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July 1, 2022

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

VIA ELECTRONIC FILING

RE: Citizens' Electric Company of Lewisburg, PA – Supplement No. 152 to Tariff Electric – Pa. P.U.C. No. 14; Docket No. R-2022-3032369
Valley Energy, Inc. – Supplement No. 59 to Tariff Gas – Pa. P.U.C. No. 2; Docket No. R-2022-3032300

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Motion of Citizens' Electric Company of Lewisburg, PA and Valley Energy, Inc. to Consolidate Base Rate Proceedings, in the above-referenced proceedings.

As evidenced by the attached Certificate of Service, all parties to this proceeding are being duly served with a copy of this document. Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Adeolu A. Bakare', written over a horizontal line.

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to Citizens' Electric Company of Lewisburg, PA
and Valley Energy, Inc.

c: Administrative Law Judge Eranda Vero (via email)
Administrative Law Judge Charece Z. Collins (via email)
Administrative Law Judge Marta Guhl (via email)
Certificate of Service

CERTIFICATE OF SERVICE

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

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Adeolu A. Bakare

Counsel to Citizens' Electric Company of
Lewisburg, PA

Dated this 1st day of July, 2022, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
v.	:	Docket Nos. R-2022-3032369, <i>et al.</i>
	:	
Citizens' Electric Company of Lewisburg, PA	:	
Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2022-3032300, <i>et al.</i>
	:	
Valley Energy, Inc.	:	

**MOTION OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
AND VALLEY ENERGY, INC.
TO CONSOLIDATE BASE RATE PROCEEDINGS**

TO THE HONORABLE ERANDA VERO, CHARECE Z. COLLINS, & MARTA GUHL:

Citizens' Electric Company of Lewisburg, PA ("Citizens") and Valley Energy, Inc. ("Valley") (collectively, "Companies"), hereby file this Motion to Consolidate ("Motion") the above-captioned proceedings pursuant to the Pennsylvania Public Utility Commission's ("PUC" or "Commission") Regulations at 52 Pa. Code § 5.81. Specifically, because the Companies are under common ownership by C&T Enterprises, Inc. ("C&T"), many of the issues and witnesses for the two rate cases will be similar. As a result, the Companies respectfully submit that consolidating the two filings for purposes of litigation represents the most efficient and effective method for the Commission and the parties to address both matters. In support hereof, the Companies state as follows:

I. INTRODUCTION

1. This Motion requests that the presiding Administrative Law Judges ("ALJ") consolidate the two above-captioned proceedings for purposes of discovery and hearings. The above-referenced proceedings are both base rate tariff filings made by the Companies on April 29, 2022.

2. Consolidation of the above-captioned proceedings is appropriate for several reasons. First, as discussed in detail below, because the Companies are wholly-owned subsidiaries of C&T, various common issues of fact exist between the proceedings.

3. Second, consolidation of these proceedings will provide quantifiable administrative efficiencies. For example, the Companies are using common witnesses for such issues as revenue allocation, rate of return and the financial implications of the rate requests.

4. Finally, the consolidation for purposes of discovery and hearings will provide a common and appropriate foundation for record development, review, and litigation of the relevant overlapping issues in both cases.

II. BACKGROUND

5. In accordance with Section 1308(d) of the Pennsylvania Public Utility Code, and Section 53.52 of the Commission's Regulations, on April 29, 2022, the Companies each filed a 2022 Base Rate Filing with the Commission. See 66 Pa. C. S. § 1308(d); see 52 Pa. Code § 53.52. These filings request implementation of new distribution rates and certain tariff changes.

6. On June 16, 2022, the Commission issued Orders suspending the effective date for Citizens' and Valley's proposed tariff changes to January 28, 2023, and assigning the rate

cases to the Office of Administrative Law Judge ("OALJ") for hearings and the issuance of a Recommended Decision.

7. On June 17, 2022, ALJ Marta Guhl issued a Prehearing Conference Order in the Valley docket directing interested parties to file Prehearing Conference Memoranda by June 29, 2022, in preparation for a Prehearing Conference to be held on June 30, 2022.

8. On June 24, 2022, ALJs Eranda Vero and Charece Z. Collins issued a Prehearing Conference Order in the Citizens' docket directing interested parties to file Prehearing Conference Memoranda by June 30, 2022, in preparation for a Prehearing Conference to be held on July 1, 2022.

9. Citizens' and Valley each filed a Prehearing Conference Memorandum proposing, *inter alia*, consolidation of the rate cases for litigation and hearings. As discussed at the respective Prehearing Conferences, the Companies are also filing the instant Motion to Consolidate the rate cases.

III. MOTION FOR CONSOLIDATION

10. Under the Commission's Regulations, either the Commission or the presiding officer may order the consolidation of proceedings "involving a common question of law or fact." 52 Pa. Code § 5.81. In addition, the Regulations allow the Commission or the presiding officer to consider such factors as avoidance of "unnecessary costs or delay." *Id.* Under both of these standards, consolidation of the above-captioned proceedings is appropriate.

11. As noted above, both Citizens' and Valley are owned and operated by C&T. C&T, an unregulated holding company, is jointly owned by two rural electric power cooperatives, Claverack Rural Electric Cooperative, Inc. ("Claverack"), and Tri-County Rural Electric Cooperative, Inc. ("Tri-County"), and has an additional subsidiary, Wellsboro Electric

Company. ("Wellsboro"). In its current capacity, C&T provides shared services to all five companies (i.e., its two parent companies as well as to Citizens', Valley, and Wellsboro).

12. This common ownership, coupled with C&T's provision of shared services, results in various common issues of fact in the above-referenced proceedings. For example, because of the corporate structure of the C&T family, expenses for C&T's shared services must be allocated fairly between all five of the companies. The allocation methodology not only represents a common issue between the two Companies' cases, but it is also important that this issue is addressed consistently in both proceedings.

13. Another common issue between the two proceedings will be the proposed use of a consistent hypothetical capital structure. Because the Companies are both owned by C&T and present similar risks as smaller utilities, a consistent method regarding a hypothetical capital structure should be applied. Consolidating the above-referenced proceedings will provide an opportunity to adequately address this issue simultaneously for both Companies.

14. Consolidation of the two cases would also promote administrative efficiency. See Derek Suggs & Beverly Marell v. The Bell Telephone Company, Docket No. F-00162258, (Order entered July 15, 1993). Consolidation would avoid the unnecessary costs and delay associated with addressing utility operational expense levels as well as other common ratemaking elements in separate proceedings. Consolidation will avoid the need for separate hearings, participation by the same parties in separate proceedings, and the duplication of witnesses, discovery, testimony, and cross-examination. As previously mentioned, the Companies will utilize the same witness for rate structure, C&T allocated expenses, rate design, and rate of return. The Companies further notes that the Office of Consumer Advocate and the Office of Small Business Advocate have communicated its support for consolidation of the rate

cases, while the Bureau of Investigation and Enforcement has confirmed non-opposition to consolidation. Additionally, in Citizens' and Valley's most recent base rate cases, at Docket Nos. R-2019-3008212 and R-2019-3008209, the Commission consolidated the rate case dockets prior to assigning the rate cases to OALJ.

15. While the data presented for each of the Companies will vary, as in the aforementioned prior base rate proceedings, the commonality of issues and policy considerations in these proceedings support common hearings. The Companies request a similar treatment as provided to another group of commonly owned utilities, the Metropolitan Edison Company, the Pennsylvania Electric Company, the Pennsylvania Power Company, and West Penn Power Company. See generally PA PUC v. Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, Docket Nos. R-2016-2537349, R-2016-2537352, R-2016-2537355 and R-2016-2537359 (Order entered January 19, 2017). In that proceeding, the Commission was fully able to consolidate the four dockets and still adjudicate and document the appropriate separate calculations and adjustments for each of the utilities. A similar opportunity should be provided for the Companies in the proceedings represented by this Motion.

16. The Companies' request is both consistent with Pennsylvania law and within the Commission authority. See Pennsylvania Public Utility Commission v. Dauphin Consolidated Water Supply Company & General Waterworks of Pennsylvania, Inc., Docket No. R-00932604, (Order entered July 9, 1993) (permitting the consolidation of two separate base rate cases filed by two corporate entities with the nexus being that they were subsidiaries of another company). For the reasons discussed above, Citizens' and Valley respectfully request that the above-referenced dockets be consolidated for purposes of discovery and hearings. If this request is


granted, the Companies will work with the presiding ALJs and the participating parties to ensure that an identifiable and separable record is created to support both requests.

IV. CONCLUSION

WHEREFORE, Citizens' Electric Company of Lewisburg, PA and Valley Energy, Inc. respectfully request that in accordance with 52 Pa. Code § 5.81, the presiding Administrative Law Judges grant this Motion to Consolidate.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: July 1, 2022