



# McNees

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Wallace & Nurick LLC

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Tel: 717.232.8000 • Fax: 717.237.5300

PA PUC  
SECRETARY'S BUREAU

July 26, 2016

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

VIA HAND DELIVERY

G-2008-2021399

**RE: Affiliated Interest Contract – Updated and Revised Schedules for Contract for Services Between Wellsboro Electric Company and C&T Enterprises, Inc.:**  
**Docket No. \_\_\_\_\_**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") pursuant to Chapter 21 of the Public Utility Code are four (4) copies of the updated Schedule B-1, and revised Schedules D-1, D-2 and D-3 of Contract for Services between Wellsboro Electric Company ("Wellsboro" or "Company") and its parent corporation, C&T Enterprises, Inc. ("C&T") (individually, each a "Party" and collectively, the "Parties"). This letter describes the changes and updates reflected in this filing.

Schedule B-1 lists the employees and associated annual costs of the C&T employees assigned to Wellsboro under the Contract for Services. This Schedule has been updated to reflect the changes that took effect as of January 1, 2016. **The annual charges for the C&T employees assigned to Wellsboro is highly confidential information to both Wellsboro and the employees at issue. As a result, Wellsboro requests confidential treatment of the information contained in Schedule B-1. Wellsboro has redacted the annual charges from the Schedule B-1 submitted with this filing. In addition, Wellsboro submits four (4) copies of the unredacted Schedule B-1 in separately sealed envelopes, each of which is marked as "Confidential." Wellsboro requests that this information be handled consistent with the Commission's policies regarding information designated as confidential.**

Schedule D-1 is a summary of all space leased between Wellsboro and C&T. This Schedule has been updated to reflect the new extensions of the leases.

Schedules D-2 and D-3 are new lease agreements between Wellsboro and C&T for the call center space rented by C&T and for the third floor of Wellsboro's building, where C&T maintains offices for certain C&T employees. The prior leases, which were previously reviewed by the Commission, have been extended on identical financial terms.

[www.mwn.com](http://www.mwn.com)

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Rosemary Chiavetta, Secretary

July 26, 2016


Page 2

As shown on the attached Certificate of Service, the statutory parties have been served with copies of this filing. Please date stamp the enclosed additional copy of this Transmittal Letter, and kindly return it to our messenger for our filing purposes.

If you have any questions regarding this filing, please feel free to contact the undersigned. Thank you.

Very truly yours,

McNEES WALLACE & NURICK LLC

By   
Pamela C. Polacek

PCP/sar

Enclosure



c: Certificate of Service

Yasmin Snowberger, Bureau of Technical Utility Services (via Email and First Class Mail)

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SCHEDULE B-1 TO ADDENDUM B

CONFIDENTIAL

Title	Annual Charge
President & CEO VP & Treasurer VP of Eng. & Ops Field Service Technician Manager of Customer Service Accounting Assistant Receptionist/Member Assistant Receptionist/Member Assistant	
Total	

Bobbi A. Kelmer  
President & CEO  
C&T Enterprises, Inc.

Date: 1-19-2016

Greg E. ...  
President & CEO  
Wellsboro Electric Company

Date: 1/20/16

Wellsboro Electric has an arrangement with Tri-County REC to share labor, overhead and expenses for the Wellsboro Electric President and CEO.

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SECRETARY'S BUREAU

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

1. **C&T Office Lease:** Wellsboro ("Lessors") shall lease to C&T ("Lessee") approximately 860 square feet of unfinished space on the 3<sup>rd</sup> floor of Wellsboro's primary office building located at 33 Austin Street, Wellsboro, Pennsylvania. The lease is for a term of four (4) years commencing January 1, 2014, and terminating on December 31, 2017. The total rent for the term is Two Hundred Fifty and 00/100 (\$250.00) Dollars in advance on the first (1<sup>st</sup>) day of each month for that month's rental. The lease is attached as Schedule D-2.
  
2. **C&T Call Center Lease:** Wellsboro shall lease to C&T approximately 2,600 square feet of finished space in Wellsboro's secondary office building located at 33 Austin Street, Wellsboro, Pennsylvania. The monthly charge shall be \$3,000. The monthly charge includes Wellsboro's previously-incurred costs to build-out the space. The lease is four (4) years, commencing January 1, 2015, and terminating on December 31, 2018. This lease is attached as Schedule D-3.

C&T ENTERPRISES, INC.

WELLSBORO ELECTRIC COMPANY

By:   
President & CEO

By:   
President & CEO

Date: 7/14/2016

Date: 7/15/16

## COMMERCIAL PROPERTY LEASE

This Lease is made between **WELLSBORO ELECTRIC COMPANY**, of 33 Austin Street Wellsboro, Tioga County, Pennsylvania, 16901, herein called "Lessors", and **C&T ENTERPRISES, INC.**, of 1775 Industrial Blvd., Lewisburg, Pennsylvania, 17838, herein called the "Lessee".

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

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

2. **TERM:** Lessors demise the office at 33 Austin Street, 3<sup>rd</sup> Floor, Wellsboro, Tioga County, Pennsylvania, 16901, for a term of four (4) years commencing January 1, 2014, and terminating on December 31, 2017.

3. **RENT:** Total rent for the lease term shall be at of \$250.00 per month payable in advance on the first (1st) day of each month for that month's rental.

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

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

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

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

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

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

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

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

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

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

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

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

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

LESSEES: 1775 Industrial Blvd.  
Lewisburg, Pennsylvania 17837

LESSORS: 33 Austin Street  
Wellsboro, Pennsylvania 16901

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

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

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

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

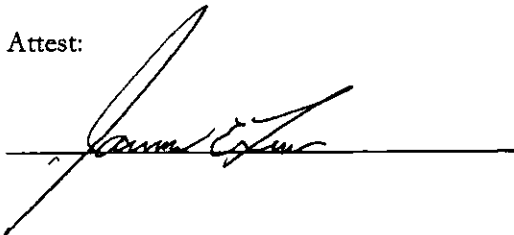
19. **LAW OF PENNSYLVANIA APPLICABLE:** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania.

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

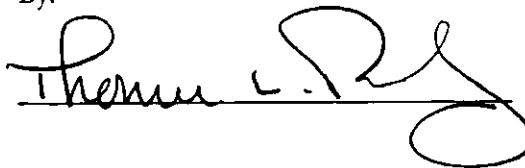
Signed this 4TH day of FEBRUARY, 2014.

WELLSBORO ELECTRIC COMPANY

Attest:

  
\_\_\_\_\_

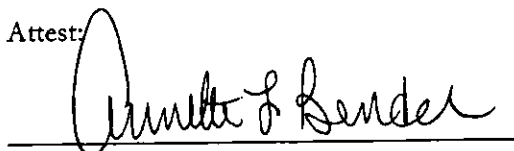
By:

  
\_\_\_\_\_

Signed this 12th day of February, 2014.

C&T ENTERPRISES, INC.

Attest:

  
\_\_\_\_\_

By:

  
\_\_\_\_\_

## COMMERCIAL PROPERTY LEASE

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

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

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

2. **TERM:** Lessors demise the square footage at 33 Austin Street, Wellsboro, Tioga County, Pennsylvania, 16901, for a term often ~~(10) years~~ commencing January 1, 2015, and terminating on December 31, 2018

44 YEARS

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

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

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

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that the Lessors shall have the option and right to enter the leased premises at any time upon activation of the fire alarm system.

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

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

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

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

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

**LESSEES:** 1775 Industrial Blvd.  
Lewisburg, Pennsylvania 17837

**LESSORS:** 33 Austin Street  
Wellsboro, Pennsylvania 16901

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

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

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

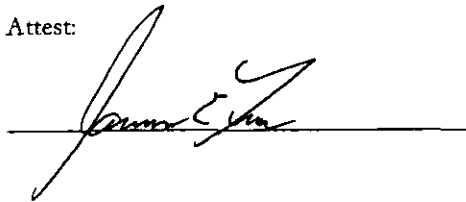
18. **SUBORDINATION:** This lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

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

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

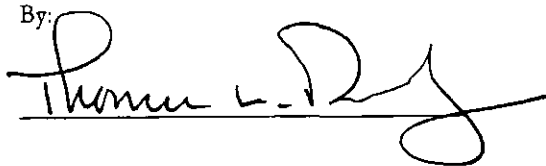
Signed this 2<sup>ND</sup> day of December, 2014.

Attest:

  
\_\_\_\_\_

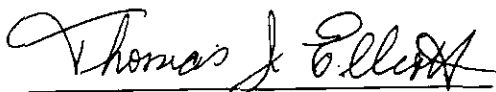
**WELLSBORO ELECTRIC COMPANY**

By:

  
\_\_\_\_\_

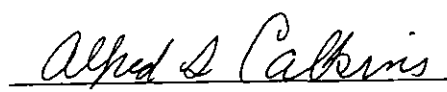
Signed this 19<sup>TH</sup> day of December, 2014.

Attest:

  
\_\_\_\_\_

**C&T ENTERPRISES, INC.**

By:

  
\_\_\_\_\_

**CERTIFICATE OF SERVICE**

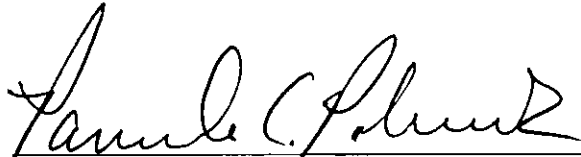
I hereby certify that I have this day served a true copy of the foregoing document upon the participants listed below in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

**VIA FIRST CLASS MAIL**

Office of Small Business Advocate  
Suite 202, Commerce Building  
300 North Second Street  
Harrisburg, PA 17101

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2nd Floor West  
Harrisburg, PA 17120

Office of Consumer Advocate  
555 Walnut Street  
Forum Place - 5th Floor  
Harrisburg, PA 17101-1921



Pamela C. Polacek

Counsel to Wellsboro Electric Company

Dated this 26<sup>th</sup> day of July, 2016, at Harrisburg, Pennsylvania.

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**McNees**  
Wallace & Nurick LLC

100 Pine Street • PO Box 1166 • Harrisburg, PA 17108-1166

**VIA HAND DELIVERY**

Rosemary Chiavetta  
Pennsylvania Public Utility Commission  
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