



COMMONWEALTH OF PENNSYLVANIA  
PENNSYLVANIA PUBLIC UTILITY COMMISSION  
COMMONWEALTH KEYSTONE BUILDING  
400 NORTH STREET, HARRISBURG, PA 17120

BUREAU OF  
INVESTIGATION  
&  
ENFORCEMENT

June 30, 2022

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17020

Re: Pennsylvania Public Utility Commission v.  
Citizens' Electric Company of Lewisburg, PA  
Docket No.: R-2022-3032369  
**I&E Prehearing Memorandum**

Dear Secretary Chiavetta:

Enclosed for electronic filing please find the **Prehearing Memorandum of Bureau of Investigation and Enforcement (I&E)** in the above-captioned proceeding.

Copies are being served on parties of record per the attached Certificate of Service. Should you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink that reads 'Scott B. Granger'.

Scott B. Granger  
Prosecutor  
Bureau of Investigation and Enforcement  
PA Attorney ID No. 63641  
(717) 425-7593  
[sgranger@pa.gov](mailto:sgranger@pa.gov)

SBC/ac  
Enclosures

cc: Administrative Law Judge Eranda Vero (*via email*)  
Administrative Law Judge Charece Z. Collins (*via email*)  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|                                             |   |                           |
|---------------------------------------------|---|---------------------------|
| Pennsylvania Public Utility Commission      | : |                           |
|                                             | : |                           |
| v.                                          | : | Docket No. R-2022-3032369 |
|                                             | : |                           |
| Citizens' Electric Company of Lewisburg, PA | : |                           |
| Base Rate Case                              | : |                           |

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**PREHEARING MEMORANDUM  
OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT**

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**TO: ADMINISTRATIVE LAW JUDGES ERANDA VERO  
AND CHARECE Z. COLLINS:**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”) respectfully submits the following Prehearing Memorandum in the above-captioned consolidated proceedings.

The Bureau of Investigation and Enforcement Prosecutor in these proceedings will be Scott B. Granger. Contact information is as follows:

|          |                                                                                                                                          |
|----------|------------------------------------------------------------------------------------------------------------------------------------------|
| By mail: | Scott B. Granger<br>Pennsylvania Public Utility Commission<br>Commonwealth Keystone Building<br>400 North Street<br>Harrisburg, PA 17120 |
|----------|------------------------------------------------------------------------------------------------------------------------------------------|

|               |                                                      |
|---------------|------------------------------------------------------|
| By e-mail:    | <a href="mailto:sgranger@pa.gov">sgranger@pa.gov</a> |
| By telephone: | (717) 425-7593                                       |
| By fax:       | (717) 772-2677                                       |

## **I. INTRODUCTION**

On April 29, 2022, Citizens' Electric Company of Lewisburg, PA ("Citizens" or "Company") filed proposed Supplement No. 152 to Tariff Electric Pa. P.U.C. No. 14 ("Supp. 152") with a proposed effective date of June 28, 2022. Supp. 152 reflects an overall increase in Citizens' distribution rates calculated to produce \$999,270 per year in additional revenues (or 7.3% of Citizen's annual total revenues under current rates) and other tariff changes. The increase would result in a total bill for a typical residential customer using 1,250 kWh increasing from \$137.15 to \$148.05 per month or about 7.9%. Citizen's last distribution rate increase took effect in May of 2020.

I&E filed its Notice of Appearance on May 12, 2022.

The Office of Consumer Advocate ("OCA") filed a Formal Complaint and Notice of Appearance on May 19, 2022.

The Office of Small Business Advocate ("OSBA") filed a Formal Complaint and Notice of Appearance on May 27, 2022.

On June 16, 2022, the Commission entered an Order suspending the implementation of proposed Supp. 152 by operation of law until January 28, 2023, and opened an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in proposed Supp. 152. The Commission also stated the investigation shall include consideration of the lawfulness, justness, and reasonableness of Citizens' existing rates, rules, and regulations.

The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference is scheduled for Friday, July 1, 2022, beginning at 10:00 am before Administrative Law Judges Eranda Vero and Charece Z. Collins.

## **II. ISSUES**

The following list represents I&E's preliminary determination of the potential issues in these proceedings. The listing is as complete as can be made at this time. I&E specifically reserves the right to address other issues, as it deems appropriate if any such relevant issues arise. The issues are as follows:

- Extraordinary Coronavirus Pandemic Costs
- Operations Supervisory & Engineering Expense
- Meter Expense
- Customer Installation Expense
- Maintenance of Overhead Lines
- Outside Services Employed
- Administrative & General Salaries
- Employee Pensions & Benefits
- Rate Case Expense
- Taxes Other than Income
- Income Tax Expense
- Proxy Group
- Capital Structure
- Cost of Long-Term Debt
- Cost of Equity
- Adjustments to the Cost of Equity
- Overall Rate of Return
- Rate Base
- Plant in Service
- Annual Depreciation Expense
- Present Rate Revenue
- Cost of Service
- Customer Charges
- Revenue Allocation
- Rate Structure
- Scale Back of Rates

### **III. WITNESSES**

It is currently expected that I&E may call the following expert witnesses without being limited thereto:

- Zachari Walker, Fixed Utility Financial Analyst;
- Anthony Spadaccio, Fixed Utility Financial Analyst;
- Esyan Sakaya, Fixed Utility Valuation Engineer;
- Joseph Kubas, Fixed Utility Valuation Engineer Supervisor;
- Christine Wilson, Fixed Utility Financial Analyst, Supervisor.

The I&E witnesses may be contacted through the information listed above for Prosecutor Granger. The witness list is provided without the benefit of complete discovery or analysis of the positions of potential other parties to this proceeding. Accordingly, I&E reserves the right to call additional witnesses or withdraw the name of the witnesses listed above.

### **IV. EVIDENCE**

I&E expects to present all written direct, rebuttal and surrebuttal testimony and accompanying exhibits at the evidentiary hearing. Moreover, I&E intends to rely on the Company's filing, supplemental testimony, answers to data requests and interrogatories, annual reports and other documents submitted to the Commission, other relevant Commission filings, any other relevant Commonwealth agency letters or reports, general financial market information sources and other public documents and reports.

### **V. DISCOVERY**

Discovery in these proceedings will be conducted according to 52 Pa. Code §§5.321 et. seq. No modifications to the rules of discovery have been proposed by I&E. I&E will give due consideration to any discovery modifications proposed by any other party. In the

past, I&E has accepted the “usual” discovery modifications normally proposed by the OCA. Also, pursuant to 52 Pa. Code §§5.322 and 5.331(b), discovery has begun and is ongoing.

## **VI. SCHEDULE**

The parties have tentatively agreed to a litigation schedule and I&E therefore proposes the following:

|                         |                     |
|-------------------------|---------------------|
| Filing w/Company Direct | April 29, 2022      |
| Non-Company Direct      | July 25, 2022       |
| Rebuttal Testimony      | August 16, 2022     |
| Surrebuttal Testimony   | September 1, 2022   |
| Oral Rejoinder Outlines | September 7, 2022   |
| Hearings <sup>1</sup>   | September 8-9, 2022 |
| Main Brief              | September 29, 2022  |
| Reply Brief             | October 11, 2022    |

## **VII. PUBLIC INPUT HEARINGS**

I&E does not oppose public input hearings. However, I&E is not aware of any requests for public input hearings. Should public input hearings be deemed necessary, I&E recommends the Commission consider the use of telephonic hearings to encourage increased participation by the ratepayers.

## **VIII. SERVICE OF DOCUMENTS**

For purposes of satisfying in-hand requirements for discovery responses, prepared testimony and briefs during the closure of Commission offices, and consistent with

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<sup>1</sup> Upon the rescinding of Governor Tom Wolf’s Proclamation of Disaster Emergency; the re-opening of the Keystone Commonwealth Building; and the return to in-person hearings; I&E requests that Hearings be held in Harrisburg, PA.

Paragraph 8 of the Commission's March 20, 2020 Emergency Order,<sup>2</sup> I&E will both only serve and accept electronic delivery of documents. Upon re-opening of Commission offices, and only on a going-forward basis from that point, I&E requests parties provide a follow-up hard copy by regular first-class mail in addition to electronic delivery.

#### **IX. SETTLEMENT**

I&E will make good faith efforts to successfully resolve this matter through settlement. In the event settlement discussions fail to result in a full and complete resolution of the matter, I&E is prepared to fully or partially litigate this proceeding.

Respectfully Submitted,



Scott B. Granger  
Prosecutor  
PA Attorney ID No. 63641

Bureau of Investigation and Enforcement  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, Pennsylvania 17120  
(717) 425-7593

Dated: June 30, 2022

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<sup>2</sup> *Re: Suspension of Regulatory and Statutory Deadlines, Modification to Filing and Service Requirements, Docket No. M-2020-3019262.*

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission :  
 :  
 v. : Docket No.: R-2022-3032369  
 :  
 Citizens' Electric Company of Lewisburg, PA :

**CERTIFICATE OF SERVICE**

I hereby certify that I am serving the foregoing **Prehearing Memorandum** dated June 30, 2022, in the manner and upon the persons listed below:

**Served via Electronic Mail Only**


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Administrative Law Judge Charece Z. Collins  
Pennsylvania Public Utility Commission  
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