVICE FOR:

Residential Service and Residential Space Heating Service

RATE - FIVE PART - MONTHLY:

(1) Service Charge \$ 7.50 (I)

(2) Commodity Charge
All Ccf @ 112.42¢ per Ccf (I)

(3) Gas Cost Rate
All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff.

(4) State Tax Adjustment Surcharge
The State Tax Adjustment Surcharge included in this Tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than \$8.20 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before twenty days from date bill is mailed to Customer. If bill is not paid within twenty days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

(I) Indicates Increase

(Continued)

ISSUED:

EFFECTIVE:

September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT & POWER COMPANY

42nd REVISED LEAF NO. 46
SUPERSEDING 40th REVISED LEAF NO. 46
41st REVISED LEAF NO. 6 CANCELED

SERVICE CLASSIFICATION NO. 2

APPLICABLE TO USE OF SERVICE FOR:

General Service and Non-Residential Space Heating Service

RATE - FIVE PART - MONTHLY:

(1) Service Charge \$ 9.40 (I)

(2) Commodity Charge

First 300 Ccf. @ 111.82¢ per Ccf (I)

All Over 300 Ccf. @ 96.30¢ per Ccf (I)

(3) Gas Cost Rate

All sales made hereunder shall be subject to the Gas Cost Rate as explained in Rider A of this tariff.

(4) State Tax Adjustment Surcharge

The State Tax Adjustment Surcharge included in this tariff is applied to charges under this rate except for charges made under the Gas Cost Rate.

MINIMUM CHARGE EACH CONTRACT EACH LOCATION:

Not less than \$9.40 net per month during which service is furnished to a Customer at each location.

TERMS OF PAYMENT:

Bills are due and payable on or before fifteen days from date bill is mailed to Customer. If bill is not paid within fifteen days, service may be discontinued after suitable written notice as outlined in the Rules and Regulations.

(I) Indicates Increase

(Continued)

ISSUED:

EFFECTIVE: September 1, 2014

ISSUED BY: Timothy Cawley
President
Milford, Pennsylvania

PIKE COUNTY LIGHT AND POWER COMPANY

**Impact of Proposed Rate Change on Total Revenue
For the 12 Months Ending September 30, 2014**

Service Class	Type of Service	Annual Bills	Total Sales (CCF)	Total Revenue at:		Increase:	
				Present Rates (\$000)	Proposed Rates (\$000)	Rev Change (\$000)	Percent Change
1	Residential	13,284	1,018,154	1,142.3	1,237.2	94.9	8.3%
2	Commercial	<u>1,032</u>	<u>366,206</u>	<u>373.8</u>	<u>378.8</u>	<u>5.1</u>	1.4%
Total		<u>14,316</u>	<u>1,384,360</u>	<u>1,516.1</u>	<u>1,616.1</u>	<u>100.0</u>	6.6%

PIKE COUNTY LIGHT AND POWER COMPANY

Present and Proposed Rates (In Brief)

<u>Present SC1</u>		<u>Proposed SC1</u>	
Customer Charge	\$6.00	Customer Charge	\$7.50
All CCF @	1.05100 / CCF	All CCF @	1.12421 / CCF
Plus: STAS	-0.04%	Plus: STAS	0.00%
Plus: GCR	(0.01273) / CCF	Plus: GCR	(0.01273) / CCF
Minimum Charge:		Minimum Charge:	
\$ 6.00 per month		\$ 7.50 per month	

<u>Present SC2</u>		<u>Proposed SC2</u>	
Customer Charge	\$9.00	Customer Charge	\$9.40
First 300 CCF @	1.10190 / CCF	First 300 CCF @	1.11823 / CCF
Over 300 CCF @	0.95220 / CCF	Over 300 CCF @	0.96303 / CCF
Plus: STAS	-0.04%	Plus: STAS	0.00%
Plus: GCR	(0.01273) / CCF	Plus: GCR	(0.01273) / CCF
Minimum Charge:		Minimum Charge:	
\$ 9.00 per month		\$ 9.40 per month	

PIKE COUNTY LIGHT AND POWER COMPANY
DEPRECIATION RATES

ACCT	ACCOUNT TITLE	LIFE TABLE	AVERAGE SERVICE LIFE (years)	NET SALVAGE FACTOR (percent)	ANNUAL DEPREC RATE (percent)	NET SALVAGE (A) (in dollars)
<u>DISTRIBUTION PLANT</u>						
374000	LAND - EASEMENTS	h 3.0	65	-	1.54	-
376000	MAINS	h 3.0	70	-	1.43	972.94
378000	MEASURING AND REGULATING EQUIPMENT	h 1.5	30	-	3.33	-
380000	SERVICES	h 2.5	65	-	1.54	5,156.95
381000	METERS	h 3.0	35	-	2.86	(240.38)
382000	METER INSTALLATIONS	h 3.0	45	-	2.22	(7.63)
382400	METER BAR INSTALLS	h 3.0	45	-	2.22	-
384000	HOUSE REGULATOR INSTALLATIONS	h 3.0	45	-	2.22	-
385000	INDUSTRIAL MEASURING AND REGULATING EQ.	h 4.5	35	-	2.86	-
<u>COMMON UTILITY PLANT</u>						
<u>BUILDINGS & YARDS</u>						
390000	STRUCTURES & IMPROVEMENTS - WESTFALL	h 1.5	45	-	2.22	-
390000	STRUCTURES & IMPROVEMENTS - MILFORD	Amort.	5	-	-	-
<u>GENERAL EQUIPMENT</u>						
391100	OFFICE FURNITURE & EQUIPMENT- FURNITURE	Amort.	5	-	20.00	-
391700	OFFICE FURNITURE & EQUIPMENT- EDP EQ.	Amort.	5	-	20.00	-
397100	COMMUNICATIONS EQUIPMENT - TELE SYS	Amort.	5	-	20.00	-
398000	MISCELLANEOUS EQUIPMENT	Amort.	5	-	20.00	-

(A) Annual net salvage allowance included in depreciatoin expense in lieu of recovery through the annual depreciatoin rate

In addition to the depreciation produced by application of the above rates, the following additional amounts are being debited to depreciation expense for the recovery of a reserve deficiency:

	<u>Total</u>	<u>Annual</u>	<u>Amort. End Date</u>
Reserve Deficiency - Case R-2008-2046520	\$ 36,347	\$ 900	March 2049

RECEIVED

JUL - 8, 2014

PA PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

**BEFORE THE PENNSYLVANIA
PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :

v. :

Docket No. R-2013-2397353

Pike County Light & Power Company :
(Gas Rate Case) :

RECEIVED

**STATEMENT ON BEHALF OF
PIKE COUNTY LIGHT & POWER COMPANY
IN SUPPORT OF JOINT PETITION FOR
SETTLEMENT OF RATE INVESTIGATION**

JUL - 8, 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

I. INTRODUCTION

On July 3, 2014, Pike County Light & Power Company ("Pike" or "Company"), the Bureau of Investigation & Enforcement ("I&E"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA"), (collectively referred to as "Joint Petitioners") entered into a Joint Petition for Settlement of Rate Investigation ("Petition for Settlement") covering the Company's gas bas rates for the period September 1, 2014 through May 31, 2017. The Company respectfully submits this Statement in Support of the Petition for Settlement. The Petition for Settlement, if approved without modification, will permit Pike to establish rates for its customers which are designed to produce an overall increase in annual operating revenues of approximately \$100,000, in lieu of the additional \$151,000 in revenues originally requested by Pike. Under the Petition for Settlement, Pike's present revenue levels of approximately \$1.5 million will increase to an overall total revenue level of \$1.6 million, representing an increase of approximately 6.6%.

The Settlement was achieved after extensive scrutiny of Pike's filing (and data in support thereof) and analysis of voluminous interrogatories and informal data requests answered by Pike. The Joint Petitioners met and engaged in meaningful settlement discussions to seek an amicable resolution of the issues in the case. The parties communicated by telephone and electronic mail to discuss their respective positions and to explore ways to reconcile any disagreements. The Petition for Settlement is the result of these discussions.

Pike respectfully requests that presiding Administrative Law Judge Christopher P. Pell recommend approval, without modification, of the Petition for Settlement to the Commission. The basis for recommending Commission approval of the settlement achieved by the Joint Petitioners is set forth in the Petition for Settlement and is also supported by the factors outlined below.

II. SUPPORTING FACTORS

The agreement set forth in the Petition for Settlement is the result of extensive negotiations and reflects compromises by all parties, and is in the public interest for the following reasons:

1. Pike is obligated to operate its natural gas distribution system in an efficient and economical manner, to maintain the system in good repair and working order and to make all necessary and proper additions, improvements, replacements and repairs. The Petition for Settlement is in the public interest because the agreed-upon rate and revenue levels provide for the necessary additional funds to meet Pike's obligations under the Public Utility Code to provide safe, adequate and reliable service.

2. The agreed-upon rate and revenue levels outlined in the Petition for Settlement will allow Pike to (a) produce an adequate return on the Company's invested capital that is dedicated to the service of the Company's customers, (b) provide sufficient operating revenues to meet operating expenses, taxes and other charges, (c) enable the Company to maintain its creditworthiness at a level sufficient to raise capital necessary to perform its obligations to provide safe, adequate and proper service to its customers, and (d) provide a reasonable rate of return on the Company's investment in its utility property.

3. If the Commission approves the Petition for Settlement without modification, Pike will be permitted to establish rates which are designed to produce an increase in annual base rate operating revenue of approximately \$100,000 to a revenue level of approximately \$1.6 million, representing an increase of only 6.6%. In its original rate filing, the Company sought additional revenues of \$151,000 or an increase of 10%. Thus, Pike submits that the additional revenues provided for under the Petition for Settlement are just and reasonable and in the public interest.

4. Currently, Pike provides natural gas distribution service directly to approximately 1,100 customers in Pike County, Pennsylvania. Under this Petition for Settlement, the monthly bill of a typical residential customer using 100 Ccf per month will increase from \$109.78 to \$118.65, or by approximately 8.1%, rather than the 12% originally requested by the Company. This is the first increase in rates that Pike has requested since 2008. The rates contained within the Petition for Settlement are just and reasonable and in the public interest.

5. Under the terms of the settlement, Pike will be permitted to establish rates which will produce an overall increase in annual operating revenues of approximately \$100,000. The

rate design proposed by the Joint Petitioners is in the public interest and should be approved by the presiding officer and the Commission.

6. The rates proposed under this Petition for Settlement will go into effect no sooner than September 1, 2014.

7. Unless certain specified contingencies occur, the terms of the Petition for Settlement provide that Pike will not seek another base rate increase prior to September 1, 2016. This means that, under normal circumstances, the earliest that new rates will become effective is June 1, 2017. The agreed-upon "stay-out" contributes significantly to rate stability for Pike's customers and is therefore in the public interest.

8. The Joint Petitioners have agreed to Customer Charges that are lower than those proposed by the Company in its original filing. For Service Classification No. 1 (SC-1), the Customer Charge will be set at \$7.50 and for SC-2, the charge will be \$9.40. Pike had proposed a Customer Charge of \$8.20 for SC-1 and \$9.90 for SC-2. The Company submits that the lower fixed customer charges are just and reasonable and should be approved by the Commission.

9. The Company has agreed to provide certain information with regard to its Cost of Service Study in future rate filings. In the future, Pike will submit a COS that features matching the dates used in the study and the historic accounting test year. This addresses concerns raised by the parties in this proceeding. Also, the Company will provide a COS that reflects the proposed rate level for illustrative purposes. These changes to future filings will make it easier for the parties and the Commission to review the proposed rate changes and the underlying justifications for the changes.

10. Finally, the Settlement obviates further administrative and possible appellate proceedings, thereby resulting in substantial savings to the Joint Petitioners and to Pike's customers.

III. CONCLUSION

For all of the foregoing reasons, and for the reasons set forth in the Petition for Settlement, Pike respectfully requests that Administrative Law Judge Christopher P. Pell recommend and that the Commission approve the Joint Petition for Settlement in this proceeding.

Respectfully submitted,

John J. Gallagher

Counsel for Pike County Light
& Power Company

Date: July 3, 2014

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :
:
v. : Docket No. R-2013-2397353
:
Pike County Light & Power Company :
(Gas) :

**BUREAU OF INVESTIGATION AND ENFORCMENT
STATEMENT IN SUPPORT OF
JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

RECEIVED

JUL - 8, 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

TO ADMINISTRATIVE LAW JUDGE CHRISTOPHER P. PELL:

The Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("Commission"), by and through its prosecutorial counsel, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement of Rate Investigation ("Joint Petition" or "Settlement") are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of Pike County Light & Power Company (Gas) ["Pike (Gas)" or "Company"] and its customers.

1. Counsel for the Company, I&E, the Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA") actively participated in the extensive negotiations that resulted in the terms embodied in the foregoing Settlement.

2. I&E is charged by the Commission with the representation of the public interest in proceedings relating to rates, rate-related services and a broad range of other

types of proceedings affecting the public interest. Consequently, in negotiated settlements, it is incumbent upon I&E to ensure that the public interest is served and to identify and quantify to what extent such amicable resolution of any such proceeding serves the public interest. I&E respectfully submits that such responsibility has been met here by virtue of its resolute representation of the public interest throughout the conduct of this base rate investigation.

3. Prior to agreeing to the instant settlement, I&E performed the following duties: (1) conducted a thorough review of the Company's filing and supporting information; (2) submitted discovery and analyzed the provided responses; (3) distributed prepared direct and surrebuttal testimonies and exhibits; and (4) actively participated in the subsequent settlement discussions among the parties.

4. This settlement provides for an increase in annual revenues to the Company for its provision of gas distribution service to customers that I&E considers to be just and reasonable and thereby in the public interest, but is not based upon any particular adjustments or ratemaking approach, unless otherwise specifically identified in the foregoing Joint Petition.

5. By way of background, on January 17, 2014, Pike (Gas) filed Supplement No.92 to Tariff Gas – Pa. P.U.C. No. 6, to become effective March 18, 2014, containing proposed changes in rates, rules, and regulations calculated to produce \$151,000 (10%) in additional annual revenues. On January 23, 2014, I&E filed its Notice of Appearance at this docket. The Office of Small Business Advocate ("OSBA") and the Office of

Consumer Advocate ("OCA") have each filed a Formal Complaint against the rate hike request.

6. By Order entered March 6, 2014, the Commission suspended the filing and instituted an investigation to determine the lawfulness, justness and reasonableness of the proposed rates, rules and regulations. Pursuant to 66 Pa. C.S. §1308(d), the filing will be suspended by operation of law on March 18, 2014, until October 18, 2014, unless permitted by Commission Order to become effective at an earlier date. Said Order provided that the case be assigned to the Office of Administrative Law Judge for Alternative Dispute Resolution, if possible, or the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

7. On March 27, 2014, Administrative Law Judge Christopher P. Pell ("ALJ" or "ALJ Pell") presided over the Prehearing Conference telephonically from Philadelphia and the Harrisburg parties participated from Hearing Room 5 in the Keystone Building. Said Pike (Gas) Prehearing Conference immediately followed the conclusion of the Prehearing Conference for the Pike County companion base rate case filing of Pike County Light and Power Company (Electric) at Docket No. R-2013-2397237. The litigation schedule for each were the same, with the provision for first opening and closing the evidentiary record at hearing for Pike (Electric) and then opening and closing the evidentiary record for the instant Pike (Gas) proceeding.

8. As noted above, formal and informal discovery to Pike (Gas) was conducted by I&E during the course of this gas distribution base rate proceeding. I&E Legal and assigned Technical Experts scrutinized the Company's provided responses in

order to develop a complete perspective and understanding of each relevant base rate issue in order to facilitate the production of the distributed I&E testimonies and exhibits and to thoroughly prepare for the numerous issues raised during the protracted settlement discussions.

9. For the record, I&E considers Commission approval of the terms and conditions of the settlement to have the same effect as full and complete litigation and further recognizes that final resolution of this proceeding by approval of the settlement will result in Commission-made rates.

10. I&E agrees that the terms and conditions of the Settlement are in the public interest for a number of reasons, including that the settlement:

- (a) provides for a level of increased annual operating revenues that I&E, as one of the Joint Petitioners, has determined is fair, reasonable and lawful;
- (b) avoids the necessity of further administrative and possible appellate court proceedings, which would have been at substantial cost to the involved parties and the Company's customers and thereby conserves time and expenses for all involved. Specifically, acceptance of the foregoing Settlement will eliminate the need for the conduct of evidentiary hearings and the production of Main Briefs, Reply Briefs, Potential Exceptions and Reply Exceptions to the ALJ's Recommended Decision, and the filing of possible appeals;
- (c) provides for a "stay out" whereby Pike (Gas) cannot make another base rate case filing, except under certain extraordinary circumstances, prior to September 1, 2016;
- (d) provides for fair and appropriate rate design that has been negotiated and agreed upon by the Joint Petitioners;
- (e) provides for other worthwhile tariff changes, including the addition of the term "Legal Rate of Interest" and its application to non-

residential customer deposits; the updating of the language to comply with current Commission regulations; and the removal of the Rider B-Take or Pay Recovery Surcharge.

11. I&E reiterates its thorough involvement in the proposed amicable resolution of the instant base rate investigation and represents that any issues raised in the I&E Prehearing Memorandum not specifically addressed in the foregoing Joint Petition have been satisfactorily resolved through sufficient discovery responses or an analysis of the testimonies and exhibits provided by Pike (Gas) witnesses during the course of the proceeding.

12. For the foregoing reasons and those presented in the foregoing Joint Petition for Settlement of All Issues in Rate Investigation, the Bureau of Investigation and Enforcement herewith asserts its full and complete support for the settlement terms and conditions as being in the public interest and therefore respectfully requests that Administrative Law Judge Christopher P. Pell recommend, and the Commission subsequently approve without modification, the foregoing Joint Petition for Settlement of Rate Investigation and the tariff supplements submitted therewith.

Respectfully submitted,



Charles Daniel Shields
Senior Prosecutor
PA Attorney I.D. No. 29363

Richard A. Kanaskie
Deputy Chief Prosecutor
PA Attorney I.D. No. 80409

Johnnie E. Simms
Chief Prosecutor
PA Attorney I.D. No. 33911

Bureau of Investigations and Enforcement
Pennsylvania Public Utility Commission
Post Office Box 3265
Harrisburg, Pennsylvania 17105-3265
(717) 787-1976

Dated: July 2, 2014

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,

v.

Pike County Light & Power Company
(Gas Rate Case)

Docket No. R-2013-2397353

RECEIVED

JUL - 8 2014

STATEMENT OF THE
OFFICE OF CONSUMER ADVOCATE
IN SUPPORT OF THE JOINT PETITION
FOR SETTLEMENT OF THE RATE INVESTIGATION

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

The Office of Consumer Advocate (OCA), a signatory party to the foregoing Joint Petition for Settlement of Rate Investigation (Settlement) in the above-captioned proceeding, respectfully requests that the terms and conditions of the Settlement be approved by the Administrative Law Judge (ALJ) and the Pennsylvania Public Utility Commission (Commission). The Settlement resolves all issues regarding the request for an increase in natural gas distribution revenues by Pike County Light & Power Company (Pike or the Company). It is the OCA's position that the proposed Settlement is in the public interest and in the interest of Pike's customers.

I. INTRODUCTION

On January 17, 2014, Pike filed with the Commission Supplement No. 92 to Tariff Gas - Pa. P.U.C. No. 6, to become effective on March 18, 2014. The Company proposed to increase its overall annual operating revenues by \$151,000 per year, an increase of

approximately 24% in natural gas distribution revenues, or an overall increase of approximately 10% in total gas revenues over present rates. For the residential class, the Company proposed an average overall increase of 12.3% in residential distribution service rates. Under the rates proposed by the Company, a typical residential customer using 100 Ccf in a winter month would have seen their average monthly bill increase from \$109.78 to \$122.94, or by approximately 12%. Included in this increase was a proposed increase in the monthly customer charge for residential service by \$2.22, from \$6.00 to \$8.20.

Complaints in opposition to the increase were filed by the OCA and the Office of Small Business Advocate (OSBA). The Commission's Office of Trial Staff also filed a Notice of Appearance. On March 6, 2014, the Commission entered an Order initiating an investigation of Pike's proposed rate increase and suspending the Company's proposed Tariff until October 18, 2014. The Company then voluntarily extended the suspension period until October 31, 2014. Administrative Law Judge Christopher P. Pell was assigned to preside over the case, and a Prehearing Conference was held before ALJ Pell on March 27, 2014.

Throughout the course of the proceeding, the OCA engaged in formal and informal discovery designed to thoroughly investigate all aspects of the Company's proposed rate increase. The OCA submitted the Direct Testimonies of David J. Effron, Aaron Rothschild, and Scott J. Rubin on April 29, 2014, and the Rebuttal Testimony of Scott J. Rubin on May 19, 2014. The OCA also submitted the Surrebuttal Testimony of David J. Effron and Aaron Rothschild on June 4, 2014.

As a result of settlement negotiations, the parties reached a settlement agreement in principle in advance of the evidentiary hearings and requested that the procedural schedule be suspended. ALJ Pell granted the request to suspend the procedural schedule, and the parties

have agreed to the stipulation of the admission of all parties' testimonies into the record of this proceeding.

As noted above and discussed further below, the OCA submits that the proposed Settlement is in the public interest and should be approved. The OCA will discuss several of the key provisions of the Settlement that are of particular importance to the OCA, and which are set forth below.

II. DISTRIBUTION REVENUES (Settlement at ¶¶ 14, 15, 17(a))

The proposed Settlement provides for an overall increase of \$100,000 in annual natural gas distribution operating revenues no sooner than September 1, 2014. The revenue increase contained in the Settlement is approximately \$51,000 less than the \$151,000 rate increase originally requested by Pike. This rate increase reflects an increase of approximately 16.4% over current natural gas distribution operating revenues, as compared to the Company's original request of a 24.7% increase in distribution revenues. The average monthly distribution bill for a typical residential customer using 100 Ccf in a winter month will increase from \$45.33 to \$54.13, or by 19.4% rather than the 28.9% increase originally requested by the Company. On a total bill basis, the typical residential customer using 100 Ccf in a winter month will experience an increase from approximately \$109.78 to \$118.65, or by 8%. The Company's original filing proposed a total bill increase of approximately \$13.16 per month from \$109.78 to \$122.94 per month, or an approximate 12% increase, for the average residential customer.

The terms of the Settlement provide that the increase will not go into effect before September 1, 2014. Importantly, the Company has agreed that it will not file for another base rate increase before September 1, 2016. This stay-out provision should provide some measure of rate stability into 2017, assuming the Company files as soon as the stay-out expires.

Based on the OCA's analysis of the Company's filing, the rate increase under the proposed Settlement represents a result that would be within the range of likely outcomes in the event of full litigation of the case. As OCA witness David Effron testified, Pike calculated a revenue deficiency of \$151,000 based on a future test year ending September 30, 2014. OCA St. 1 at 3. The OCA Direct Testimony included adjustments to the Company's rate base and operating expenses, and incorporated a lower rate of return. OCA St. 1 at 3; OCA St. 2 at 2-5. The OCA's analysis of the Company's revenue requirement showed a deficiency of \$69,900. OCA St. 1 at 3. The Settlement revenue increase of \$100,000 represents an increase of \$30,100 over the OCA's initial position, and a reduction of \$51,000 below the Company's filing. The Settlement increase is supported by the record evidence and, when accompanied by other important provisions contained in the Settlement, yields a result that is just and reasonable.

III. REVENUE ALLOCATION (Settlement at ¶ 16)

The Company initially proposed to increase residential rates by \$141,000. Under the Settlement, residential customers will pay an increase of \$94,900 in base rates, thus sharing in the lowered revenue requirement agreed to by the parties.

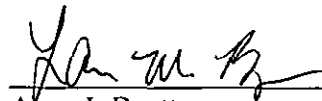
Based on the OCA's review of the cost of service study presented in this proceeding and the varying revenue allocation proposals presented by other parties, the OCA views the Settlement to be within the range of reasonable outcomes from the full litigation of this case. The agreed-upon allocation of the rate increase is included in the Proof of Revenues attached as Appendix B to the Settlement. The OCA notes that the revenue allocation to residential customers under the Settlement represents a decrease of approximately \$46,100 from the Company's originally proposed revenue increase for residential customers.

IV. CONCLUSION

The terms and conditions of the Settlement provide an overall distribution base rate increase of \$100,000 no sooner than September 1, 2014. As detailed above, the Settlement represents a compromise among the positions of several parties in this proceeding on all outstanding issues. The OCA submits that the reduction in the proposed revenue requirement increase, the revenue allocation, along with all of the other terms and conditions of the Settlement, represent a fair and reasonable settlement of this proceeding.

WHEREFORE, for the foregoing reasons, the Office of Consumer Advocate submits that the proposed Settlement is in the public interest and in the interest of Pike's ratepayers.

Respectfully Submitted,



Afon J. Beatty
Assistant Consumer Advocate
PA Attorney I.D. # 86625
E-mail: ABeatty@paoca.org
Lauren M. Burge
Assistant Consumer Advocate
PA Attorney I.D. # 311570
E-mail: LBurge@paoca.org

Counsel for:
Tanya J. McCloskey
Acting Consumer Advocate

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: (717) 783-5048
Fax: (717) 783-7152

Dated: July 2, 2014

185610

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	Docket No. R-2013-2397353
	:	
PIKE COUNTY LIGHT & POWER COMPANY	:	
(Gas Base Rate Case)	:	

**STATEMENT OF THE OFFICE OF SMALL BUSINESS ADVOCATE
IN SUPPORT OF THE JOINT PETITION FOR SETTLEMENT
OF RATE INVESTIGATION**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, on February 25, 2014, the Office of Small Business Advocate ("OSBA") filed a complaint in the above-captioned proceeding against the January 17, 2014, filing by Pike County Light & Power Company ("PCL&P" or the "Company") of Supplement No. 92 to Tariff Gas-Pa.P.U.C. No. 6. Through Supplement No. 92, PCL&P requested an annual increase in distribution revenues of approximately \$151,000.

Subsequently, the OSBA filed the direct, rebuttal and surrebuttal testimony of its witness, Robert D. Knecht. The OSBA also actively participated in the negotiations that led to the Joint Petition for Settlement of Rate Investigation ("Settlement") and is a signatory to the Settlement.

The OSBA submits this statement in support of the Settlement.

RECEIVED

JUL - 8, 2014

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Settlement Issues

The Settlement sets forth a list of issues that were resolved through the negotiation process. The issues of importance to the OSBA were the following:

Cost Allocation

The Company submitted summary results of its costs analysis rather than a complete, detailed analysis. The filed cost allocation analyses did not include any detail as to how costs were functionalized into the basic operating areas, making it impossible to reconcile costs between the costs used for the revenue requirement and costs used in the cost allocation analysis, or to determine how the Company's functionalization calculations were made. The Company's filing also did not include any detail regarding the development of key "classification" and "allocation" factors that are an integral part of any cost allocation study. Thus, compared to the submissions of larger natural gas distribution companies ("NGDCs") in Pennsylvania, the Company's filing is substantially incomplete. This problem has been addressed in the settlement in Paragraph 17d which requires that in its next base rates proceeding, PCL&P will include in its filing a complete working electronic version of its cost allocation study at present and proposed rates, including the functionalization calculations, the classification calculations, the allocation calculations, and the development of all external functionalization, classification and allocation factors.

Revenue Allocation

In testimony, OSBA witness Mr. Knecht recommended that no increase be given to the SC2 customers. Because of the poor quality of the Company's COSS, there is a significant possibility that the Commission would not adopt it for purposes of revenue allocation if the matter were to be fully litigated.

The OSBA also is concerned about the cost to the OSBA of fully litigating a proceeding involving only about 80 non-residential customers. For those reasons, the OSBA accepts the revenue allocation proposal in the Settlement, which assigns a *de minimus* rate increase to the non-residential SC2 rate class. The OSBA believes that this revenue allocation will provide for modest progress toward cost-based rates, and that the matter can be better evaluated in the Company's next base rates proceeding when the Company submits a superior COSS analysis.

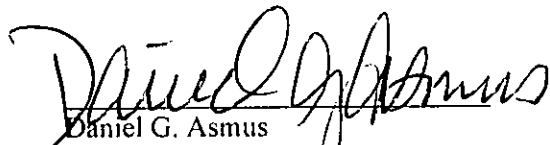
The resolution of the foregoing issues was of special importance to the OSBA when it concluded that the Settlement was in the best interests of PCL&P's small business customers.

Conclusion

As the OSBA's issues of principal concern were resolved through the settlement process, and in consideration of the small number of business customers served by PCP&L, signing this Settlement enables the OSBA to conserve its resources and avoid the uncertainties inherent in fully litigating the case. For the reasons set forth in the Settlement, as well as the additional factors that are enumerated in this statement, the OSBA supports the proposed Settlement and respectfully requests that the ALJ and the Commission approve the Settlement document in its entirety without modification.

RECEIVED
2014 JUL -8 PM 4:19
PA PUC
SECRETARY'S BUREAU

Respectfully submitted,


Daniel G. Asmus
Assistant Small Business Advocate
Attorney ID No. 83789

For:

John R. Evans.
Small Business Advocate

Date: July 1, 2014

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the participants, listed below, in the manner indicated below, and in accordance with the requirements of § 1.54 (relating to service by a party).

VIA HAND DELIVERY

Charles Daniel Shields, Esquire
Bureau of Investigation and Enforcement
PA Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105- 3265

Daniel Asmus, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North Second Street
Harrisburg, PA 17101

VIA FIRST CLASS MAIL

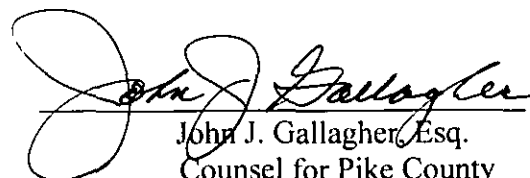
Aron Beatty, Esquire
Office of Consumer Advocate
555 Walnut Street, 5th Floor
Forum Place
Harrisburg, PA 17101-1923

VIA EXPRESS MAIL

Hon. Christopher Pell
Administrative
Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923

RECEIVED
2014 JUL -8 PM 4:17
PA PUC
SECRETARY'S BUREAU

Dated: July 8, 2014



John J. Gallagher, Esq.
Counsel for Pike County
Light & Power Company
711 Forrest Road
Harrisburg, PA 17112
jgallagher@jglawpa.com