



McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166

Adeolu A. Bakare
Direct Dial: 717.237.5290
Direct Fax: 717.260.1744
abakare@mcneeslaw.com

October 5, 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

Dear Secretary Chiavetta:

Attached please find for filing with the Pennsylvania Public Utility Commission the Joint Petition for Settlement in the above-referenced proceeding.

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

c: Administrative Law Judge Eranda Vero (via email)
Administrative Law Judge Charece Z. Collins (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).

VIA E-MAIL

Sharon E. Webb
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
swebb@pa.gov

Scott B. Granger, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor West
Harrisburg, PA 17120
sgranger@pa.gov

Harrison W. Breitman
Aron J. Beatty
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
hbreitman@paoca.org
abeatty@paoca.org



Adeolu A. Bakare

Counsel to Citizens' Electric Company of
Lewisburg, PA

Dated this 5th day of October, 2022, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY
COMMISSION

v.

CITIZENS' ELECTRIC COMPANY OF
LEWISBURG, PA

:
:
:
:
:
:
:
:
:
:

Docket No. R-2022-3032369

JOINT PETITION FOR SETTLEMENT

I. INTRODUCTION

Citizens' Electric Company of Lewisburg, PA ("Citizens" or "Company"), the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OBSA") (individually, "Party," and collectively, "Parties"), submit this Joint Petition for Settlement ("Joint Petition" or "Settlement") of the above-captioned proceeding and respectfully request that Administrative Law Judges ("ALJs") Eranda Vero and Charece Z. Collins and the Commission approve all of the terms and conditions set forth in this Settlement.

II. BACKGROUND

1. On April 29, 2022, Citizens' filed with the Commission proposed Supplement No. 152 to Tariff Electric Pa. P.U.C. No. 14 ("Supplement No. 152"), which requested an overall rate increase of just under \$1 million per year. In support of this filing, Citizens' submitted a Statement of Reasons, the supporting information required by 52 Pa. Code § 53.52(a), (b), and (c), and various other information.

2. I&E filed a notice of appearance in this proceeding on May 12, 2022.

3. OCA filed a Formal Complaint in this proceeding on May 19, 2022.

4. OSBA filed a Formal Complaint in this proceeding on May 27, 2022.

5. By Order entered June 16, 2022, the Commission allowed Supplement No. 152 to be suspended by operation of law until January 28, 2023, and ordered that the Company's rate increase filing and its existing rates, rules, and regulations be investigated. The Commission also ordered that this matter be assigned to the Office of Administrative Law Judge for scheduling of hearings. As a result, the Commission assigned this proceeding to ALJs Vero and Collins.

6. On April 29, 2022, Citizens' submitted to the Parties its prepared direct testimony, consisting of the following statements:

- Direct Testimony of Howard S. Gorman (Citizens' Statement No. 1)
- Direct Testimony of Dylan W. D'Ascendis (Citizens' Statement No. 2)
- Direct Testimony of Melissa Sullivan (Citizens' Statement No. 3)
- Direct Testimony of John Kelchner (Citizens' Statement No. 4)
- Direct Testimony of Kathy Stauder (Citizens' Statement No. 5)
- Direct Testimony of Nathan Johnson (Citizens' Statement No. 6.).

7. On July 1, 2022, Citizens', along with Valley Energy, Inc. ("Valley"), jointly moved to consolidate the proceedings with Valley's 2022 Base Rate Filing, located at docket number R-2022-3032300.

8. On July 11, 2022, ALJs Vero and Collins issued an Order granting the motion for consolidation and ordering the parties to engage in discovery. On the same date, Citizens' submitted the following corrections and updates testimony:

- Corrections and Updates Testimony of Howard S. Gorman (Citizens' Statement No. 1-CU).

9. On July 25, 2022, OCA, I&E, and OSBA submitted direct testimony. OCA submitted the following:

- Direct Testimony of Dante Mugrace (OCA Statement No. 1)
- Direct Testimony of Morgan N. DeAngelo (OCA Statement No. 2)
- Direct Testimony of Karl R. Pavlovic (OCA Statement No. 3).

I&E submitted the following:

- Direct Testimony of Zachari Walker (I&E Statement No. 1)
- Direct Testimony of Anthony Spadaccio (I&E Statement No. 2)
- Direct Testimony of Esyan A. Sakaya (I&E Statement No. 3).

OSBA submitted the following:

- Direct Testimony of Robert D. Knecht (OSBA Statement No. 1).

10. On August 16, 2022, Citizens' and OSBA served prepared rebuttal testimony.

Citizens' submitted the following rebuttal statements:

- Rebuttal Testimony of Howard S. Gorman (Citizens' Statement No. 1-R)
- Rebuttal Testimony of Dylan W. D'Ascendis (Citizens' Statement No. 2-R)
- Rebuttal Testimony of Melissa Sullivan (Citizens' Statement No. 3-R)
- Rebuttal Testimony of John Kelchner (Citizens' Statement No. 4-R)
- Rebuttal Testimony of Kathy Stauder (Citizens' Statement No. 5-R).

OSBA submitted the following rebuttal statement:

- Rebuttal Testimony of Robert D. Knecht (OSBA Statement No. 1-R).

OCA and I&E did not submit rebuttal testimony.

11. On September 6, 2022, I&E and OSBA submitted surrebuttal testimony. I&E submitted the following statements:

- Surrebuttal Testimony of Zachari Walker (I&E Statement No. 1-SR)
- Surrebuttal Testimony of Anthony Spadaccio (I&E Statement No. 2-SR)
- Surrebuttal Testimony of Esyan A. Sakaya (I&E Statement No. 3-SR).

OSBA submitted the following surrebuttal statement:

- Surrebuttal Testimony of Robert D. Knecht (OSBA Statement No. 1-S).

OCA did not submit surrebuttal testimony.

12. During this proceeding, numerous settlement discussions were held among the Parties. As a result of those discussions, a settlement-in-principle was reached among the Parties. The agreement of the Parties is embodied in this Settlement.

III. TERMS OF SETTLEMENT

The terms of the Settlement are as follows:

13. The Parties agree to a stipulated increase in Citizens' annual revenue requirement of \$930,000, with an effective date of January 29, 2023.

14. The Parties agree that the Pennsylvania Corporate Net Income ("CNI") Tax rate in this proceeding will be set at 8.99%. The Company will reflect actual CNI rates for the post-2023 tax years through the Company's State Tax Adjustment Surcharge, or future base rate proceedings.

15. The Company has withdrawn its request for additional carrying charges related to COVID-19 accounts receivables in excess of those normally experienced and other COVID-19 incremental costs.

16. Other revisions to the proposed revenue requirement shall not otherwise be ascribed to any specific proposed adjustment or position of any Party.

17. The Parties agree that Citizens' Electric Plant in Service at the end of the FPFTY shall be set at \$30,044,161 and its Rate Base at the end of the FPFTY will be set at \$13,630,194, which reflects the removal of \$914 in Construction Work in Progress.

18. The Parties agree that Citizens' Accumulated Depreciation, Accumulated Deferred Income Taxes, Excess Deferred Income Taxes and Accrued Pension/Other Post-Employment Benefits Liability shall be as set forth in Exhibit HSG-1 (CU).

19. The Parties agree that Citizens' revenue requirement increase will be allocated among the Company's rate classes in accordance with the allocation methodology set forth in Attachment A to this Settlement. The distribution rates for each class are set forth in Attachment B.

20. The Company will provide an update to Exhibit__(HSG-1), Schedule C3-CU no later than April 1, 2023, under this docket number, which should include actual plant additions, and retirements by month for the twelve months ending December 31, 2022. And an additional update will be provided for actual plant additions and retirements by month through December 31, 2023, no later than April 1, 2024.

21. The Company will develop a simplification proposal for the GLP-3 rate design and present the proposal in its next base rate proceeding.

22. The Company will identify any current Schedule SH customers whose bills would be lower under alternative non-residential tariff schedules for which they are eligible, using the settlement rates for SH and the alternative tariff schedule, and billing units for calendar year 2022 and advise those customers of their right to switch service classes.

23. The Company agrees to cease the recording of any increases to the COVID-19 deferral claimed in this proceeding for uncollectibles and COVID-19 incremental expenses as of the effective date of the new rates. Any future claim for similar costs must be based on Commission action occurring after the effective date of the new rates.

IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST

24. This Settlement was achieved by the Parties after an extensive investigation of the Company's base rate filing, including formal and informal discovery and the submission of direct testimony, rebuttal testimony, and surrebuttal testimony by certain of the Parties. The Settlement is lawful and supported by the record of this proceeding.

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

26. The Parties are providing support of the Settlement via Statements in Support, which are attached to the Settlement as Attachments C through F. These statements will set forth additional arguments and reasons supporting approval of this Settlement without modification as appropriate and in the public interest.

V. CONDITIONS OF SETTLEMENT

27. This Settlement is conditioned upon the Commission's approval of terms and conditions contained herein without modification. If the Commission modifies the Settlement, any Party may elect to withdraw from this Settlement and may proceed with litigation, and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon the other Parties within five (5) business days after the entry of an order modifying the Settlement.

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

29. If the ALJs adopt the Settlement without modification, the Parties waive their rights to file exceptions and reply exceptions.

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

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

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

VI. CONCLUSION

WHEREFORE, the Parties respectfully request as follows:

1. That the ALJs and the Commission make the following findings (and any other findings and conclusions as may be required or appropriate):
 - a. Citizens' proposed base rate increase and tariff, as modified by the terms of this Settlement, are compliant with the requirements of the Pennsylvania Public Utility Code.
 - b. Approval of this Settlement is in the public interest.
 - c. The Company shall submit a compliance filing implementing the rate and tariff changes agreed to in this Settlement, to be effective on January 29, 2023.
2. That the ALJs recommend and the Commission approve this Settlement including all terms and conditions thereof.

3. That the Commission enter an Order consistent with this Settlement, approving the Company's proposed rate increase and other tariff changes.

Dated: October 5, 2022

Respectfully submitted,



Adeolu A. Bakare (Pa. No. 208541)
Aspassia Staevska (Pa. No. 94739)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
astaevska@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
ppolacek@ctenterprises.org
*Counsel for Citizens' Electric Company of
Lewisburg, PA*

Scott B. Granger
Bureau of Investigation & Enforcement
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov
*Counsel for Bureau of Investigation &
Enforcement*

Harrison Breitman (Pa. No. 320580)
Aron J. Beatty (Pa. No. 86625)
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
hbreitman@paoca.org
abeatty@paoca.org
Counsel for Office of Consumer Advocate

Sharon E. Webb
Office of Small Business Advocate
Suite 202
300 North Second Street
Harrisburg, PA 17101
swebb@pa.gov
*Counsel for Office of Small Business
Advocate*

3. That the Commission enter an Order consistent with this Settlement, approving the Company's proposed rate increase and other tariff changes.

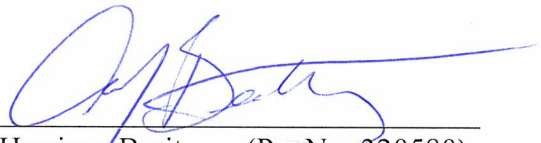
Dated: October 5, 2022

Respectfully submitted,

Adeolu A. Bakare (Pa. No. 208541)
Aspassia Staevska (Pa. No. 94739)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
astaevska@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
ppolacek@ctenterprises.org
*Counsel for Citizens' Electric Company of
Lewisburg, PA*

Scott B. Granger
Bureau of Investigation & Enforcement
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov
*Counsel for Bureau of Investigation &
Enforcement*



Harrison Breitman (Pa. No. 320580)
Aron J. Beatty (Pa. No. 86625)
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
hbreitman@paoca.org
abeatty@paoca.org
Counsel for Office of Consumer Advocate

Sharon E. Webb
Office of Small Business Advocate
Suite 202
300 North Second Street
Harrisburg, PA 17101
swebb@pa.gov
*Counsel for Office of Small Business
Advocate*

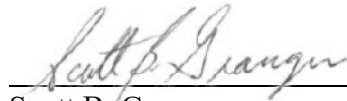
3. That the Commission enter an Order consistent with this Settlement, approving the Company's proposed rate increase and other tariff changes.

Dated: October 5, 2022

Respectfully submitted,

Adeolu A. Bakare (Pa. No. 208541)
Aspassia Staevska (Pa. No. 94739)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
astaevska@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
ppolacek@ctenterprises.org
*Counsel for Citizens' Electric Company of
Lewisburg, PA*



Scott B. Granger
Bureau of Investigation & Enforcement
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov
*Counsel for Bureau of Investigation &
Enforcement*

Harrison Breitman (Pa. No. 320580)
Aron J. Beatty (Pa. No. 86625)
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
hbreitman@paoca.org
abeatty@paoca.org
Counsel for Office of Consumer Advocate

Sharon E. Webb
Office of Small Business Advocate
Suite 202
300 North Second Street
Harrisburg, PA 17101
swebb@pa.gov
*Counsel for Office of Small Business
Advocate*

3. That the Commission enter an Order consistent with this Settlement, approving the Company's proposed rate increase and other tariff changes.

Dated: October 5, 2022

Respectfully submitted,

Adeolu A. Bakare (Pa. No. 208541)
Aspassia Staevska (Pa. No. 94739)
McNees Wallace & Nurick LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
abakare@mcneeslaw.com
astaevska@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
ppolacek@ctenterprises.org
*Counsel for Citizens' Electric Company of
Lewisburg, PA*

Scott B. Granger
Bureau of Investigation & Enforcement
PA Public Utility Commission
400 North Street
Harrisburg, PA 17120
sgranger@pa.gov
*Counsel for Bureau of Investigation &
Enforcement*

Harrison Breitman (Pa. No. 320580)
Aron J. Beatty (Pa. No. 86625)
Office of Consumer Advocate
555 Walnut Street
Forum Place – 5th Floor
Harrisburg, PA 17101-1921
hbreitman@paoca.org
abeatty@paoca.org
Counsel for Office of Consumer Advocate

Sharon E. Webb

Sharon E. Webb
Office of Small Business Advocate
Suite 202
300 North Second Street
Harrisburg, PA 17101
swebb@pa.gov
*Counsel for Office of Small Business
Advocate*

Attachment A

C1 (S)

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)

Net Operating Income And Rates of Return
HY 2021, FTY 2022 and FPFTY 2023
Answer to 52 Pa. Code 53.52 c[1]

Line	Description	Present Rates HY		Present Rates FTY		Present Rates	Full Revenue	Proposed Rates
		12/31/2021		12/31/2022		FPFTY	Requirement FPFTY	FPFTY
		Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	REVENUE							
2	Residential	\$3,142,482	\$3,142,482	\$3,131,540	\$3,138,434			\$3,875,761
3	Comm and indus	1,948,167	1,948,167	1,887,403	1,885,726			2,050,268
4	Lighting	105,660	105,660	105,660	105,660			133,742
5	Rounding	0						
6	Electric operating revenue	5,196,309	5,196,309	5,124,603	5,129,820		6,339,914	6,059,771
7	Other revenue, net	66,814	66,814	87,361	87,361		87,361	87,361
8	GSSR	8,277,817						
9	Other, net	218,198						
10	Total Revenue	13,759,137	5,263,123	5,211,964	5,217,181		6,427,275	6,147,132
11	Annual kWh	166,555,384	166,555,384	158,355,270	158,217,004		158,217,004	158,217,004
12	EXPENSES							
13	Purchased electricity	7,890,338						
14	Distribution	1,254,145	1,254,145	1,324,325	1,364,311		1,364,311	1,364,311
15	Customer acct & coll	487,762	487,762	422,664	437,153		437,153	437,153
16	Admin & general	1,225,261	1,225,261	1,409,782	1,493,452		1,493,452	1,493,452
17	Total Operating expense	10,857,506	2,967,168	3,156,771	3,294,916		3,294,916	3,294,916
18								
19	Depreciation expense	1,098,301	1,098,301	1,081,435	1,234,398		1,234,398	1,234,398
20								
21	Taxes other than income	900,903	383,431	380,516	381,871		453,267	436,741
22								
23	Total Expenses	12,856,710	4,448,901	4,618,721	4,911,185		4,982,581	4,966,055
24								
25	Net operating income before income taxes	902,427	814,222	593,243	305,995		1,444,694	1,181,077
26								
27	Income tax expense	261,164	235,680	133,164	66,970		386,968	312,886
28	NET UTILITY OPERATING	\$641,262	\$578,542	\$460,078	\$239,026		\$1,057,726	\$868,191
29								
30	RATE BASE (B)	\$12,882,525	\$12,882,525	\$13,286,398	\$13,630,194		\$13,630,194	\$13,630,194
31	RATE OF RETURN ON RAI	4.98%	4.49%	3.46%	1.75%		7.76%	6.37%

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Proposed Revenue Allocation
FPFTY 2023

Line	Account	Balance	Residential	Space Heating	GLP-1	GLP-3	MBL	OL	
PRESENT RATES									
1	Distribution Revenue	5,129,820	3,138,434	25,678	985,385	874,663	20,519	85,141	
2	Forfeited Disc / Other Rev	87,361	54,938	514	14,512	16,626	168	602	
3	Total Revenue	5,217,181	3,193,372	26,192	999,898	891,289	20,687	85,742	
4	Expenses	4,978,155	3,302,968	25,388	818,496	725,068	37,902	68,333	
5	Net income	239,026	(109,596)	804	181,402	166,221	(17,215)	17,409	
6	Rate Base	13,630,194	8,928,280	69,377	2,059,458	1,822,342	293,981	456,755	
7	Return on Rate Base	1.75%	(1.23%)	1.16%	8.81%	9.12%	(5.86%)	3.81%	
8	Relative Return	1.00 x	(0.70) x	0.66 x	5.02 x	5.20 x	(3.34) x	2.17 x	
FULLY ALLOCATED COST OF SERVICE									
10	Distribution Revenue	6,060,015	4,077,128	31,056	947,055	833,575	65,880	105,320	
11	Forfeited Disc / Other Revenue	87,361	54,938	514	14,512	16,626	168	602	
12	Revenue Requirement	6,147,376	4,132,066	31,571	961,568	850,202	66,048	105,922	
13									
14	Operating expenses	4,608,526	3,117,800	23,726	727,151	643,035	36,692	60,123	
15	GRT	357,529	240,457	1,832	55,925	49,226	3,877	6,213	
16	Income taxes	312,955	204,997	1,593	47,286	41,842	6,750	10,487	
17	Net income	868,366	568,812	4,420	131,206	116,100	18,729	29,099	
18	Return on Rate Base	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	6.37%	
19	Revenue Increase Required	930,195	938,694	5,379	(38,330)	(41,088)	45,361	20,180	
20	Revenue Increase %	18.13%	29.91%	20.95%	(3.89%)	(4.70%)	221.06%	23.70%	
21									
22	PROPOSED REVENUE ALLOCATION								
23	Distribution Revenue	6,059,820	3,875,534	31,578	1,064,385	954,583	26,099	107,641	
24	Other Revenue	87,361	54,938	514	14,512	16,626	168	602	
25	Revenue Requirement	6,147,181	3,930,472	32,092	1,078,898	971,209	26,267	108,242	
26									
27	Operating expenses	4,608,526	3,117,800	23,726	727,151	643,035	36,692	60,123	
28	GRT	357,529	228,656	1,863	62,799	56,320	1,540	6,351	
29	Income taxes	312,903	154,717	1,723	76,548	72,019	(3,170)	11,065	
30	Net income	868,222	429,298	4,781	212,400	199,835	(8,795)	30,703	
31	Return on Rate Base	6.37%	4.81%	6.89%	10.31%	10.97%	(2.99%)	6.72%	
32	Relative Return	1.00 x	0.75 x	1.08 x	1.62 x	1.72 x	(0.47) x	1.06 x	
33	Progress toward unity		86%	124%	85%	83%	66%	95%	
34	<i>Progress toward unity- Original</i>		81%	79%	76%	78%	59%	156%	
35	Proposed Distribution Increase	930,000	737,100	5,900	79,000	79,920	5,580	22,500	
36	Revenue Increase %	18.1%	23.5%	23.0%	8.0%	9.1%	27.2%	26.4%	
37	Total Bill Revenue Increase (a)	4.7%	6.5%	6.8%	2.3%	1.6%	18.5%	20.5%	
38									
39	Relative Increase	1.00 x	1.30 x	1.27 x	0.44 x	0.50 x	1.50 x	1.46 x	
40									
41	Subsidy given (received)								
42	Present rates	(0)	(266,167)	(412)	145,286	134,264	(22,370)	9,399	
43	Proposed revenue allocation	(0)	(139,420)	361	81,216	83,754	(27,521)	1,609	
44	Reduction in subsidy		48%	188%	44%	38%	(23%)	83%	
45	<i>Reduction in subsidy- Original</i>		41%	35%	27%	32%	(25%)	271%	

B3-1 (S)

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2023

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard	Outdoor Lighting	Total	
1	BILLING UNITS							
2	kWh Sales	87,452,069	657,436	26,466,835	43,276,801	102,962	260,902	158,217,004
3								
4	Number of Bills	71,021	127	13,496	479	144	324	85,591
5	Average Monthly Bills	5,918	11	1,125	40	12	27	7,133
6								
7	Annual Billing Units- Public Lighting and Street Lighting HY 2021							
8	Rate 1			MBL- Meter		12		
9	Rate 2			MBL- Post		535		
10	Rate 3			Monthly revenue		1,710	7,095	
11	Rate 4							
12	RATES AND CHARGES							
13	Tariff Rates							
14	Customer Charge	\$13.00	\$18.57	\$15.00	\$51.00	\$3.84		
15						\$3.11	Average	
16	Energy Block 1	\$0.02533	\$0.03547	\$0.00889	\$0.008697		\$15.00	
17	Energy Block 2				\$0.000947		Count	
18	Reservation Chge				\$2.30		473	
19	Voltage Discount				(\$0.214725)			
20	Block 1 kWh = Demand X				30			
21	Demand Block 1			\$3.45	\$4.92			
22								
23								
24	COMPUTATION OF REVENUE							
25	Customer Charge Revenue	923,273	2,358	202,440	24,429	20,519	85,141	1,258,160
26								
27	Distribution kWh Revenue	2,215,161	23,319	235,290	78,811			2,552,581
28	Distribution Demand Revenue	0	0	547,655	771,423			1,319,078
29	<i>Total Distribution Revenue</i>	2,215,161	23,319	782,945	850,234	0	0	3,871,659
30	Total Distribution Revenue	\$3,138,434	\$25,678	\$985,385	\$874,663	\$20,519	\$85,141	\$5,129,820
31	<i>FTY 2022</i>	<i>3,131,540</i>	<i>25,678</i>	<i>987,062</i>	<i>874,663</i>	<i>20,519</i>	<i>85,141</i>	<i>5,124,603</i>

B3-1 (S)

**Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2023**

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard	Outdoor Lighting	Total	
32	BILLING UNITS- DETAIL							
33	kWh Sales 2022	87,259,977	657,436	26,797,192	43,276,801	102,962	260,902	158,355,270
34	Block 1 kWh added (lost)	192,091		178,642				370,734
35	Block 2 kWh added (lost)			(509,000)				(509,000)
36		87,452,069	657,436	26,466,835	43,276,801	102,962	260,902	158,217,004
37								
38	Block 1 kWh 2021			4,882,485				
39	Block 1 kWh added (lost)			0				
40	Block 1 kWh 2020			4,882,485				
41	Block 2 kWh 2020			38,394,316				
42								
43	Demand kW		158,741	142,794				301,535
44	Reservation kW- monthly			5,000				5,000
45	Reservation (CR-kW)- annual			(24,840)				
46	Voltage Discount- kW			55,856				55,856
47	Block 1 kWh			3,500				3,500

B6-3 (S)

**Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Billing Units, Rates And Revenue At Proposed Rates
Fully Projected Future Test Year 2023**

	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
	BILLING UNITS						
1 kWh Sales	87,452,069	657,436	26,466,835	43,276,801	102,962	260,902	158,217,004
Number of Bills	71,021	127	13,496	479	144	324	85,591
Average Monthly Bills	5,918	11	1,125	40	12	27	7,133
	Annual Billing Units- Public Lighting and Street Lighting HY 2021						
Rate 1				MBL- Meter	12		
Rate 2				MBL- Post	535		
Rate 3				Monthly revenue	2,175	8,970	
Rate 4							
	PROPOSED RATES AND CHARGES						
	Tariff Rates						
Customer Charge	\$13.10	\$20.19	\$16.00	\$55.00	\$3.84		
					\$3.98	<u>Average</u>	
Energy Block 1	\$0.03368	\$0.04413	\$0.00963	\$0.00949			\$18.96
Energy Block 2				\$0.00103			<u>Count</u>
Reservation Chge				\$2.51			473
Voltage Discount				(\$0.23442)			
Block 1 kWh = Demand X				30			
Demand Block 1			\$3.74	\$5.37			
	COMPUTATION OF REVENUE						
Customer Charge Revenue	930,375	2,564	215,936	26,345	26,105	107,638	1,308,963
Distribution kWh Revenue	2,945,386	29,013	254,876	85,881			3,315,155
Distribution Demand Revenue	0	0	593,690	841,964			1,435,654
<i>Total Distribution Revenue</i>	<u>2,945,386</u>	<u>29,013</u>	<u>848,566</u>	<u>927,845</u>	<u>0</u>	<u>0</u>	<u>4,750,809</u>
Total Distribution Revenue	\$3,875,761	\$31,577	\$1,064,502	\$954,190	\$26,105	\$107,638	\$6,059,771
Target Revenue Target	3,875,534	31,578	1,064,385	954,583	26,099	107,641	6,059,820
	BILLING UNITS- DETAIL						
Block 1 kWh	87,452,069	657,436	26,466,835	4,882,485	102,962	260,902	119,822,688
Block 2 kWh				38,394,316			38,394,316
Demand kW			158,741	142,794			301,535
Reservation kW- monthly				5,000			5,000
Reservation (CR-kW)- annual				(24,840)			
Voltage Discount- kW				55,856			55,856
Block 1 kWh				3,500			3,500

**Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)**

**Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2023**

Line	Description	Present Rates (excl GSSR)	GSSR	Present Rates (incl GSSR)	Proposed Rates (excl GSSR)	GSSR	Proposed Rates (incl GSSR)	Proposed Increase (excl GSSR)	Proposed Increase (incl GSSR)
1	Schedule RS- Residential Service								
2	Customer Charge per Bill	\$13.00		\$13.00	\$13.10		\$13.10	0.8%	
3									
4	Energy Charge, per kWh- All	\$0.02533	\$0.093660	\$0.11899	\$0.03368	\$0.093660	\$0.12734	33.0%	7.0%
5	Schedule SH- Space Heating								
6	Customer Charge per Bill	\$18.57		\$18.57	\$20.19		\$20.19	8.7%	
7	Energy Charge, per kWh- All	\$0.03547	\$0.09366	\$0.12913	\$0.04413	\$0.09366	\$0.13779	24.4%	6.7%
8	Schedule GLP-1								
9	Customer Charge per Bill	\$15.00		\$15.00	\$16.00		\$16.00	6.7%	
10									
11	Energy Charge, All kWh	\$0.008890	\$0.093660	\$0.10255	\$0.009630	\$0.093660	\$0.10329	8.3%	0.7%
12									
13	Demand Charge, per kW-Mth	\$3.45		\$3.45	\$3.74		\$3.74	8.4%	8.4%
14	Schedule GLP-3								
15	Customer Charge per Bill	\$51.00		\$51.00	\$55.00		\$55.00	7.8%	
16									
17	<u>Energy Charge, per kWh</u>								
18	First 30 kWh X Billed Demand kW	\$0.008697	\$0.093660	\$0.1024	\$0.009490	\$0.093660	\$0.10315	9.1%	0.8%
19	Additional kWh	\$0.000947	\$0.093660	\$0.0946	\$0.001030	\$0.093660	\$0.09469	8.8%	0.1%
20	Reservation Charge per kW-Mth	\$2.30		\$2.30	\$2.51		\$2.51	9.1%	9.1%
21	Voltage Discount per kWh	(\$0.214725)		(\$0.214725)	(\$0.234420)		(\$0.234420)	9.2%	9.2%
22	Demand Charge, per kW-Mth	\$4.92		\$4.92	\$5.37		\$5.37	9.1%	9.1%
23	Schedule MBL								
24	MBL- Meter	\$3.84			\$3.84				
25	MBL- Post	\$3.11			\$3.98				
26	Schedule OL								
27	OL 175W MV OH Open	\$17.31	37		\$21.88				
28	OL 175W MV UG	\$17.31	20		\$21.88				
29	OL 100W HPS OH	\$17.31	31		\$21.88				
30	OL 100W HPS UG	\$17.31	30		\$21.88				
31	OL 100W HPS Colonial	\$17.31	0		\$21.88				
32	OL 400W HPS OH	\$17.31	6		\$21.88				
33	LED 15K Lum OH Cobra	\$12.85	12		\$16.25				
34	LED 5K Lum OH Cobra	\$10.22	127		\$12.92				
35	LED 5K Lum UG Colonial	\$21.04	56		\$26.60				
36	LED 5K Lum UG Cobra	\$14.90	140		\$18.84				
37	LED 20K Lum OH Cobra	\$16.22	10		\$20.51				
38	LED 20K Lum UG Cobra	\$20.88	0		\$26.40				
39	LED 15K Lum UG Cobra	\$17.51	4		\$22.14				
40	Average	\$15.00	473		\$18.96				
	Monthly \$	\$85,141			\$107,638				

B8 (S)

**Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2023**

Schedule GLP-1

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%
28							
29							
30							
31	7 kW	0	39.15	42.18		3.03	7.7%
32	Load factor 10%	511	91.55	94.96	0.18583	3.41	3.7%
33	Load factor 20%	1,022	143.96	147.74	0.14456	3.79	2.6%
34	Load factor 35%	1,789	222.56	226.91	0.12687	4.35	2.0%
35	Load factor 50%	2,555	301.17	306.09	0.11980	4.92	1.6%
36	Load factor 60%	3,066	353.57	358.87	0.11705	5.30	1.5%
37	Load factor 75%	3,833	432.17	438.04	0.11430	5.87	1.4%
38							
39	10 kW Demand	0	49.50	53.40		3.90	7.9%
40	Load factor 10%	730	124.36	128.80	0.17644	4.44	3.6%
41	Load factor 20%	1,460	199.22	204.20	0.13987	4.98	2.5%
42	Load factor 35%	2,555	311.52	317.31	0.12419	5.79	1.9%
43	Load factor 50%	3,650	423.81	430.41	0.11792	6.60	1.6%
44	Load factor 60%	4,380	498.67	505.81	0.11548	7.14	1.4%
45	Load factor 75%	5,475	610.96	618.91	0.11304	7.95	1.3%
46							
47	25 kW Demand	0	101.25	109.50		8.25	8.2%
48	Load factor 10%	1,825	288.40	298.00	0.16329	9.60	3.3%
49	Load factor 20%	3,650	475.56	486.51	0.13329	10.95	2.3%
50	Load factor 35%	6,388	756.29	769.26	0.12043	12.98	1.7%
51	Load factor 50%	9,125	1,037.02	1,052.02	0.11529	15.00	1.5%
52	Load factor 60%	10,950	1,224.17	1,240.53	0.11329	16.35	1.3%
53	Load factor 75%	13,688	1,504.90	1,523.28	0.11129	18.38	1.2%
54							
55	40 kW Demand	0	153.00	165.60		\$12.60	8.2%
56	Load factor 10%	2,920	452.45	467.21	0.16000	14.76	3.3%
57	Load factor 20%	5,840	751.89	768.81	0.13165	16.92	2.3%
58	Load factor 35%	10,220	1,201.06	1,221.22	0.11949	20.16	1.7%
59	Load factor 50%	14,600	1,650.23	1,673.63	0.11463	23.40	1.4%
60	Load factor 60%	17,520	1,949.68	1,975.24	0.11274	25.56	1.3%
61	Load factor 75%	21,900	2,398.85	2,427.65	0.11085	28.81	1.2%

B8 (S)

**Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2023**

Schedule GLP-3

		Present Rates		Proposed Rates		Proposed Increase		
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Monthly Bill	%	
62								
63								
64								
65	Sales (kWh)							
66	Monthly Minimum	\$789.00		\$860.50		71.50	9.1%	
67	150 kW Demand							
68	Load Factors	Minimum	\$789.00	\$860.50		71.50	9.1%	
69	30%	32,850	3,931.71	0.11969	4,009.14	0.12204	77.43	2.0%
70	40%	43,800	4,967.65	0.11342	5,045.99	0.11521	78.34	1.6%
71	50%	54,750	6,003.59	0.10965	6,082.85	0.11110	79.25	1.3%
72	60%	65,700	7,039.54	0.10715	7,119.70	0.10837	80.17	1.1%
73	75%	82,125	8,593.45	0.10464	8,674.99	0.10563	81.53	1.0%
74								
75	400 kW Demand							
76	Load Factors	Minimum	\$2,019.00	\$2,203.00		184.00	9.1%	
77	30%	87,600	10,399.55	0.11872	10,599.36	0.12100	199.81	1.9%
78	40%	116,800	13,162.07	0.11269	13,364.31	0.11442	202.25	1.5%
79	50%	146,000	15,924.58	0.10907	16,129.26	0.11047	204.68	1.3%
80	60%	175,200	18,687.10	0.10666	18,894.21	0.10784	207.11	1.1%
81	75%	219,000	22,830.87	0.10425	23,041.63	0.10521	210.76	0.9%
82								
83	750 kW Demand							
84	Load Factors	Minimum	\$3,741.00	\$4,082.50		341.50	9.1%	
85	30%	164,250	19,454.53	0.11844	19,825.68	0.12070	371.15	1.9%
86	40%	219,000	24,634.25	0.11249	25,009.96	0.11420	375.71	1.5%
87	50%	273,750	29,813.97	0.10891	30,194.24	0.11030	380.27	1.3%
88	60%	328,500	34,993.68	0.10653	35,378.52	0.10770	384.83	1.1%
89	75%	410,625	42,763.26	0.10414	43,154.93	0.10510	391.67	0.9%
90								
91	1500 kW Demand							
92	Load Factors	Minimum	\$7,431.00	\$8,110.00		679.00	9.1%	
93	30%	328,500	38,858.07	0.11829	39,596.37	0.12054	738.30	1.9%
94	40%	438,000	49,217.50	0.11237	49,964.92	0.11408	747.42	1.5%
95	50%	547,500	59,576.93	0.10882	60,333.48	0.11020	756.54	1.3%
96	60%	657,000	69,936.37	0.10645	70,702.03	0.10761	765.66	1.1%
97	75%	821,250	85,475.52	0.10408	86,254.86	0.10503	779.34	0.9%

B8-1 (S)

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2023

Table with columns: Sales (kWh), Present Rates (Monthly Bill, Cost per kWh), Proposed Rates (Monthly Bill, Cost per kWh), Proposed Increase (\$ per Monthly Bill, %). Rows include 7 kW, 10 kW Demand, 25 kW Demand, and 40 kW Demand categories with various load factors.

B8-1 (S)

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2023 (S)
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2023

Table with columns: Sales (kWh), Present Rates (Monthly Bill, Cost per kWh), Proposed Rates (Monthly Bill, Cost per kWh), Proposed Increase (\$ per Monthly Bill, %). Rows include Monthly Minimum, 150 kW Demand, 400 kW Demand, 750 kW Demand, and 1500 kW Demand, each with Load Factors (30%, 40%, 50%, 60%, 75%).

Attachment B

Supplement No. XX
to
Electric-Pa. P.U.C. No. 14

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

RULES AND REGULATIONS AND RATE SCHEDULES FOR ELECTRIC SERVICE

IN

**LEWISBURG BOROUGH; BUFFALO, EAST BUFFALO AND KELLY
TOWNSHIPS, UNION COUNTY, PENNSYLVANIA**

Issued XXXXX

Effective January 29, 2023

Issued by
JOHN KELCHNER, PRESIDENT & CEO
1775 Industrial Boulevard
Lewisburg, PA 17837

N O T I C E !

**THIS SUPPLEMENT MAKES $\{\}$ CHANGES $\}$ TO EXISTING RATES
See Page No. 2**

LIST OF CHANGES MADE IN THIS SUPPLEMENT

Supplement No. XX implements a distribution rate increase. Specifically, Supplement No. XX:

- Page 5: Updates the definition of "customer installation" to reflect current equipment configurations; makes housekeeping changes in the definition of "default service."
- Page 8A: Adjusts the length of standard overhead connection from 100 feet to 150 feet in Rule 3; makes housekeeping changes in Rule 2.
- Page 9: Updates source for electric equipment standards to the National Electric Code.
- Page 10: Clarifies the Company's discretion to undertake repairs for Customers.
- Page 11: Adds a new subsection applicable to Electric Vehicle charging stations.
- Page 14: Removes Rule 14 "Residential Building Energy Conservation Standards" because the referenced law is no longer in effect.
- Page 15: Removes a subsection regarding advanced meters because the Company now provides smart meters as standard devices and does not offer other meters.
- Pages, 23, 24 and 25: Updates and clarifies Customer's responsibility and obligations for service extensions.
- Pages 27 and 28: Removes a subsection regarding automatic devices and heating units under Rule 31 "Residential Service Requirements" because the Company no longer offers a direct load control pilot program using the devices.
- Page 29: Revises Rule 33 "Underground Distribution" to confirm customer obligations for installation and conduit.
- Page 30: Revises "Underground Electric Service in Residential Developments" to add screening and conduit to the applicant's obligations.

LIST OF CHANGES MADE IN THIS SUPPLEMENT (cont'd)

(C)

- Page 35: Adds a new Rule 37 "Electric Vehicle (EV) Charging Facilities."
Page 37: Sets the State Tax Adjustment Surcharge to 0.000% as of January 29, 2023.
Page 41: Increases the Customer Charge and the variable distribution charge for all energy consumption.
Page 43: Increases the Customer Charge, the block charge and the variable distribution charge for all energy consumption.
Page 44: Increases the Minimum Charge, revises the definition of "Minimum Charge" and revises the definition of "Billing Demand."
Page 45: Increases the Customer Charge and block charges.
Page 46: Increases the Minimum Charge and Voltage Discount.
Page 47: Increases the monthly per light post charge.
Page 49: Increases the distribution charge for Colonial light fixtures installed prior to March 13, 2018, and increases the distribution charges for all available LED Fixtures.
Page 53: Increases the Customer Charge and the energy-based charge.
Pages 59 and 60: Increases the Monthly Reservation Charge.
Page 64: Removes language requiring the Customer to have independent load at the net metering location, consistent with recent court decisions.

Supplement No. XX also makes housekeeping revisions to the following pages:

Page 5; Page 7; Page 8A; Page 9; Page 10; Page 12; Page 13; Page 15A; Page 16; Page 17A; Page 18; Page 19; Page 20; Page 23; Page 24; Page 25; Page 26; Page 30; Page 31; Page 33; Page 34; Page 38A; Page 42; Page 48; Page 49A; Page 50; Page 54; Page 55; Page 57; and Page 64.

(C)

INDEX

	<u>Page</u>	
Title Page.....	Supplement No. XX	(C)
List of Changes Made by This Tariff.....	XX Revised 2	(C)
Reserved for future use.....	XX Revised 2A	(C)
Index.....	XX Revised 3	(C)
.....	XX Revised 4	(C)
.....	XX Revised 4A	(C)
Definitions.....	XX Revised 5	(C)
.....	First Revised 5A	
.....	Third Revised 6	
.....	XX Revised 7	(C)
RULES AND REGULATIONS:		
1 - Contracts.....	Second Revised 8	
2 - Right of Way and Access to Property.....	XX Revised 8A	(C)
3 - Company's Service: Equipment.....	XX Revised 8A	(C)
4 - Customer's Responsibility.....	XX Revised 9	(C)
5 - Customer's Installation.....	XX Revised 9	(C)
6 - Repairs for Customers.....	XX Revised 10	(C)
7 - Use of Service.....	XX Revised 10	(C)
8 - Redistribution of Service.....	XX Revised 10	(C)
9 - Notice of Trouble.....	XX Revised 11	(C)
10 - Continuity of Service	XX Revised 11	(C)
11 - Capacity of Company's Service Facilities	XX Revised 12	(C)
12 - Bills - Rates - Disconnection	XX Revised 12	(C)
.....	XX Revised 13	(C)
13 - Deposits	XX Revised 13	(C)
14 - [RESERVED]	XX Revised 14	(C)
15 - Taxes on Contributions in Aid of Construction and Customer Advances	XX Revised 14	(C)
16 - Point and Method of Adjustment	XX Revised 14	(C)
17 - Meter Installations	XX Revised 14	(C)
18 - Unmetered Service	XX Revised 15	(C)
19 - Interference with Company's Property	XX Revised 15A	(C)
20 - Meter Testing	XX Revised 15A	(C)
21 - Application Provisions	XX Revised 16	(C)
22 - Incidental Lighting	XX Revised 16	(C)
23 - Selection of Schedules	XX Revised 16	(C)
24 - Company Reserves the Right to Shut Off Supply	XX Revised 16	(C)
25 - Remedies.....	Fifth Revised 17	
26 - Determination of Billing Demand.....	Fifth Revised 17	
.....	XX Revised 17A	(C)

(C) Indicates Change

INDEX (cont'd)

	<u>Page</u>	
27 - Auxiliary Service.....	XX Revised 18	(C)
28 - Extension of Service.....	XX Revised 19	(C)
.....	XX Revised 20	(C)
.....	Original 21	
29 - Supply of Service.....	Original 22	
.....	XX Revised 23,24	(C)
30 - Service for Less Than One Year.....	XX Revised 25	(C)
31 - Residential Service Requirements.....	XX Revised 26,27	(C)
32 - Pole Removal Or Relocation Charges - Residential.....	XX Revised 28	(C)
33 - Underground Distribution.....	XX Revised 28	(C)
34 - Underground Electric Service in New Residential Developments	XX Revised 29,30,31	(C)
35 - Emergency Load Control.....	Original 32	
36 - Emergency Energy Conservation.....	Original 32	
.....	XX Revised 33,34	(C)
37 - Electric Vehicle (EV) Charging Facilities.....	XX Revised 35	(C)
38 - [RESERVED].....	XX Revised 35	(C)
39 - Electric Generation Supplier Switching and Service Address Changes	XX Revised 35	(C)
.....	Original 35A,35B	
.....	Fourth Revised 36	
40 - Load Data Exchange.....	Fourth Revised 36	
41 - Electric Generation Supplier Tax Indemnification.....	Original 36A	
State Tax Adjustment Surcharge.....	XX Revised 37	(C)
Generation Supply Service Rate - 1 Rider.....	Eighth Revised 38	
.....	XX Revised 38A	(C)
Generation Supply Service Rate - 2 Rider.....	Fifth Revised 39	
.....	Original 39A	
TCJA Voluntary Surcharge.....	Eleventh Revised 40	
Schedule RS - Residential Service.....	XX Revised 41	(C)
.....	XX Revised 42	(C)
Schedule GLP-1 - General Light and Power Service.....	XX Revised 43	(C)
.....	XX Revised 44	(C)
Schedule GLP-3 - General Light & Power Service 50 kW Min.	XX Revised 45	(C)
.....	XX Revised 46	(C)

(C) Indicates Change

INDEX (cont'd)

	<u>Page</u>	
Schedule MBL - Municipal Blvd.		
Street Lighting Service.....	XX Revised 47	(C)
By Contract With Municipal Authorities.....	XX Revised 48	(C)
Schedule OL - Outdoor Lighting Service By Contract		
High Pressure Sodium (HPS), Mercury Vapor (MV) & Light Emitting Diode (LED).....	XX Revised 49	(C)
.....	XX Revised 49A	(C)
.....	XX Revised 50	(C)
Reserved for future use.....	Sixth Revised 51	
.....	Fourth Revised 52	
Schedule SH - Space Heating.....	XX Revised 53	(C)
.....	XX Revised 54	(C)
Cogeneration & Small Power Production Qualifying Facility Service.....	XX Revised 55	(C)
Sales to Qualifying Facilities, SPPs and Cogeneration Facilities of Over 50 kW.....	Original 56	
.....	XX Revised 57	(C)
.....	Original 58	
Sales to Qualifying Facilities, SPPs and Cogeneration Facilities of Over 50 kW.....	XX Revised 59	(C)
.....	XX Revised 60	(C)
.....	Third Revised 61	
RIDERS:		
Reserved for future use.....	Second Revised 62,63	
Rider B-Net Metering.....	XX Revised 64	(C)
.....	Second Revised 65,66	
.....	First Revised 67	
Reserved for future use.....	Third Revised 68	
.....	Second Revised 69	
Rider D-Customer Choice Support Charge.....	First Revised 70,71,72,73	

(C) Indicates Change

DEFINITIONS

(C)

APPLICANT

Applicant includes the corporation, association, partnership or individual that is not currently receiving retail electricity services and who will be a direct purchaser of electric power for use at their facility, either from the Company or an EGS. For residential accounts, Applicant includes a natural person not currently receiving service who applies for residential service provided by a public utility or any adult occupant whose name appears on the mortgage, deed or lease of the property for which the residential utility service is requested.

COMPANY

Citizens' Electric Company of Lewisburg, Pa.

CONNECTED LOAD

Connected load is the combined rated capacity of all of Customer's lights, motors or other energy consuming devices.

CUSTOMER

Customer includes the corporation, association, partnership or individual that is a consumer of retail electricity services and who are direct purchasers of electric power for use at their facility, either from the Company or an EGS. For residential accounts, Customer includes a natural person in whose name a residential 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 for which the residential utility service is requested.

CUSTOMER'S INSTALLATION

All wires, meter sockets, breaker or fuse panels, switches, appliances and apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing electric energy for any purpose, ordinarily located on Customer's side of point of delivery and including the service leads, whether such installation is owned outright by Customer or used by Customer under lease or otherwise.

(C)

DEFAULT SERVICE

The provision of energy, capacity and transmission service as provider-of-last-resort to customers that: (1) are not eligible to obtain service from an EGS, (2) choose not to obtain service from an EGS, (3) return to default service after having obtained service from an EGS, or, (4) contract with an EGS for service and that EGS fails to deliver such energy.

(C)

(C) Indicates Change

DEFINITIONS (cont'd)**SERVICE**

The furnishing of service or the delivery of energy referred to in these Rules and Regulations and in contracts with Customers shall be construed to mean readiness and ability on the part of Company to maintain at the point of delivery the approximate frequency, phase and voltage sufficient to supply the maximum demand that at the time Company is obligated to supply whether or not Customer makes any use thereof.

SERVICE VOLTAGE

Service Voltage is the voltage level at which the Company provides service. The Company's Standard Voltages, supplied at 60 HZ and AC, are as follows:

*120/208V	Single Phase	3 Wire
120/240V	Single Phase	3 Wire
208Y/120V	Three Phase	4 Wire
120/240V	Three Phase	4 Wire
480Y/277V	Three Phase	4 Wire
12470Y/7200V	Three Phase	4 Wire

*At the Company's option only.

Other non-standard voltages presently in use on the system are in the process of elimination. No new or additional non-standard service will be supplied.

SERVICE WIRES AND LEADS

Service wires are that portion of Company's equipment which is connected at the point of delivery to the service leads of Customer.

VOLUNTEER FIRE COMPANY

Volunteer fire company service - a separately metered service location consisting of a building, sirens, a garage for housing vehicular firefighting equipment, or a facility certified by the Pennsylvania Emergency Management Agency (PEMA) for firefighter training. The use of electric service at this service location shall be to support the activities of the volunteer fire company. Any fund-raising activities at this service location must be used primarily to support volunteer fire fighting operations. (C)
(C)
(C)

The Customer of record at this service location must be a predominantly volunteer fire company recognized by the local municipality or PEMA as a provider of fire fighting services.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

2. RIGHT OF WAY AND ACCESS TO PROPERTY

Company representatives who are properly identified shall have full and free access to Customer's premises at all reasonable times for the purpose of reading meters, for inspection and repairs, for removal of Company property, or for any other purpose incident to the service. Customer should immediately communicate with Company in case of any question as to the authority or credentials of Company representatives. Customer shall provide without charge a right of way acceptable to Company for such lines across property owned or controlled by Customer as in the judgment of Company are necessary to furnish the service. (C)

3. COMPANY'S SERVICE: EQUIPMENT

Company will supply an overhead service connection of not more than 150 feet in length from the most suitable pole of its distribution line to the pole, building, or terminal connection provided by Customer. The ordinary method of connection between Company's distribution system and Customer's service leads will be by overhead wires. Underground service will be supplied by the Company as provided under Rule 33 and Rule 34. If Customer desires to have connection made in any other manner, special arrangements may be made between Customer and Company. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

4. CUSTOMER'S RESPONSIBILITY

Customer assumes full responsibility for the energy at and from the point of delivery thereof, and for the wires, apparatus, devices and appurtenances thereon used in connection with the service. Customer is warned of the risk of damage to property and the possibility of fire or personal injury resulting from improper wiring and manner of attachment or use and maintenance of electric appliances, fixtures and apparatus and is advised to allow no one except experienced and capable electricians to install or make any change, alteration, addition or repair to any part of Customer's installation. Customer shall indemnify, save harmless and defend Company against all claims, demands, cost or expense for loss, damage or injury to persons or property in any manner directly arising from, connected with, or growing out of the transmission or use of current by Customer at or on Customer's side of the point of delivery or on Company's side of point of delivery if such claim, demand, cost or expense results from the negligence of Customer.

5. CUSTOMER'S INSTALLATION

Customer's service and meter connections shall be installed in accordance with instructions of Company and shall be subject to Company's inspection and approval. Customer's service leads shall extend not less than two feet outside the exterior walls of building.

Customer's wiring and electric apparatus shall be installed, operated and maintained by Customer in accordance with and in conformity to any and all local or other governmental requirements, to rules and requirements of the National Electric Code in force from time to time, and all installations shall be inspected and approved by a competent electrical inspector before connection with Company's system will be made. All subsequent installations or changes shall be inspected and approved in advance of connection to Company's system. Company is willing to assist Customer by advice as to the installation and maintenance of Customer's apparatus, may examine Customer's installation at any time, and may refuse to make connection or to commence or continue service whenever such installation is not in proper operating condition. (C)

The phase, voltage, size and type of all motors installed by Customer shall be subject to the approval of Company. Customer shall install motor starting devices, automatic circuit breakers, switches, fuses or overload devices of a type approved by Company, and shall adjust, renew or replace the same from time to time or on request of Company. Representatives of Company, at all reasonable times, may regulate, or make suggestions concerning the method of starting motors in order to keep excess current required for such starting as low as practicable, without in any way rendering Company responsible for control or operation of any such equipment. From and after the date of these Rules and Regulations, three (3) phase service will not be furnished for less than five (5) horsepower load.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**5. CUSTOMER'S INSTALLATION (cont'd)**

In residential and commercial complexes and multiple occupancy buildings, the owner is responsible for all service entrance facilities including individual service wiring where separate metering for each tenant is required by the Company.

6. REPAIRS FOR CUSTOMERS

Upon request, and at the discretion of Company, assistance may be given to minimize inconvenience or annoyance to Customer due to defects in Customer's installation and Company may in emergencies aid in making temporary repairs, but in each and every case any advice, aid or assistance given gratuitously by Company shall be accepted by Customer without involving responsibility of any nature on the part of Company. Immediately after such emergency repairs have been made Customer should have a competent electrician, not in the employ of Company, make permanent repairs and should have Customer's installation reinspected by an authorized inspector. (C)

7. USE OF SERVICE

(a) Unless there is a tariff provision to the contrary, service shall not be used for any purpose or in any place other than that stipulated in the contract or rate schedule.

(b) Where service is supplied as three phase alternating current, Customer shall take and use the same so that the current will be taken equally from the three phases as nearly as possible. Whenever the difference between any two phases is greater than ten per cent of the lesser, Customer shall make at the Customer's expense the necessary changes to correct the unsatisfactory condition or Company will compute the demand used for billing purposes on the basis that the current taken from each of the three phases is equal to the greatest quantity taken from any one phase.

(c) Customer shall not use service in such manner as to cause excessive voltage fluctuations or disturbances on Company's system.

8. REDISTRIBUTION OF SERVICE

(a) Energy purchased from the Company shall not be submetered and resold to another party except as permitted under Rule 8(b) and 8(d). It is the Company's intent to meter and bill each tenant as an individual customer. Tenant is defined as an occupant of a multi-tenancy commercial building or parcel where it is expected that tenure shall be for a year or more. For the purpose of this rule, the term multi-tenancy commercial building shall include any structure which contains or houses 3 or more separate and distinct residential or commercial units.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

8. REDISTRIBUTION OF SERVICE (cont'd)

(b) Where installation of electric service was completed by July 1, 1982, electric energy may be redistributed and submetered to tenants provided service to the premises is to one point of delivery through a single meter under the applicable general rate schedule, and charges for electric service to such tenants do not exceed charges as computed under the Company's applicable rate schedule for comparable service.

(c) At service locations covered hereunder connected after July 1, 1982, each tenant shall be served, metered and billed individually by the Company under the appropriate rate schedule except where a definite commitment has been made as of that date to permit master metering with the resale provision of Rule 8(b). Upon application, affidavit, and proof presented to the Company, any owner (or the Customer's duly authorized representative) of a new multi-tenancy commercial building may seek an exception to Rule 8 by demonstrating that the installation of individual electric meters at each separate unit within the building is neither feasible nor practical from a financial, technical, or engineering point of view or by citing any other valid reason; all of which must be designed to prove that the installation of individual electric meters within the building will not achieve any notable reduction in the consumption of electricity by the tenants in the building beyond that which would be accomplished through the use of a master metering system with efficient heat controls.

(d) Company, at its discretion, may permit submetering for both existing and new service locations in accordance with the resale provisions of 8(b) when all of the following conditions are present:

- (1) It is impractical for the Company to separately bill each tenant.
- (2) Each tenant has control of the majority of the Customer's electric energy use.
- (3) That substantial energy conservation will be effected.

(e) For purposes of third-party owned Electric Vehicle (EV) charging stations, owning and operating an EV charging station shall not be considered redistribution as defined under 66 Pa. C.S. § 1313 and § 69.3501(b) (relating to section 1313 of the Public Utility Code).

(C)
|
(C)

9. NOTICE OF TROUBLE

Customer shall notify Company promptly of any defect in, accident to or trouble with the service, and is requested to notify Company of any defect or damage to Company lines or property that the Customer discovered and of which the Company may have no knowledge.

10. CONTINUITY OF SERVICE

Company will use reasonable diligence to preserve as nearly as possible the continuity of its service, but in the event of failure of service, in whole or in part, Company shall not be subject to any liability, penalty or payment for or on account of any such failure, and in no event shall Company be liable for consequential damages.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**11. CAPACITY OF COMPANY'S SERVICE FACILITIES**

The service connections, transformers, meters and appliances have a definite limited capacity and no addition to the equipment or load of Customer connected shall be made without the previous consent of Company. A violation of this Rule makes Customer liable for damages resulting therefrom.

12. BILLS - RATES - DISCONNECTION(C)
(C)

(a) Bills will be rendered monthly for service supplied during the preceding billing period. Bills will separately state the charges for regulated services, non-regulated services, and Default Service (if any). Normal billing is for a period of approximately 30 days. Bills will be computed on the basis of monthly rates, which will be prorated for initial or final bills which are for periods more or less than a month. Bills as rendered are due and payable at the office of the Company during business hours and shall be considered as received by the Customer when left at or mailed to the place where service is received or such other place as shall have been mutually agreed upon.

(b) The Company reads meters monthly unless conditions beyond its control make it impossible to obtain a reading. The Company may render an appropriately marked estimated bill when a meter reading is not obtained. Estimated bills shall be paid in accordance with the provisions of this Rule and the applicable rate schedule.

(C)
(C)

(c) If unusual circumstances occur during a period for which an estimated bill has been issued and are brought to the Company's attention an appropriate adjustment will be made by Company.

(d) If the bill is not paid within twenty days from the due date thereof as stated in the bill, Customer shall be considered delinquent in payment, and Company may, at any time thereafter prior to the payment thereof, after serving proper notice, discontinue service for non-payment of regulated and PLR service charges. Partial payments will be applied to the bill according to the requirements of subsection (g) below. Failure to receive the bill shall not entitle Customer to relief from payment of the gross bill if not paid within twenty days.

(C)

(e) In case the bill is for service to the United States of America, or the Commonwealth of Pennsylvania or any of their Departments or Institutions, the net rate period shall be thirty days.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**12. BILLS - RATES - DISCONNECTION (cont'd)**

(C)

(f) [RESERVED]

(g) Under Restructuring a Customer may select one of two billing options: (1) Consolidated Electric Distribution Company Billing, and (2) Separate Electric Distribution Company/Electric Generation Supplier Billing. If the Customer does not make a selection, the Customer will receive Consolidated Billing.

When the Company is providing Consolidated EDC/EGS Billing, Default Service or Separate EDC Billing, and the Customer remits a partial payment to the Company, the payment will be applied as follows:

- (1) Deposits
- (2) Balance due or the installment amount for a payment agreement for Fixed and Variable Distribution Service Charges.
- (3) Current Fixed and Variable Distribution Service Charges.
- (4) Balance due for prior charges for generation supply, if Citizens' is providing Default Service.
- (5) Current charges for generation supply charges.
- (6) Non-basic service charges.

13. DEPOSITS

Company may require deposits or guarantees from Customers or Applicants satisfactory to Company to secure the payment of bills. Deposits from Customers or Applicants taking service for a period less than thirty days shall equal the estimated gross bill for regulated and/or Default Service for such temporary period. Deposit required from all other Customers or Applicants shall not exceed the estimated gross bill for regulated and/or Default Service for a period of two months with a minimum of \$5.00 for residential accounts. The Company shall comply with the provisions of 52 Pa. Code Chapter 56, "Standards and Billing Practices for Residential Utility Service," and 66 Pa.C.S. Chapter 14, "Responsible Utility Customer Protection," and other Pennsylvania Public Utility Commission Orders.

The Company uses a commercially recognized credit scoring methodology that is within the range of generally accepted industry practice. The Applicant's or Customer's utility payment history determines the credit score. The Company uses this customer-specific credit score to either request or waive a security deposit. After verification of household income consistent with Rule 24, the Company will waive the security deposit for low-income applicants or customers. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

14. [RESERVED]

(C)

* * *

(C)

15. TAXES ON CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER ADVANCES

Any contribution in aid of construction, customer advance or other like amounts received from the Customer which shall constitute taxable income as defined by the Internal Revenue Service will have the income taxes segregated in a deferred account for inclusion in rate base in a future rate case proceeding. Such income taxes associated with a CIAC or customer advance will not be charged to the specific contributor of the capital.

16. POINT AND METHOD OF ADJUSTMENT

Energy supplied shall be measured at point of delivery or nearest suitable and available point by meters installed and maintained by Company at its expense. When service is metered at a point other than the point of delivery or at voltage other than the voltage of supply specified in the schedule the readings of the meters shall be corrected to conform to measurement at the point of delivery and the voltage of the supply.

17. METER INSTALLATIONS

(a) Unless it is specified to the contrary by tariff provision, each schedule applies to service supplied at one point of delivery through one watt-hour meter to one Customer for a single residence or a single business enterprise. No combination of the quantities of energy, demands or other items relating to two or more meters or services will be made for the purpose of billing as if the bill were for a single meter or service, except temporarily pending completion of necessary changes in facilities of Company.

(b) When two or more meters are to be installed in one building, such as office building or an apartment house, they shall be grouped if practicable at one common location convenient for reading and testing. Company shall designate the location for all meters installed.

(c) A schedule applicable to theaters, hospitals, hotels, etc., which states it is available only when all service is supplied thereunder through a

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

17. METER INSTALLATIONS (cont'd)

single meter, will be considered as being available even though separate service is supplied for exit lighting or other emergency purpose in the interests of public safety.

(d) In residential and commercial complexes and multiple occupancy dwellings connected after July 1, 1982, each independent occupant will be separately metered and billed by the Company as an individual customer unless redistribution of service is authorized by the Company. The Company does not provide service to two or more customers through a single meter except as specifically provided for in Rule 8 or the applicable rate schedule.

(C)

(e) [RESERVED]

(C)

* * *

(C)

18. UNMETERED SERVICE

The Company, at its option, may determine kilowatt hours and billing demands by computation instead of by measurement for an installation having a fixed load or demand value controlled to operate for a definite number of hours during a billing period.

(C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

19. INTERFERENCE WITH COMPANY'S PROPERTY

Where the service facilities or other equipment have been tampered with, resulting in improper measurement of the service supplied, Customer shall be required to pay for such electric service as Company may estimate, from available information, to have been used but not registered by Company's meters; and in addition thereto, shall be required to bear all costs incurred by the Company for investigations and inspections, Company equipment repair or replacement, and for such protective equipment as, in the judgment of Company, may be necessary. (C)

20. METER TESTING

Meters will be tested in accordance with rules and regulations prescribed by the Pennsylvania Public Utility Commission. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**21. APPLICATION PROVISIONS**

Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted in conjunction with service supplied hereunder. Any customer system of this type that produces electric energy may not be operated concurrently with service supplied by the Company except under written agreement setting forth the conditions of such operation.

22. INCIDENTAL LIGHTING

Under any power schedule permitting the inclusion of incidental lighting, all lighting used at the same time as and solely in connection with the operation of Customer's power load will be considered as incidental lighting. Under all such schedules, Customer may be required to furnish the necessary apparatus designated by Company to take single phase lighting service from the three-phase supply.

(C)

23. SELECTION OF SCHEDULES

Where optional rate schedules are available for the same class of service, Customer shall designate the schedule Customer desires. Where selection of the most favorable schedule is difficult to predetermine, Customer will be given reasonable opportunity to change to another schedule, provided however, that after one such change is made, Customer may not make a further change in schedule until twelve (12) months have elapsed.

Company will, at the request of Customer, assist Customer in the choice of the schedule most advantageous to Customer, but Company does not guarantee that Customer will at all times be served under the most favorable rate, nor will Company make refunds representing the difference in charges between the rate under which service has been billed and another rate applicable to the same class of service; provided that if Customer is placed on an unfavorable rate through erroneous advice of Company, Customer shall be changed to the most advantageous rate immediately upon discovering such error.

24. COMPANY RESERVES THE RIGHT TO SHUT OFF SUPPLY

Company reserves the right to shut off the supply of all service to all or any part of the premises for any of the following reasons: (1) for repairs, (2) for shortage of supply, (3) for non-payment when due of any undisputed portion of regulated or Default Service charges assessed on a bill, (4) for interference with any of Company's appliances, equipment or connections thereto, (5) for failure to comply with the terms of the contract, (6) for violation of any of the Rules and Regulations applicable to the service, and (7) for any other lawful reason. Such discontinuance shall not, however, invalidate any contract and said Company shall have the right to enforce any contract notwithstanding such discontinuance. Notwithstanding any

(C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

26. DETERMINATION OF BILLING DEMAND (cont'd)

(C)

(b) Company will upon written request of Customer and if satisfied as to the existence of the facts involved, disregard the effect of an abnormal demand occurring in one month in determining the future minimum Billing Demand for succeeding months if such abnormal demand was the result of a flood, drought, emergency, or similar circumstance beyond Customer's control, not including seasonal use of service or a fluctuation in business conditions. Demands resulting from tests will be considered as abnormal only when they have been prearranged with Company and are not periodic or in the ordinary course of Customer's business.

(C)

(c) When the load is widely fluctuating, the length of the period used in determining the Billing Demand kilowatts may be taken to be 5 minutes instead of any longer period specified in the schedule. A load shall be considered widely fluctuating in installations where the use of electricity is intermittent or subject to excessive variations.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

27. AUXILIARY SERVICE

(a) APPLICATION OF RULE

Unless it is specified to the contrary in the schedule, Company's schedules are not available, without the application of this rule, for service to Customers who have another customer-installed source of power which can be substituted for Company's service in the conduct of any part of Customer's operations, except in cases where such other source is maintained solely for use in case of the possible failure of Company's service.

When only a portion of Company's service is within the scope of the preceding paragraph, Customer may at the Customer's option provide separate circuits for that portion, and the remainder of Company's service will then be metered and billed separately without applying this Rule thereto, even though the application schedule states that it is available only when all service is supplied thereunder through a single meter.

Service will be supplied hereunder only where Company has available capacity and facilities adequate for the service desired.

Customer's equipment may not be concurrently operated by means of service supplied by Company and by such other source of electrical or mechanical power except upon written agreement setting forth the conditions of such operation.

(b) RATE

Service hereunder will be supplied under the rates, terms and conditions of the applicable General Light and Power Service schedule in Company's General Tariff, subject to the terms of this Rule relating to the monthly guarantee.

(c) MONTHLY GUARANTEE

Customers supplied hereunder shall guarantee a net minimum monthly payment under the applicable schedule of an amount equivalent to the charge under that schedule for a use of 40 kWh per kilowatt of Reserved Capacity, calculated as if the Billing kW were equal to the Reserved Capacity.

(d) RESERVED CAPACITY

The Reserved Capacity shall be the average kilowatts, corrected for power factor in the manner prescribed in the schedule, supplied during the single fifteen-minute period of maximum use during the current month or any of the preceding 3 months, but in no case not less than 2 kilowatts. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**(d) RESERVED CAPACITY (cont'd)**

Company may require Customer to furnish and install an approved load limiting device which shall be set and sealed by Company so that Customer's use of service will not exceed the capacity of Company's available facilities.

(e) CONTRACT PERIOD

Not less than the minimum term specified in the schedule except that when Customer advises Company in writing of the permanent discontinuance of the use of all other customer-installed sources of power and executes a new contract with Company for Customer's entire power requirements, the contract for service under this Rule will be cancelled.

28. EXTENSION OF SERVICE**A. GENERAL PROVISIONS**

(1) A line extension is any construction to extend the distribution system to the Customer's property, consisting of more than the normal service facilities which are the transformer, transformer devices, service drop and meter. The Company constructs line extensions from the nearest suitable and available distribution line to supply new customers, or to change the supply to existing customers, under Company's standard rate schedules subject to the provisions of this Rule. However, the estimated cost of facilities subject to annual charges under Rule 29 or customer contributions-in-aid-of-construction are not subject to the provisions of this Rule.

(2) All provisions of these rules and of the applicable rate schedule, including any provisions relating to net and gross payments, apply to service supplied and charges made under this Rule except as specifically provided herein.

(3) The length of a line extension is the total length of new distribution line installed by the Company to the property line of the customers served from that extension, plus the length of any line installed on the existing distribution system where the existing facilities are unsuitable. (C)

(4) The Company requires, before construction, that:

(a) Customers supplied from a line extension for which an annual guarantee is required, sign contracts acceptable to the Company with an initial term of not more than five years. A contract may be cancelled at the request of the Customer before the end of the initial term by immediately fulfilling all contract obligations for the remainder of the initial term. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

28. EXTENSION OF SERVICE (cont'd)

A. GENERAL PROVISIONS (cont'd)

(b) Customers install wiring and other facilities necessary to use the Company's service.

(c) Satisfactory right-of-way and other necessary permits are granted to Company to construct the line extension along the route selected by the Company.

(d) Customer agrees to pay to the Company any initial and recurring right-of-way rental fees in excess of a nominal amount that are incurred by the Company in constructing and maintaining the line extension.

B. LINE EXTENSIONS

(1) The Company requires a minimum revenue guarantee for installation of any length of single-phase line extension in excess of 2,500 feet along the normal route of development of the distribution system, and for installation of all multi-phase line extensions. The guarantee period is 5 years or less. (C)

(2) Minimum revenue guarantee for single phase extensions are based only on the contractor costs, if any, and the direct labor costs and direct material costs attributable to construction of the line extension beyond the maximum extension distance. Guarantees for multi-phase extensions are based on fully allocated costs, and are credited with the equivalent single phase length allowance for up to 2,500 feet of new pole line along the normal route of development of the distribution system.

(3) Any length of line extension on, or through, restricted lands is excluded from the line extension allowance and is subject to a line extension guarantee.

(4) The excess cost of construction other than would normally be required for installation of the line extension, is paid by the Customer prior to installation.

C. SPECULATIVE LINE EXTENSIONS

(1) A line extension is speculative when, in the Company's judgement, the continued future use of the facilities by any Customer is uncertain.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

29. SUPPLY OF SERVICE (cont'd)

A. CHARACTERISTICS OF SUPPLY (cont'd)

(3) The Company extends service facilities from its distribution lines to the Customer's point of delivery. The Customer pays the estimated cost of on-property primary line extension length over 500 feet, on-property service line extension over 150 feet, and the additional cost of facilities other than those which the Company would normally install to meet the Customer's load requirements. (C)

(4) The Customer provides, without charge to the Company, suitable right-of-way across property owned or controlled by the Customer (or property owner) including but not limited to: ground line clearing of trees, brush and other obstruction, rough grading, and access by mechanical construction equipment. (C)

(5) The point of delivery is the point designated by Company where Company's service conductors are connected to Customer's service equipment. Company installs and maintains facilities to the point of delivery and shall not be required to install or maintain any conductors, meter base, equipment or apparatus except meter and meter accessories beyond that point.

(6) The Company normally supplies energy to only one point of delivery to a premises. The Company may provide a separate point of delivery at the Customer's request as a speculative line and/or service extension.

B. SPECULATIVE SERVICE EXTENSIONS

(1) A service extension is speculative when, in the Company's opinion, there is doubt as to the continued use of the new facilities by the Customer. This may include, but is not limited to, seasonal service, separate points of delivery, and service at locations which are relatively inaccessible or remote, or where the Customer has less investment than is required by the Company to supply service.

(2) When a service extension is speculative, the Company requires a minimum revenue guarantee equal to the Company's estimated cost of installation and removal of all facilities less any contribution in aid of construction by the Customer. The guarantee is for a five-year period or less. (C)

(3) The Company may require, in addition to any deposit necessary to secure payment of service bills, a surety bond or other security acceptable to the Company, to guarantee the fulfillment of the agreement.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

29. SUPPLY OF SERVICE (cont'd)

B. SPECULATIVE SERVICE EXTENSIONS (cont'd)

(4) Where the Customer requires a speculative service extension to be disconnected and Company facilities left in place for subsequent reconnection, the terms of the speculative service may be extended a year at a time beyond the initial five-year period. In addition, for each reconnection of service the Customer pays the cost of connection and disconnection. (C)

(5) A speculative service extension guarantee may be discontinued prior to expiration of the contract whenever the service becomes non-speculative in nature.

C. METHOD OF SUPPLY

(1) The Company furnishes and installs all electric service line facilities extending from its distribution supply lines at or near the Customer's property line to the Customer's point of delivery using normal construction for load conditions according to Company standards except as follows:

(a) The Company may at its discretion install other than normal service facilities at the Customer's request and at the Customer's expense.

(b) The Customer provides all mechanical facilities on the Customer's property, other than poles and guys, which are required to accommodate the installation of the Company's electric facilities, in accordance with Company specifications. All electric facilities, and all mechanical facilities installed by the Customer on the Company's side of the point of delivery which are not in, on or under buildings shall, after installation, be owned and maintained by the Company and be available for further extension. (C) (C)

(c) The Customer may install all service lines and related facilities on the Customer's property. Such facilities shall be on the Customer's side of the point of delivery and shall be owned and thereafter maintained by the Customer.

(d) When a Customer requests service in the vicinity of Company underground distribution facilities, the Company may require the Customer to take underground service under the same terms and conditions which would apply if the Company supply were overhead.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

29. SUPPLY OF SERVICE (cont'd)

C. METHOD OF SUPPLY (cont'd)

* * *

Ownership and maintenance of all facilities on the property or in the development on Company's side of the point of delivery that are not in or under buildings shall vest in the Company; the developer grants the Company, free-of-charge by perpetual easement, the sole right to move, maintain and extend these facilities. The developer agrees to pay the Company, in advance, the Company's estimated excess cost over normal overhead construction.

(C)
|
(C)
(C)
(C)

30. SERVICE FOR LESS THAN ONE YEAR

A. APPLICATION OF RULE

Unless a specific schedule is provided, service for less than one year will be supplied only under the terms of this rule, except, Company may, at its option, supply service for periods of less than one year under any standard schedule for purposes of test or demonstration.

Contracts for service for less than one year will be accepted by Company only when, in its judgment, it has available capacity of lines, transformers, generators and other equipment required therefor and only under Company's yearly schedules.

B. RATES

(1) Residential Service, except annually recurring seasonal service, will be supplied at the rates and minimum charges of the applicable yearly schedule without any added charges.

(2) The following classes of service will be supplied at the rates and minimum charges of the applicable yearly schedule plus a charge, payable in advance, to cover the estimated net costs of installing and removing the necessary wires and equipment and transferring or closing the account, which charge shall not be less than one dollar for each operation:

- (a) Seasonal Residential Service for annually recurring periods of less than one year.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

30. SERVICE FOR LESS THAN ONE YEAR (cont'd)

B. RATES (cont'd)

(3) All other classes of service will be supplied at the rates and minimum charges of the applicable yearly schedule plus (i) a charge, payable in advance, to cover the estimated net costs of installing and removing the necessary wires and equipment and transferring or closing the account, which charge shall not be less than one dollar (\$1.00) for each operation, and (ii) a charge determined by the application of the following multiplying factors to the net and gross bills calculated under the applicable yearly schedule:

Period of Service	Multiplying Factor
First month or less of service.....	1.10
Second consecutive month of service.....	1.05
Third consecutive month of service.....	1.03
Each additional consecutive month of service.....	1.00

Whenever intermittent service is taken the multiplying factors beginning at 1.10 shall be applied separately to each period of continuous service. The above factors do not apply to any guarantee determined in accordance with Rule 28 - Extension of Service.

31. RESIDENTIAL SERVICE REQUIREMENTS

(a) Company's Residential Service, Schedule RS, except as otherwise provided herein, applies to the supply of single-phase electric service through one meter to a single private dwelling unit and its appurtenant detached buildings such as a garage, stable, barn, etc. A separate dwelling unit shall consist of three or more rooms having separate bathroom, kitchen and living room. (C)

(b) The schedule applies to service for:

(1) A separate dwelling unit in an apartment house, but not the halls, basement, or other portions of such building common to more than one such unit.

(2) A private dwelling in which space is only occasionally used in connection with the conduct of a business or profession by a person residing therein.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

31. RESIDENTIAL SERVICE REQUIREMENTS (cont'd)

(3) A family owned and operated farm that does not regularly employ help to complete farm duties; and, is operated only for raising grain, garden, stock, dairy, poultry, and like products; provided Customer resides on the farm and the use of service for farm purposes is in conjunction with and through the same meter as Customer's domestic requirements. Does not apply to farms that engage in processing, preparing or distributing the products of others or for raising, housing or boarding of any animals owned by others. Additional dwelling units on the farm shall be metered separately or supplied under the terms provided herein for service to two or more dwelling units.

(c) The schedule does NOT apply to service for establishments such as a hotel, club, fraternity, institution, orphanage, rooming house or boarding house.

(d) Where a portion of a residence is used regularly for business or professional purposes, Customer may provide separate circuits so that the electric consumption in that portion may be metered and billed separately under the applicable General Light and Power schedule.

(e) Three phase service will not be supplied under Schedule RS on and after effective date of Rules and Regulations.

(f) Two or more separate dwelling units under the same ownership may be supplied through a single meter under the terms provided in the schedule.

* * *

(C)

(C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

* * *

(C)
|
(C)

32. POLE REMOVAL OR RELOCATION CHARGES -- RESIDENTIAL

(a) The term Pole Removal or Relocation as used in this Rule means the removal or relocation of distribution line poles and their associated attachments made pursuant to the request of a residential property owner who is not entitled to receive condemnation damages to cover the cost of the removal or relocation. The term does not include pole repairs or replacements made necessary by intentional or negligent conduct of any party.

(b) The Company will charge to residential property owner for a total of all direct labor costs, direct material costs, and contractor costs associated with a specific pole removal or relocation, less any maintenance expenses avoided as a result of the pole removal or relocation.

(c) Direct Labor costs shall mean the pay and expenses of Company employees directly attributable to work performed on a specific pole removal or relocation but shall not include construction overhead, payroll taxes, workers' compensation or other similar indirect expenses.

(C)

Direct Material costs shall mean the net purchase price of materials directly used in performing a pole removal or relocation, less the value of any unused materials, material recovered from temporary structures, or salvage material.

Contractor costs shall mean the amount paid by the Company to a contractor for work performed directly on a specific pole removal or relocation.

33. UNDERGROUND DISTRIBUTION

(a) Where the Company is requested or required to change from existing overhead to underground distribution and/or service or vice versa, the Customer shall be responsible for all costs associated with the change. The Company will refuse such requests if, in the Company's opinion, the change would not be feasible from an engineering, installation, maintenance or safety standpoint.

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

33. UNDERGROUND DISTRIBUTION (cont'd)

(b) When a Customer requires or requests an underground system not required by Rule 34, the Company will install such system if it is feasible from an engineering, installation, maintenance and safety standpoint and the Customer pays for all installation costs which are in excess of the costs that the Company estimates would have been incurred for overhead installation or are mandated under line extension policies for overhead service elsewhere in the Company's tariff. When underground service is requested, Company will supply an underground service connection of not more than 150 feet in length from the most suitable point of its distribution line to the pedestal, building, or terminal connection provided by Customer. The Customer provides all trenching, excavation, screening, conduit and backfilling, in accordance with Company specifications. Requirements in Rules 28, 29, 33 and/or 34 may also apply to Customer's service installation. Company reserves the right to deny requests for services greater than 150 feet in length, and to charge any incremental costs incurred for such service to the Customer.

(C)

34. UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS

A. The following words and terms, for purposes of this rule, shall have the following meaning unless the context clearly indicates otherwise:

(1) Applicant for electric service - The developer of: a recorded plot plan consisting of five or more lots; or one or more five unit apartment houses.

(2) Developer - The party responsible for constructing and providing improvements in a development, that is, streets, sidewalks, and utility - ready lots.

(3) Development - A planned project which is developed by a developer/applicant for electric service set out in a recorded plot plan of five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, mobile homes, or apartment houses, all of which are intended for year round occupancy, if electric service to such lots necessitates extending Company's existing distribution lines.

(4) Distribution Line - An electric supply line of untransformed voltage from which energy is delivered to one or more service lines.

(5) Service Line - An electric supply line or transformed voltage from which service is delivered to the residence.

(6) Subdivider - The party responsible for dividing a tract of land into building lots which are not to be sold as utility-ready lots.

(7) Subdivision - A tract of land divided by a subdivider into five or more adjoining unoccupied lots for the construction of single-family residences, detached or otherwise, or apartment houses, all of which are intended for year round occupancy, if electric service to such lots necessitates extending the Company's existing distribution lines.

(C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

34. UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS (cont'd)

B. All distribution and service lines installed pursuant to an application for electric service within a development shall be installed underground; shall conform to the Company's construction standards and Pa. P.U.C. Electric Regulations Section 57.82 - related to wire crossings, the specifications set forth in the National Electric Safety Code and shall be owned and maintained by the Company. Pad mounted transformers may be installed as a utility construction standard. Excavating, screening, conduit and backfilling shall be provided by the developer of the project or by such other agent as the developer may authorize. Installation of service-related utility facilities shall be performed by the Company or by such other agent as the Company may authorize. Any street-lighting lines installed then or thereafter within the same development shall also be installed underground, upon terms and conditions prescribed elsewhere in the Company's tariff. The Company shall not be liable for injury or damage occasioned by the willful or negligent excavation, breakage, or other interference with its underground lines occasioned by anyone other than its own employees or agents. (C)

Nothing in the foregoing paragraph is intended to prohibit the Company from performing its own excavation and backfilling for greater system design flexibility. However, no charges will be made other than those specified in paragraph C, Section 4.

C. The applicant for electric service to a development shall conform with the following:

(1) At its own cost, provide the Company with a copy of the recorded development plot plan identifying property boundaries, and with easements satisfactory to the Company or occupancy by distribution, service and street lighting lines and related facilities.

(2) At its own cost, clear the ground in which the lines and related facilities are to be installed of trees, stumps and other obstructions, provide the excavating, screening, conduit and backfilling subject to the inspection and approval of the Company, and rough grade it to within 6 inches of final grade, so that the Company's part of the installation shall consist only of installing conductors and other service-related facilities. (C)

Excavating, screening, conduit, and backfilling performed or provided by the applicant shall follow the Company's underground construction standards and specifications set forth by the Company in written form and presented to the applicant at the time of application for service and presentation of the recorded plot plan to the Company. If the Company's specifications have not been met by the applicants excavating and backfilling, such excavating and backfilling shall be corrected or redone by the applicant or its authorized agent. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

34. UNDERGROUND ELECTRIC SERVICE IN NEW RESIDENTIAL DEVELOPMENTS (cont'd)

Failure to comply with the Company's construction standards and specifications permits the Company to refuse utility service until such standards and specifications are met. (C)

(3) Request electric service at such time that the lines may be installed before curbs, pavements and sidewalks are installed; carefully coordinate scheduling of the Company's line and facility installation with the general project construction schedule, including coordination with any other utility sharing the same trench; keep the route of lines clear of machinery and other obstructions when the line installation crew is scheduled to appear; and otherwise cooperate with the Company to avoid unnecessary costs and delay. (C)

(4) Pay to the Company any necessary and additional costs incurred by the Company as a result of the following:

- (a) Installation of underground facilities that deviate from the Company's underground construction standards and specifications if such deviation is requested by the applicant for electric service and is accepted by the Company.
- (b) A change in the plot plan by the applicant for electric service after the Company has completed engineering for the project and/or has commenced installation of its facilities.
- (c) Physical characteristics such as oversized lots or lots with extreme set-back where under the Company's line extension policy contained in its tariff a charge is mandated for overhead service.

D. Exceptions

Whenever the Company or any affected person believes that the application of Rule 34 works an undue hardship, involves a physical impossibility, or is otherwise inappropriate, the Company or person may request the Pennsylvania Public Utility Commission to make an exception to this Rule. (C)

E. Subdivisions

Underground facilities in new residential developments are only required by Rule 34 when a bona fide developer exists, i.e., only when utility-ready lots are provided by the developer. A mere subdivision is not required to have underground service. However, should the lot owner or owners in a subdivision desire underground service, such service will be provided by the Company if such lot owner or owners, at their option, either comply with

(C) Indicates Change

RULES AND REGULATIONS (cont'd)**36. EMERGENCY ENERGY CONSERVATION (cont'd)**

(1) These procedures shall include schedules of load shedding priorities to be followed, in compliance with subsection (a) of this Rule.

(2) These procedures may be revised by the utility and shall be revised if required by the Commission. (C)

(3) A copy of the procedures or of the revision currently in effect shall be kept available for public inspection at the office at which the utility maintains a copy of its tariff for public inspection, and another copy shall be kept on file with the Commission's Bureau of Conservation, Economics and Energy Planning.

(c) In the event of either a load emergency situation or an emergency energy conservation situation, as defined under subsection (a) of this Rule, the following emergency notification procedures apply:

(1) During load emergencies, initial notice shall be provided by telephone to the Commission no later than the time a voltage reduction warning is issued on the electric system. If a utility does not have the capacity to implement system-wide automatic voltage reductions, notice shall be provided to the Commission prior to the implementation of emergency measures which would have a direct impact on firm customers. Notification shall be provided to the Commission as each subsequent load control procedure is either implemented or cancelled. During the course of the load emergency situation, the affected utility shall provide other emergency related information to the Commission that the Commission determines to be necessary. Information shall be provided by fax at a minimum of every 3 hours commencing with initial notification of an emergency situation and shall include the following:

- (i) System operating capacity.
- (ii) Current system load.
- (iii) Projected system peak load and hour.
- (iv) System operating reserve capacity.
- (v) Capacity transactions.
- (vi) Unavailable generating units.
- (vii) Status of implementation of emergency operating procedures. (C)
- (viii) Customers and loads affected by manual load shedding, if applicable. (C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

36. EMERGENCY ENERGY CONSERVATION (cont'd)

(2) During energy conservation emergencies, notice shall be provided by telephone or other mutually agreed-upon means to the Commission at the time of initial implementation of measures which the utility determine to be necessary to conserve available fuel supplies and which would have a direct impact on firm customers. Notification shall be provided to the Commission as each subsequent emergency conservation procedure is either implemented or cancelled. During the course of the emergency energy conservation situation, the affected utility shall provide other emergency related information to the Commission that the Commission determines to be necessary. Information shall be provided by method and at intervals requested by the Commission, commencing with initial notification of an emergency situation and shall include the following: (C)

- (i) Fuel inventories.
- (ii) Fuel deliveries.
- (iii) Burn rates.
- (iv) Curtailment schedules, if applicable.

(3) The utility shall designate emergency contact individuals from which emergency information may be obtained and provide the Commission with a current list of contacts. (C)

(4) Utilities which operate within a power pool or similarly integrated bulk power system with a single system operator shall provide notification and other emergency related information to the Commission through their designated representative if the emergency situation affects the entire integrated system, in lieu of individual utility notification.

(5) Section 67.1 of the PUC's regulations (relating to general provisions) does not apply to either load emergency situations or emergency energy conservation situations.

(6) The Commission will provide information to the Pennsylvania Emergency Management Agency during emergency situations.

(7) The Commission will designate emergency contact individuals to be contacted by the utilities to meet the requirements of this section. The Commission will provide the current list of Commission contacts to the utilities and the Pennsylvania Emergency Management Agency

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

37. ELECTRIC VEHICLE (EV) CHARGING FACILITIES

Customer, who may be either the owner, operator, or host of third-party electric vehicle charging services, shall notify the Company of a planned installation of electric vehicle charging facilities at least one hundred twenty (120) days in advance of the planned installation date. Company shall evaluate the planned installation to confirm whether the installation can be accommodated by the existing electric distribution system and metering. Customer shall provide Company with all information necessary to conduct this analysis. Customer may be required to install an additional metering point for the EV charging facilities as determined by the Company. If the EV charging facilities require multi-phase service, then the requirements in Rule 28 shall apply.

(C)

(C)

38. [RESERVED]

39. ELECTRIC GENERATION SUPPLIER SWITCHING AND SERVICE ADDRESS CHANGES

Citizens' will accommodate requests to switch EGSs or return to Default Service in accordance with this Rule 39, and any applicable Commission Orders.

A. Customer Contacts EGS to Request Switch to another EGS.

- (1) To switch to a new EGS, a Customer must contact the new EGS.
- (2) To enable a new EGS to complete a switch, a Customer must provide to the new EGS their Citizens' account number as it appears on the Customer's Citizens' monthly bill.
- (3) Upon receiving direct oral confirmation or written authorization from the Customer to change the EGS, the contacted EGS shall notify the Company of the Customer's EGS selection by submitting an enrollment request

(C) Indicates Change

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of 0.0000% will apply to all bills for service rendered on or after January 29, 2023. (D)(C)

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 re-computation. 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 such re-computation 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 the base rates in the Company's next base rate proceeding. (C) (C)

(D) Indicates Decrease (C) Indicates Change

GSSR-1 RIDER (cont'd)

The Company will submit a preliminary filing containing the projected GSSR-1 rate with the Commission no later than 45 days prior to the computation period. The Company may update the GSSR-1 rate after submission of the preliminary filing; provided, however, that no such update will be submitted less than 10 days prior to the first day of the computation period. The new GSSR-1 rate shall become effective for bills issued on and after the first day of the computation period and shall remain in effect for a period of six months, or until new GSSR rates are approved by the Commission. The reconciliation will be the difference between the actual GSSR-1 revenues and costs and the projected GSSR-1 revenues and costs for the reconciliation period that ends immediately before the computation period.

Upon determination that the GSSR-1, if left unchanged, would result in a material over or under collection of Purchased Power Costs incurred or expected to be incurred during the current 6-month computation period, the Company may file with the Commission for an interim revision of the GSSR-1 to become effective 30 days from the date of filing, unless otherwise ordered by the Commission. (C)

Minimum bills shall not be reduced by the reason of the GSSR-1, nor shall GSSR-1 charges be a part of the monthly rate schedule minimum.

Application of the GSSR-1 shall be subject to continuous review and audit by the Commission at intervals it shall determine. The Commission shall review the reasonableness and lawfulness of the level of charges produced by the GSSR and the costs included therein.

If from such audit it shall be determined, by final order entered after notice and hearing, that this clause has been erroneously or improperly utilized, the Company will rectify such error or impropriety, and in accordance with the terms of the order, apply adjustments against future GSSRs for such revenues as shall have been erroneously or improperly collected. The Commission's order shall be subject to the right to appeal.

(C) Indicates Change

**SCHEDULE RS
RESIDENTIAL SERVICE**

APPLICATION OF SCHEDULE

Service supplied in accordance with Company's Residential Service Requirements contained in Rule 31, in Company's Rules and Regulations.

NET MONTHLY DISTRIBUTION RATE

\$13.10 Customer Charge (I)
3.368 cents per kWh for all kWh (I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 9.366 cents per kWh

(I) Indicates Increase

SCHEDULE RS (cont'd)
RESIDENTIAL SERVICE

TWO OR MORE SEPARATE DWELLING UNITS

When two or more separate dwelling units are supplied through one meter, the initial charge and the kWh in each block will be multiplied by the number of dwelling units supplied.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate.

(C)
(C)

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONTRACT PERIOD

Not less than one year.

(C) Indicates Change

**SCHEDULE GLP-1
 GENERAL LIGHT AND POWER SERVICE**

APPLICATION OF SCHEDULE

This rate schedule is for small general light and power service at secondary voltage or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

\$16.00 Customer Charge	(I)
\$3.74 per kilowatt for all kilowatts of the Billing Demand	(I)
0.963 cents per kWh for all kWh	(I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 or the GSSR-2, and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers.

Customers with monthly billing demands under 400 kW for each of the prior 12 months will pay the GSSR-1. As set forth in the GSSR-1 Rider, the GSSR-1 rate includes projected energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 9.366 cents per kWh

Customers with a monthly billing demand of 400 kW or more during any month in the last 12 months will pay the GSSR-2. As set forth in the GSSR-2 Rider, the GSSR-2 rate includes the Administrative Charges defined in Rider GSSR-2 (including administrative, ancillary, and congestion charges from the wholesale supplier and administrative charges from the Company). Costs for energy, capacity and transmission (including RTEP) will be added to the Administrative Charge as set forth in the GSSR-2 Rider.

GSSR-2 Administrative Charge = 0.290 cents per kWh

(I) Indicates Increase

SCHEDULE GLP-1 (cont'd)
GENERAL LIGHT AND POWER SERVICE

MINIMUM CHARGE

\$16.00 per month, plus \$3.74 per kW times the minimum Billing Demand requirement of this rate schedule, but not less than 5 kW. (I)(C)
(C)

BILLING DEMAND

Billing Demand is the average kilowatts supplied during the 15-minute period of maximum use during the current month, but not less than 50% of the highest demand during the preceding eleven months. (C)
(C)

Pending the installation of a demand meter, Billing Demand shall be determined by dividing the kilowatt-hour use by 200.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate. (C)
(C)

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONTRACT PERIOD

Not less than one year.

SPECIAL PROVISION

Upon application, pursuant to Act 103 of 1985, a volunteer fire company, non-profit ambulance service, non-profit rescue squad, or non-profit senior citizens' center may elect to have its electric service rendered under the Residential Service (RS) Rate Schedule upon execution of a contract for a minimum term of one year. (C)
(C)

(I) Indicates Increase

(C) Indicates Change

**SCHEDULE GLP-3
 GENERAL LIGHT AND POWER SERVICE
 50 KILOWATTS MINIMUM**

APPLICATION OF SCHEDULE

General light and power service for not less than 50 kilowatts from available lines of three phase 230 volts or at a higher available voltage at the option of the Customer.

NET MONTHLY DISTRIBUTION RATE

\$55.00 Customer Charge	(I)
\$5.37 per kilowatt for all kilowatts of the Billing Demand	(I)
0.949 cents per kWh for 30 kWh per kilowatt of the Billing Demand	(I)
0.103 cents per kWh for all additional kWh	(I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 or the GSSR-2, and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers.

Customers with monthly billing demands under 400 kW for each of the prior 12 months will pay the GSSR-1. As set forth in the GSSR-1 Rider, the GSSR-1 rate includes projected energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 9.366 cents per kWh

Customers with a monthly billing demand of 400 kW or more during any month in the last 12 months will pay the GSSR-2. As set forth in the GSSR-2 Rider, the GSSR-2 rate includes the Administrative Charges defined in Rider GSSR-2 (including administrative, ancillary, and congestion charges from the wholesale supplier and administrative charges from the Company). Costs for energy, capacity and transmission (including RTEP) will be added to the Administrative Charge as set forth in the GSSR-2 Rider.

GSSR-2 Administrative Charge = 0.290 cents per kWh

(I) Indicates Increase

SCHEDULE GLP-3 (cont'd)
GENERAL LIGHT AND POWER SERVICE
50 KILOWATTS MINIMUM

MINIMUM CHARGE

The monthly minimum charge is the customer charge of \$55.00, plus \$5.37 (I)
per kW times the minimum Billing Demand requirement of this rate schedule but
not less than 50 kW.

BILLING DEMAND

Billing Demand is the average kilowatts supplied during the 15-minute
period of maximum use during the current month, but not less than 50% of the
highest demand during the preceding eleven months.

VOLTAGE DISCOUNT

23.442 cents per kilowatt of Billing Demand when service is supplied at (I)
12,000 volts for loads over 1000 kilowatts.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied (C)
to all charges under this rate. (C)

PAYMENT

The above net rates apply when bills are paid on or before the due date
specified on the bill, which is not less than 20 days from the date the bill
is mailed. After the due date, a late payment charge of 1.50% per month on
the then unpaid and overdue balance will be added. The Company may also
initiate collection procedures.

CONTRACT PERIOD

Not less than one year.

(I) Indicates Increase

(C) Indicates Change

**SCHEDULE MBL
MUNICIPAL BOULEVARD STREET LIGHTING SERVICE BY CONTRACT
WITH MUNICIPAL AUTHORITIES**

AVAILABILITY

This schedule applies to street lighting controlled by Company when proper underground cables and lighting standards are available in the Borough of Lewisburg, Pennsylvania. (C)

NET MONTHLY DISTRIBUTION RATE

\$3.84 for each meter
\$3.98 for each light post connected to the meter (I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 9.366 cents per kWh

(C) Indicates Change (I) Indicates Increase

SCHEDULE MBL (cont'd)
MUNICIPAL BOULEVARD STREET LIGHTING SERVICE BY CONTRACT
WITH MUNICIPAL AUTHORITIES

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

HOURS OF SERVICE

All all-night Boulevard lamps will be lighted from one-half hour after sunset to one-half hour before sunrise each and every night, or with automatic controls which operate according to degree of darkness.

EQUIPMENT AND SERVICE

Company will furnish and maintain standard electrical equipment, such as wire and necessary controls. The Borough will assist with the installation and will supply the standards, conduit, and any necessary junction or termination enclosures. Any other maintenance and servicing of the system including replacement of lamps and globes shall be performed by the Borough or at Borough expense. (C)

This schedule is not applicable where the installation requires special equipment or where the investment per standard is excessive for any reason. Spacing between standards shall not exceed an average of 125-feet with a maximum spacing of 150-feet. (C)

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate. (C)

CONTRACT PERIOD

Contract is for a period of five years from date first installed and continues in full force thereafter on a yearly basis from year to year until legal written notice of at least ninety (90) days is given either party.

(C) Indicates Change

**SCHEDULE OL
 OUTDOOR LIGHTING SERVICE BY CONTRACT
 HIGH PRESSURE SODIUM (HPS), MERCURY VAPOR (MV) &
 LIGHT EMITTING DIODE (LED)**

APPLICATION OF SCHEDULE

Outdoor dusk to dawn lighting service to any customer when such service can be supplied from existing overhead or underground secondary supply lines.

NET MONTHLY RATES

FIXTURES INSTALLED PRIOR TO MARCH 13, 2018

Watts	Lamp	Nominal Lumens	Supply OH/UG	Fixture Type	Distribution	Generation***	Total Cost
100	HPS*	8,500	OH	Open	\$9.09	\$4.26	\$12.46
100	HPS*	8,500	UG	Open	\$14.77	\$4.26	\$18.14
100	HPS*	8,500	UG	Colonial**	\$21.88	\$4.26	\$26.14
400	HPS*	45,000	OH	Cobra	\$14.20	\$15.24	\$26.24
175	MV*	6,650	UG	Cobra	\$14.77	\$6.56	\$19.95
175	MV*	6,650	OH	Open	\$7.27	\$6.56	\$12.45

(I)

LED FIXTURES

Watts	Lamp	Nominal Lumens	Supply OH/UG	Fixture Type	Distribution	Generation***	Total Cost
45	LED	5,000	OH	Cobra	\$12.92	\$1.48	\$14.40
45	LED	5,000	UG	Cobra	\$18.84	\$1.48	\$20.32
50	LED	5,000	UG	Colonial	\$26.60	\$1.64	\$28.24
140	LED	15,000	OH	Cobra	\$16.25	\$4.59	\$20.84
140	LED	15,000	UG	Cobra	\$22.14	\$4.59	\$26.73
280	LED	20,000	OH	Cobra	\$20.51	\$9.18	\$29.69
280	LED	20,000	UG	Cobra	\$26.40	\$9.18	\$35.58

(I)

(I)

*MV and HPS lamps are no longer being offered for new installations. The Company reserves the right to replace any existing MV or HPS installation with a comparable LED alternative.

**Colonial HPS and MV fixtures installed prior to March 1, 2008 will be billed at the 100W HPS UG open-type fixture rate.

***Customers' monthly generation charge will be adjusted periodically to reflect changes in the Company's GSSR-1.

Alternative EGS supply is not available under this tariff.

(I) Indicates Increase

SCHEDULE OL
OUTDOOR LIGHTING SERVICE BY CONTRACT
HIGH PRESSURE SODIUM (HPS), MERCURY VAPOR (MV) &
LIGHT EMITTING DIODE (LED)

HOURS OF SERVICE

All lamps will be controlled with automatic controls which will operate according to the degree of darkness, approximately 4,200 hours per year. The Company will endeavor to remedy malfunctions within 2 business days after notification. There is no reduction in the bill for lamp or power outages.

(C)

STANDARD EQUIPMENT AND SERVICE

All outdoor lighting facilities will be supplied, installed, operated, owned and maintained by the Company. New equipment installed under the above rates shall be the standard equipment of the type currently approved and furnished by the Company.

Company installs up to one span of secondary not exceeding 150 feet from an existing 120 Volt secondary supply and one pole for each lamp, provided the location of the pole is accessible by a service truck for the installation and maintenance of the pole and lamp.

(C) Indicates Change

SCHEDULE OL (cont'd)
OUTDOOR LIGHTING SERVICE BY CONTRACT

Standard Installations (other than Colonial) are 35 foot wood poles and four foot mast arms. Colonial installations are 18 to 20 foot non-wood, black poles with a black, colonial style, post top luminare. All underground trenching, screening, conduit, and backfill shall be furnished by the customer, in accordance with Company specifications. (C)

Customer shall provide easements, suitable rights of way cleared to company specifications and any necessary permits. All relocations shall be at the expense of the requesting party.

SPECIAL PROVISIONS

Any additional facilities that the Company is required to install, including, but not limited to, additional poles, extended secondary circuits, other additions to or rearrangements of existing distribution facilities, or mast arms longer than four feet, shall be paid for in advance by the customer based on an estimate prepared by the Company.

When requested by the customer, the Company may, at its option, install equipment that is not in conformity with the aforementioned STANDARD EQUIPMENT AND SERVICE. Under this rule, the customer shall pay in advance, the Company's investment in equipment and installation that is in excess of that required for the Standard Installation. Maintenance cost over that of the Standard Installation shall be paid in advance by the customer. Fixture repair or replacement will be subject to availability of parts. Company will not maintain a stock of spare parts for non-standard fixtures.

At the Company's option, the Company may remove and discontinue all facilities and equipment due to repeated vandalism or inability to provide maintenance due to restricted service truck access.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate. (C)

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.5% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONTRACT PERIOD

Contract is for a minimum period of three years from date first installed and continued in full force thereafter until notice to remove given by either party. Upon receipt of notice, Company will endeavor to remove light within thirty (30) days. There are no seasonal applications of these rates.

(C) Indicates Change

**SCHEDULE SH
SPACE HEATING**

APPLICATION OF SCHEDULE

This rate schedule is in the process of elimination and is available only to customers and service locations supplied hereunder continuously on and after August 8, 1981. For Space Heating through a separate meter for single phase service or three phase service, if available. Use of service for air conditioning and water heating equipment may be supplied hereunder in connection with the space heating equipment, all in accordance with the requirements specified herein.

NET MONTHLY DISTRIBUTION RATE

\$20.19 Customer Charge (I)
4.413 cents per kWh (I)

GENERATION SUPPLY RATES

For customers purchasing generation supply service from Citizens' Electric Company's Default Service, the generation charge is the GSSR-1 determined under this Tariff and will not apply to customers purchasing generation supply service from other PUC approved Electric Generation Suppliers. The GSSR-1 includes energy, capacity, transmission, ancillary services, congestion and administrative charges.

GSSR-1 = 9.366 cents per kWh

(I) Indicates Increase

SCHEDULE SH (cont'd)
SPACE HEATING

SPACE HEATING REQUIREMENTS

Electric space heating units, including electrically operated year-round air conditioning and heating equipment, shall be the sole means of heating any building supplied hereunder.

Service hereunder shall be supplied at the same point of delivery as the general light and power service to the building.

Supplemental use of renewable energy sources such as wood, solar, wind and water is permitted in conjunction with service supplied hereunder without violating the total electric requirement of the rate.

AIR CONDITIONING REQUIREMENTS

Air conditioning equipment, separate from space heating and designed for comfort cooling, may be supplied hereunder in connection with space heating in the same building, providing it is the sole means of air conditioning.

WATER HEATING REQUIREMENTS

Water heating of the automatic storage type equipped with noninductive heating units thermostatically controlled, that are the exclusive source of hot water at all times, may be supplied hereunder in connection with space heating in the same building.

STATE TAX ADJUSTMENT SURCHARGE

The State Tax Adjustment Surcharge included in this Tariff is applied to all charges under this rate.

(C)
(C)

PAYMENT

The above net rates apply when bills are paid on or before the due date specified on the bill, which is not less than 20 days from the date the bill is mailed. After the due date, a late payment charge of 1.50% per month on the then unpaid and overdue balance will be added. The Company may also initiate collection procedures.

CONDITIONS

Service supplied shall be subject to the Rules and Regulations set forth elsewhere in this tariff, where applicable. All space heating installations shall be approved by the Company.

CONTRACT PERIOD

Not less than one year.

(C) Indicates Change

**COGENERATION & SMALL POWER PRODUCTION
QUALIFYING FACILITY SERVICE**
(Applicable to All Rate Schedules)

Electricity produced from a "Qualifying Facility" (QF) or a "Small Power Production Facility" (SPP) that meets Federal Energy Regulatory Commission (FERC) certification requirements under Section 210 of the Public Utility Regulatory Policies Act of 1978 (PURPA) with generating capacity of 500 kW or less will be purchased by the Company in accordance with rates and terms shown below. Customers with more than 500 kW of generating capacity or customers that do not meet FERC certification requirements under Section 210 of the PURPA shall apply for specific contract terms.

ENERGY PURCHASES BY COMPANY

Citizens' Electric Company will purchase power from QF's and SPP's at the following rates:

- Option A- Energy credit based on the Company's projected cost for the year ending December 31, 1996.
2.82¢ per kWh during on and off-peak hours. (C)
- Option B- A combination of the highest capacity and energy credits based on projected Company cost for the year ending December 31, 1996. This option will require a signed contract with a minimum of 3 years.
- 3.83¢ per kWh during on peak hours.
2.82¢ per kWh during off peak hours.

INTERCONNECTION COSTS

Each qualifying facility shall pay any reasonable additional connection costs above the cost to service Customer's electrical load with Citizens' Electric may incur to allow the purchase of power from the qualifying facility.

(C) Indicates Change

**COGENERATION & SMALL POWER PRODUCTION
QUALIFYING FACILITY SERVICE (cont'd)**
(Applicable to All Rate Schedules)

**SALES TO QUALIFYING FACILITIES, SPPs AND COGENERATION FACILITIES
OF OVER 50 KW (cont'd)**

2. For Facilities producing or securing less than 75% of its total power requirements from sources other than the Company:

A. Supplemental Power will be provided subject to the rates and provisions of the Company's GLP-3 tariff.

B. Backup or Maintenance Power will be provided subject to the rates and provisions of the Company's GLP-3 tariff except as follows:

- (1) All Backup or Maintenance Power taken during off-peak hours, as described in paragraph 6, will be billed at the tail block rate for energy only, and demand charges will not be applied. (C)
- (2) All Backup and Maintenance Power taken during on-peak hours, and when such power is taken coincident with the Company's monthly system peak, thereby increasing the Company's peak and cost, but does not also result in a new peak for the Facility which is higher than any other peak registered during the month, then the Facility will be billed additional charges in accordance with the following formula:
$$(\$5.43 \times \text{kW Demand}) - (1.402¢ \times \text{kW Demand} \times \text{Hours of Use})$$
- (3) kW Demand for this purpose will be calculated by the best available metering or averaging the Facility's generator output one hour prior and one hour subsequent to the time of the Company's monthly system peak in the previous three months. Metering to be approved by the Company.
- (4) Hours of Use for this purpose will be all hours that Backup or Maintenance Power is taken during the billing month.
- (5) The total credit calculated by the formula in paragraph 2B(2) shall not exceed the amount of the charge derived from the formula.

(C) Indicates Change

**COGENERATION & SMALL POWER PRODUCTION
QUALIFYING FACILITY SERVICE (cont'd)**
(Applicable to All Rate Schedules)

**SALES TO QUALIFYING FACILITIES, SPPs AND COGENERATION FACILITIES
OF OVER 50 KW (cont'd)**

3. For Facilities producing, or securing from sources other than the Company, 75% or more of its total power requirements:
 - A. Supplemental Power and Backup & Maintenance Power will be provided at the GLP-3 Tariff Rate, subject to the following conditions and modifications:
 1. Billing demand is the average number of kW supplied during the fifteen (15) minute period of maximum use during the current month. The minimum of 50% of the highest kW of the preceding eleven months does not apply in making this calculation.
 2. Minimum Charge is the customer charge of \$50.22 plus the monthly Reservation Charge (see Section 4) and any meter service charges. The 50 kW minimum demand applicable under the GLP-3 Tariff Rate does not apply.
 3. The voltage discount applicable under the GLP-3 Tariff Rate does not apply.
4. Monthly Reservation Charge: Facilities billed under the rates and provisions of Section 3 will be required to pay a Monthly Reservation Charge calculated in accordance with the following formula:

$$\$2.51 \times kW_{RC} \quad (I)$$

kW_{RC} is the Reserve Capacity specified in paragraph 4B.

This Reservation Charge includes the applicable Gross Receipts Tax.

(I) Indicates Increase

**COGENERATION & SMALL POWER PRODUCTION
QUALIFYING FACILITY SERVICE (cont'd)**
(Applicable to All Rate Schedules)

**SALES TO QUALIFYING FACILITIES, SPPs AND COGENERATION FACILITIES
OF OVER 50 KW (cont'd)**

4. Monthly Reservation Charge (cont'd)

- A. A credit will be applied to the Reservation Charge in accordance with the following formula:

$$\$2.51 \times kW_{BD}$$

(I)

kW_{BD} is the kW of monthly Billing Demand. The maximum monthly credit shall not exceed the Reservation Charge.

- B. The Facility must notify the Company in writing by December 1 of calendar year.
- C. In the event the actual kW capacity taken in any month exceeds the Reserve Capacity specified by the Facility for the current year, then that kW capacity will become the kW of Reserve Capacity for all subsequent months of the current year. The Company will be entitled to recover revenue based on the new kW of Reserved Capacity, plus a twenty-five percent (25%) surcharge on those recovered revenues, for each month dating back to the beginning of the calendar year.

(I) Indicates Increase

RIDER B - NET METERING

Purpose: This Rider sets forth the eligibility, terms and conditions applicable to Customers with installed qualifying renewable customer-owned generation using a net metering system.

Application: This Rider is available to renewable customer-generators served under Rate Schedules RS, GLP-1, and GLP-3 who install a device or devices which are, in the Company's judgment, subject to Commission review, a bona fide technology for use in generating electricity from qualifying Tier I or Tier II alternative energy sources pursuant to Alternative Energy Portfolio Standards Act No. 2004-213 (Act 213) or Commission regulations and which will be operated in parallel with the Company's system. A renewable customer-generator is a non-utility owner or operator of a net metered generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service (Rate RS) or not larger than 3,000 kilowatts at other customer service locations (Rates GLP-1 and GLP-3), except for Customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the Company during grid emergencies as defined by the regional transmission organization or where a micro-grid is in place for the purpose of maintaining critical infrastructure such as homeland security assignments, emergency services facilities, hospitals, traffic signals, wastewater treatment plants or telecommunications facilities provided that technical rules for operating generators interconnected with facilities of the Company have been promulgated by the Institute of Electrical and Electronic Engineers ("IEEE") and the Commission. (C)

Qualifying renewable energy installations are limited to Tier I and Tier II alternative energy sources as defined by Act 213 and Commission Regulations. The Customer's equipment must conform to the Commission's Interconnection Standards and Regulations pursuant to Act 213. This Rider is not applicable when the source of supply is service purchased from a neighboring electric utility under Borderline Service.

Service under this Rider is available upon request to renewable customer-generators on a first come, first served basis so long as the total rated generating capacity installed by renewable customer-generator facilities does not adversely impact service to other Customers and does not compromise the protection scheme(s) employed on the Company's electric distribution system.

(C) Indicates Change

Attachment C

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY	:	
COMMISSION	:	
	:	
v.	:	DOCKET NO. R-2022-3032369
	:	
CITIZENS' ELECTRIC COMPANY OF	:	
LEWISBURG, PA	:	

**STATEMENT IN SUPPORT OF JOINT PETITION FOR SETTLEMENT
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA**

On October 5, 2022, Citizens' Electric Company of Lewisburg, PA ("Citizens" or "Company"), the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA") (collectively, "Parties"), submitted to the Commission a Joint Petition for Settlement ("Joint Petition" or "Settlement") proposing a negotiated resolution of all outstanding issues in the above-captioned proceeding. Citizens' hereby provides a Statement in Support, which explains the background and provisions of the Settlement and establishes that approval of the Settlement without modification is appropriate and in the public interest.

I. BACKGROUND

1. On April 29, 2022, Citizens' submitted proposed Supplement No. 152 to Tariff Electric Pa. P.U.C. No. 14 ("Supplement No. 152") proposing to increase its base rates by just under \$1 million per year. *See* Statement of Reasons at 2, Docket No. R-2022-3032369 (filed April 29, 2022). Citizens' submitted a detailed Statement of Reasons explaining the basis for the

request, as well as the required supporting information under the Commission's Regulations at 52 Pa. Code § 53.52.

2. The Company's supporting information demonstrated that an increase of \$1,134,250 was warranted; however, the Company voluntarily limited its request to just under \$1 million so it could proceed under the "small rate case" provisions in the Commission's regulations at 52 Pa. Code § 53.52.

3. The OCA and OSBA filed Complaints with the Commission challenging Citizens' request. In addition, I&E submitted a Notice of Appearance.

4. By Order entered June 16, 2022, the Commission allowed Supplement No. 152 to be suspended by operation of law until January 28, 2023, and ordered that the Company's rate increase filing and its existing rates, rules, and regulations be investigated. The Commission also ordered that this matter be assigned to the Office of Administrative Law Judge for scheduling of hearings and issuance of a Recommended Decision. As a result, the Commission assigned this proceeding to Administrative Law Judges ("ALJs") Eranda Vero and Charece Z. Collins.

5. On July 1, 2022, Citizens', along with Valley Energy, Inc., jointly moved to consolidate the proceedings with Valley's 2022 Base Rate Filing, located at docket number R-2022-3032300. On July 11, 2022, ALJs Vero and Collins issued an Order granting the motion for consolidation and ordering the parties to engage in discovery.

6. Pursuant to that discovery schedule, the Parties submitted multiple rounds of testimony, as detailed in Section II of the Joint Petition. The Company also responded to numerous sets of written interrogatories, providing detailed explanations of various issues related to its request.

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

II. STATEMENT IN SUPPORT

8. The Joint Petition reflects a reasonable balance and appropriate compromise of the Parties' positions regarding the Company's clearly documented need for additional revenue. The annual revenue requirement increase of \$930,000 in the Joint Petition will be sufficient for Citizens' to continue furnishing safe and reliable service. Since Citizens' last base rate increase in May 2020, Citizens' has continued to upgrade its distribution infrastructure, including replacing poles, increasing conductor size, replacing underground cable, reconductoring to increase capacity and reliability, and relocating lines for reliability improvement. *See* Statement of Reasons at 3. At the same time, Citizens' has faced declining sales and revenues, along with the shutdown of a major commercial customer in Lewisburg in late 2021. *See id.* at 3–4. Citizens' distribution revenues have also been adversely impacted by net metering of new solar generation resources in its service territory. *See* Citizens' Statement No. 4 at 7. Finally, Citizens' Operations and Maintenance ("O&M") costs have increased by over \$500,000 compared to the last rate case due to inflation and cost increases for most major components required to operate and maintain our distribution system.

9. The proposed distribution rates will promote the continued provision of safe and reliable service and will provide Citizens with the opportunity to earn a fair and reasonable return on the resources invested in the distribution system. Citizens' will be able to continue its capital investment in system improvements, as well as the current maintenance and replacement policies that have resulted in very safe, adequate, and reliable service for customers. The new rates will also enhance Citizens' ability to obtain capital, when necessary, to fund major system improvement projects that may be necessary in the future.

10. In addition, this amount will permit the Company, in the short term, to cope with the enhanced business and financial risks discussed by witness Dylan D'Ascendis that exist due to the Company's size, operational characteristics, and credit obligations. *See* Citizens' Statement No. 2 at 10–12. Although Citizens' believes that, if this proceeding were fully litigated, the Commission would find that the Company is entitled to all or substantially all of the fully requested rate increase as calculated and supported by witness Howard Gorman in his Rebuttal Testimony,¹ in the interest of avoiding the expense and uncertainty of continued litigation in this matter, Citizens' has agreed to accept an annual revenue increase in the amount of \$930,000. The benefits of avoiding litigation will accrue to the other parties to this rate case, as well. The compromise will also moderate the impact of the revenue increase upon the rates charged to Citizens' customers.

III. CONCLUSION

11. Based on all of the testimony and exhibits submitted by Citizens' and the other Parties, the Company respectfully submits that approval of the Joint Petition without modification is appropriate and in the public interest. The Joint Petition results in a base rate increase that will allow the Company to continue to provide safe and reliable electric service to its customers. In

¹ *See* Citizens' Statement No. 1R, p. 2.

addition, the Joint Petition represents a compromise solution that adequately addresses the needs of all parties to this proceeding.

12. Further, the Joint Petition results in base rates that are just, reasonable, and non-discriminatory, while also implementing provisions that result in fair and appropriate treatment of the Company and its customers. Finally, the Joint Petition avoids the expense and uncertainty of fully litigating all of the matters in this proceeding and otherwise advances the policy of this Commission to encourage parties to resolve contested proceedings through settlement processes.

WHEREFORE, Citizens' respectfully requests that the Commission adopt the Joint Petition for Settlement without modification.

Respectfully submitted,

MCNEES WALLACE & NURICK LLC

By 

Adeolu A. Bakare (Pa. I.D. No. 208541)
Aspassia Staevska (Pa. I.D. No. 94739)
100 Pine Street
Harrisburg, PA 17101
Phone: 717.232.8000
Fax: 717.237.5300
abakare@mcneeslaw.com
astaevska@mcneeslaw.com

Pamela C. Polacek (Pa. I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
ppolacek@ctenterprises.org

*Counsel to Citizens' Electric Company of
Lewisburg, PA*

Dated: October 5, 2022

Attachment D

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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

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

I. INTRODUCTION

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through its Prosecutor Scott B. Granger, hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair, just, and reasonable balance of the interests of Citizens’ Electric Company of Lewisburg, PA (“Citizens” or the “Company”), I&E, the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (parties in the above-captioned proceeding and hereinafter collectively referred to as “Joint Petitioners” or the “Parties”), as well as the Citizens ratepayers.

II. BACKGROUND

1. I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served. Based upon I&E's analysis of the Citizens base rate filing, acceptance of this proposed Settlement is in the public interest and I&E recommends that the Administrative Law Judges and the Commission approve the Settlement in its entirety.

2. On April 29, 2022, Citizens filed proposed Supplement No. 152 to Tariff Electric Pa. P.U.C. No. 14 ("Supplement 152") with a proposed effective date of June 28, 2022. Supplement 152 reflects an overall increase in Citizens' distribution rates calculated to produce \$999,270 per year in additional revenues (or 7.3% of Citizens 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%. Citizens last distribution rate increase took effect in May of 2020.

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

4. On May 19, 2022, the OCA filed a Formal Complaint and a Notice of Appearance.

5. On May 27, 2022, the OSBA filed a Formal Complaint and a Notice of Appearance.

6. On June 16, 2022, pursuant to 66 Pa. C.S. § 1308(d), the Commission ordered suspension and investigation of the proposed tariff changes until January 28, 2023, unless otherwise directed by Order of the Commission. Through its order, the Commission assigned this case to the Office of Administrative Law Judge for scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

7. A telephonic Prehearing Conference was held on July 1, 2022 at 10:00 a.m. before Administrative Law Judges Erando Vero (“ALJ Vero”) and Charece Z. Collins (“ALJ Collins”) (or the “ALJs”) during which the parties tentatively agreed to a schedule for the conduct of the case including the service of testimony among the parties and the dates for evidentiary hearings. Also, the issue of consolidating the Citizens base rate proceeding with the Valley Energy, Inc. (“Valley”) base rate proceeding at Docket No. R-2022-3032300 for administrative purposes was discussed.

8. On July 1, 2022, Citizens and Valley, both subsidiaries of their parent company C&T Enterprises, Inc., filed a Motion to Consolidate Base Rate Proceedings.

9. On July 7, 2022, the Administrative Law Judge assigned to the Valley base rate case issued a Judge Change Notice informing the parties that the Administrative Law Judge assigned to the Valley base rate proceeding was changed from ALJ Marta Guhl to ALJs Vero and Collins.

10. On July 11, 2022, The ALJs issued an Order consolidating the Citizens and Valley base rate cases under ALJ Vero and ALJ Collins. The Order also consolidated the

litigation schedules for both cases; and, set August 11, 2022 as the date for a joint public input hearing.

11. On August 11, 2022 a joint telephonic public input hearing was held for both the Citizens and Valley base rate cases.

12. All parties undertook comprehensive discovery in this proceeding after the filing was made and continued to conduct discovery throughout the litigation and settlement negotiation process.

13. On September 6, 2022, the parties informed the ALJs by email that the parties reached a full settlement in principle of all issues and asked that the parties be allowed to submit testimony and exhibits into the record by verification and joint stipulation. Also, the parties requested that the evidentiary hearings be cancelled. The ALJs granted the parties requests by email to be followed by a Notice.

14. On September 8, 2022, the ALJs issued a Cancellation Notice cancelling the evidentiary hearings scheduled for September 8th and 12th.

15. In accordance with the procedural schedule established at the prehearing conference, I&E served to all active parties the following six (6) pieces of testimony and accompanying four (4) exhibits from three (3) I&E witnesses:

- I&E Statement No. 1 and I&E Exhibit No. 1
– the Direct Testimony of I&E witness Zachari Walker;
- I&E Statement No. 1-SR
– the Surrebuttal Testimony of I&E witness Zachari Walker;
- I&E Statement No. 2 and I&E Exhibit No. 2
– the Direct Testimony of I&E witness Anthony Spadaccio;
- I&E Statement No. 2-SR
– the Surrebuttal Testimony of I&E witness Anthony Spadaccio;

- I&E Statement No. 3 and I&E Exhibit No. 3
– the Direct Testimony of I&E witness Esyan A. Sakaya;
- I&E Statement No. 3-SR and I&E Exhibit No. 3-SR
– the Surrebuttal Testimony of I&E witness Esyan A. Sakaya.

16. On October 5, 2022, in conjunction with this Joint Petition for Settlement, the Parties filed a Joint Stipulation requesting the admission of all Parties testimony and exhibits into the record by verification. Copies of the I&E witness verifications were filed and provided to the ALJs and the Parties.

17. In accordance with Commission policy encouraging settlements at 52 Pa. Code § 5.231 and § 69.401 as they often achieve results preferable to a fully litigated proceeding, I&E participated in multiple settlement discussions with Citizens and the Parties to this proceeding. Following extensive settlement negotiations, the Joint Petitioners reached a full settlement of all issues as set forth in the Joint Petition.

III. SETTLEMENT

18. I&E is charged with representing the public interest in Commission proceedings related to rates, rate-related services, and applications affecting the public interest. In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served.

19. “The prime determinant in the consideration of a proposed Settlement is whether the settlement is in the public interest.”¹ The Commission has recognized that a

¹ *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”²

20. Settlements conserve precious administrative resources and provide regulatory certainty with respect to the disposition of issues with results that are often preferable to those achieved at the conclusion of a fully-litigated proceeding; and, provide a final resolution of adversarial proceedings which, in the Commission’s judgement, is preferable.³ The very nature of a settlement requires a review and discussion of all issues raised by the parties’ and a negotiated compromise on the part of all parties.

21. I&E submits that this Settlement balances the interests of the Company, its customers, and the Joint Petitioners in a fair and equitable manner and presents a resolution for the Commission’s adoption that best serves the public interest. Furthermore, the negotiated Settlement demonstrates that compromises are evident throughout the Joint Petition. Accordingly, for the specific reasons articulated below to achieve the full scope of benefits addressed in the Settlement; I&E requests that the Settlement be recommended by the ALJs and approved by the Commission without modification.

A. General (Joint Petition ¶¶ 13-18).

The Joint Petitioners agree that the terms of this Settlement reflect a carefully

² *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

³ *See generally* 52 Pa. Code § 5.231 and § 69.401.

balanced “black box” compromise of the interests of all the active Parties in this proceeding. The Joint Petitioners also agree that except as specifically modified by this Settlement, all tariff changes contained in Supplement No. 152 to Tariff Electric Pa. P.U.C. No. 14 are accepted.

B. Revenue Requirement (Joint Petition ¶¶ 13-16).

In the Settlement, the Joint Petitioners agreed that Citizens will be permitted to implement an annual revenue requirement increase of \$930,000, with an effective date of January 29, 2023. The settlement as to revenue requirement shall be a “black box” settlement, except for the items specifically set forth in the Joint Petition.

1) State Income Tax (Joint Petition ¶ 14).

The Joint Petitioners agree that the Pennsylvania Corporate Net Income Tax rate in this proceeding will be set at 8.99%. And, the Company will reflect actual CNI rates for the post-2023 tax years through the Company’s State Tax Adjustment Surcharge, or future base rate proceedings.

2) COVID-19 Incremental Expenses (Joint Petition ¶ 15).

The Company agrees to withdraw its request for additional carrying charges related to COVID-19 accounts receivables in excess of those normally experienced and other COVID-19 incremental costs.

3) Other Revisions (Joint Petition ¶ 16).

Other revisions to the proposed revenue requirement shall not otherwise be ascribed to any specific proposed adjustment or position of any party.

I&E engaged in extensive discovery and submitted testimony regarding Citizens proposed overall base rate revenue increase. In its direct testimony, I&E discussed operating and maintenance expense adjustments;⁴ and, cost of common equity and overall rate of return adjustments⁵ regarding Citizens’ base rate filing that had the potential to have significant impacts to the proposed overall annual distribution revenue increase. Further, I&E submitted testimony regarding the recent changes to the Pennsylvania Corporate Net Income Tax rates⁶ and COVID-19 incremental expenses.⁷

I&E now submits that it fully supports the negotiated level of overall base rate revenue increase as compared to Citizens’ original request. While the overall revenue requirement is a “black box” compromise, the overall revenue levels are within the levels advanced on the evidentiary record and reflect a full compromise of all revenue-related issues raised by the Parties. And, as a “black box” settlement, unless specifically addressed below, the Settlement does not reflect agreement upon individual issues. Therefore, in consideration of the extensive testimony presented by all of the Parties to this proceeding, I&E fully supports the negotiated level of overall base rate revenue increase as a full and fair compromise that provides Citizens, the Joint Petitioners, affected ratepayers, and the Commission with resolution of these issues, all of which is in the public interest.

⁴ See I&E St. No. 1, pp. 2-6; I&E St. No. 1-SR, pp. 1-5.

⁵ See I&E St. No. 2, pp. 2-48; I&E St. No. 2-SR, pp. 2-24.

⁶ See I&E St. No. 1, pp. 11-12.

⁷ See I&E St. No. 1, pp. 6-10; I&E St. No. 1-SR, pp. 5-7.

C. Rate Base (Joint Petition ¶¶ 17-18).

1) Plant In Service (Joint Petition ¶ 17).

The Joint Petitioners agree that Citizens' Plant in Service at the end of the FPFTY will be set at \$30,044,161 and its Rate Base at the end of the FPFTY will be set at \$13,630,194, which reflects the removal of \$914 in CWIP.

2) Accumulated Depreciation (Joint Petition ¶ 18).

The Joint Petitioners agree that Citizens' Accumulated Depreciation, Accumulated Deferred Income Taxes, Excess Deferred Income Taxes and Accrued Pension/Other Post-Employment Benefits Liability shall be as set forth in Exhibit HSG-1 (CU).

I&E reviewed the initial filing, engaged in discovery, and submitted testimony regarding Citizens' proposed plant in service⁸ and accumulated depreciation.⁹ And, in consideration of all of the information presented by all parties and the negotiations with the Company and the Joint Petitioners, I&E supports these settled upon terms as a full and fair compromise that provides Citizens, the Joint Petitioners, affected ratepayers, and the Commission with resolution of the plant in service and accumulated depreciation issues, all of which provides regulatory certainty and is in the public interest.

D. Revenue Allocation (Joint Petition ¶ 19).

The Joint Petitioners agree that the allocation of the Settlement revenue requirement will be proportionately scaled back from the Company's revenue allocation as set forth in Attachments A and B to the Joint Petition.

⁸ See I&E St. No. 3, pp. 2-6; I&E St. No. 3-SR, pp. 1-4.

⁹ See I&E St. No. 1, pp. 8-14; I&E St. No. 3-SR, pp. 9-10.

I&E reviewed the initial filing, conducted its analysis, and submitted testimony regarding revenue allocation, rate design and scale back of rates.¹⁰ And, after extensive negotiations among the Company and the Joint Petitioners, and in consideration of all of the testimony presented, I&E supports the revenue allocation settlement terms as set forth in the Joint Petition as a full and fair compromise that provides Citizens, the Joint Petitioners, affected ratepayers, and the Commission with an amicable resolution of revenue allocation, all of which is in the public interest.

E. Post-Case Reporting of Plant Additions (Joint Petition ¶ 20)

In the Settlement, the Joint Petitioners agree that the Company provide an update to Citizens Exhibit_(HSG-1), Schedule C3-CU no later than April 1, 2023, under this docket, which should include actual plant additions, and retirements by month for the twelve months ending December 31, 2022. And an additional update will be provided for actual plant additions and retirements by month through December 31, 2023, no later than April 1, 2024.

I&E submitted testimony regarding the requested plant additions and retirements updates.¹¹ Usage of the FPFTY has become common practice by Pennsylvania utilities, including Citizens, and I&E commends Citizens for agreeing to provide the requested updates. Therefore, in consideration of the testimony presented by I&E and negotiations with the Company and the Joint Petitioners, I&E supports this settled upon term

¹⁰ See I&E St. No. 3, pp. 2-20; I&E St. No. 3-SR, pp. 6-13.

¹¹ See I&E St. No. 3, pp. 6-7; I&E St. No. 3-SR, pp. 4-6.

regarding the plant reporting request as a full and fair compromise that provides Citizens, the Joint Petitioners, affected ratepayers, and the Commission with resolution of this issue, all of which is in the public interest.

F. COVID-19 Deferrals (Joint Petition ¶ 23).

The Company agrees to cease the recording of any increases to the COVID-19 deferral claimed in this proceeding for uncollectibles and COVID-19 incremental expenses as of the effective date of the new rates. Any future claim for similar costs must be based on Commission action occurring after the effective date of the new rates.

I&E reviewed the initial filing, conducted its analysis, and submitted testimony regarding COVID-19 related extraordinary costs.¹² And, after extensive negotiations with the Company, and in consideration of all of the record evidence presented, I&E supports the COVID-19 deferrals settlement terms as set forth in the Joint Petition as a full and fair compromise that provides Citizens, the Joint Petitioners, affected ratepayers, and the Commission with regulatory certainty and an amicable resolution of this issue, all of which is in the public interest.

IV. THE SETTLEMENT SATISFIES THE PUBLIC INTEREST

22. I&E represents that all issues raised in testimony have been satisfactorily resolved through discovery and discussions with the Company or are incorporated or considered in the resolution proposed in the Settlement. This Settlement exemplifies the benefits to be derived from a negotiated approach to resolving what can appear at first

¹² See I&E St. No. 1, pp. 6-11; I&E St. No. 1-SR, pp. 5-7.

blush to be irreconcilable regulatory differences. The Joint Petitioners have carefully discussed and negotiated all issues raised in this proceeding, and specifically those addressed and resolved in this Settlement. Further line-by-line identification of the ultimate resolution of the disputed issues beyond those presented in the Settlement is not necessary as I&E represents that the Settlement maintains the proper balance of the interests of all parties. I&E is satisfied that no further action is necessary and considers its investigation of this rate filing complete.

23. I&E submits that the acceptance of this Settlement negates the need for evidentiary hearings, which would compel the extensive devotion of time and expense for the preparation, presentation, and cross-examination of multiple witnesses, the preparation of Main and Reply Briefs, the preparation of Exceptions and Replies, and the potential of filed appeals, all yielding substantial savings for all parties and ultimately all customers. Moreover, the Settlement provides regulatory certainty with respect to the disposition of issues and final resolution of this case which all parties agree benefits their discrete interests.

24. The Settlement is conditioned upon the Commission's approval of all terms without modification. Should the Commission fail to grant such approval or otherwise modify the terms and conditions of the Settlement, it may be withdrawn by the Company, I&E, or any other Joint Petitioner.

25. I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation in the event that the Settlement is rejected by the Commission or otherwise properly withdrawn by any other parties to the Settlement.

26. If the ALJs recommend that the Commission adopt the Settlement as proposed, I&E agrees to waive the filing of Exceptions. However, I&E does not waive its right to file Replies to Exceptions with respect to any modifications to the terms and conditions of the Settlement or any additional matters that may be proposed by the ALJs in their Recommended Decision. I&E also does not waive the right to file Replies in the event any party files Exceptions.

WHEREFORE, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement as being in the public interest and respectfully requests that Administrative Law Judges Erando Vero and Charece Z. Collins recommend, and the Commission approves, the terms and conditions contained in the Joint Petition for Settlement without modification.

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
sgranger@pa.gov

Dated: October 5, 2022

Attachment E

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

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

The Office of Consumer Advocate (OCA), a signatory to the Joint Petition for Settlement (Settlement) in the captioned proceedings, respectfully requests that the terms and conditions of the Settlement be approved by the Administrative Law Judges (ALJs) and the Pennsylvania Public Utility Commission (Commission). The Settlement resolves the issues raised by the Office of Consumer Advocate regarding the request for increase in distribution revenues by Citizens' Electric Company of Lewisburg, Pa. (Citizens'). It is the position of the OCA that the proposed Settlement is in the public interest and, considering the uncertainty surrounding litigation, is in the interests of the customers of Citizens'.

I. INTRODUCTION

On April 29, 2022, Citizens' Electric Company of Lewisburg, Pa. filed Supplement No. 152 to Tariff Electric – Pa. P.U.C. No. 14 at Docket No. R-2022-3032369 (Supplement No. 152), with an effective date of June 28, 2022. Citizens' proposed an overall distribution rate increase of approximately \$1,000,000 per year, an increase of approximately 7.3% on a total-bill basis. Additionally, the Company proposed to increase the residential fixed monthly charge from \$13.00 to \$14.00.

On May 12, 2022, the Office of Small Business Advocate (OSBA) filed a Formal Complaint and Notice of Appearance in this proceeding. The Commission's Bureau of Investigation and Enforcement (I&E) filed a Notice of Appearance on May 13, 2022. On May 19, 2022, the OCA filed a Formal Complaint, Public Statement and Notice of Appearance in this proceeding (Docket No. C-2022-3032533) to protect the interests of Citizens' residential customers and to ensure that Citizens' is permitted to implement only a level of rates that is just and reasonable and in accordance with sound ratemaking principles.

On June 16, 2022, the Commission issued an Order initiating an investigation into the lawfulness, justness, and reasonableness of the proposed rate increase in this filing, in addition to the Company's existing rates, rules, and regulations, and suspended the effective date of Supplement Nos. 59 and 152 until January 28, 2023, by operation of law. The case was assigned to the Office of Administrative Law Judge (OALJ), and further assigned to Administrative Law Judges Eranda Vero and Charece Z. Collins.

A Prehearing Conference was convened on Friday, July 1, 2022, and a litigation schedule was adopted. Citizens' filings were consolidated with Valley Energy, Inc.'s filings for purposes of hearing and decision by Order dated July 11, 2022. Throughout the course of the proceeding, the

OCA engaged in formal and informal discovery designed to thoroughly investigate all aspects of Citizens' proposed rate increase. On July 25, 2022, the OCA submitted the Direct Testimonies of Dante Mugrace (OCA Statement No. 1), Morgan DeAngelo (OCA Statement No. 2), and Karl Pavlovic (OCA Statement No. 3).

Prior to the evidentiary hearing dates, the parties reached a settlement agreement in principle. As noted above, and discussed further below, the OCA submits that the proposed Settlement is in the public interest and in the interest of Citizens' customers. The OCA submits that the Settlement should be approved. The OCA will discuss below several of the key provisions of the Settlement that are of particular importance to the OCA.

II. SETTLEMENT

A. Revenue Requirement (Citizens' Settlement at ¶¶ 13-15)

In its filing, Citizens' claimed to provide support for an increase of \$1.23 million in base rates. The Company's filing further modified that request, seeking an increase of \$1 million and designing rates to reach that increase. The proposed Settlement provides for an overall distribution base rate increase of \$930,000 for Citizens'. Settlement at ¶ 13. The revenue increases contained in the Settlement are approximately \$70,000 less than the \$1,000,000 rate increase amount originally requested by Citizens', and \$300,000 less than the rate increase that the Company supported in its filing.

Additionally, pursuant to the Settlement, Citizens' agreed to set the Pennsylvania Corporate Net Income Tax rate at 8.99% and noted that it has been reflected in the settlement revenue requirement. Settlement at ¶ 14. Further, Citizens' agreed to withdraw their request for additional carrying charges related to COVID-19 accounts receivables in excess of those normally

experienced and other COVID-19 incremental costs. This withdrawal is reflected in the settlement revenue requirement. Settlement at ¶ 15.

Based on the OCA's analysis of Citizens' filings and the discovery responses received, the rate increases under the proposed Settlement represent a result that would be within the range of likely outcomes in the event of full litigation of the case. The increases reflect the Company's cost of providing service and, when accompanied by other important provisions contained in the Settlement, yield a result that is just and reasonable.

B. Rate Design (Settlement at ¶16-18)

Under the Settlement, Citizens' monthly residential customer charge would increase from \$13.00 to \$13.10, rather than to \$14.00, as was originally proposed by the Company. Settlement at ¶ 19; Attachment B. The Settlement residential customer charge is within a reasonable range relative to other Pennsylvania gas utilities. The OCA submits that eliminating most of the customer charge increase and recovering the remaining revenue through volumetric charges will benefit residential customers and send the appropriate signals to customers regarding energy conservation, a benefit that is not realized through fixed customer charges. OCA St. 3 at 11.

The OCA submits that the residential rate designs established through the Settlement are reasonable and consistent with sound ratemaking principles. These rate design changes result in customer charges that are below the customer charges originally proposed, and the increase in both charges and fees are within the range of the likely outcomes in the event of full litigation of the case.

C. Revenue Allocation (Settlement at ¶ 19)

Under Citizens' filing, residential customers were allocated an increase of \$763,980, an increase of 24.3% in residential distribution revenues. OCA St. 3 at 8. OCA witness Karl Pavolvic

testified that the Citizens' proposed allocation was based on a flawed cost of service study and unreasonable relative to residential customers. OCA witness Pavlovic noted that Citizens' customer-related classification of a portion of secondary distribution costs in its cost of service study was not consistent with cost causation, and instead secondary distribution costs should be classified as 100% demand-related and allocated accordingly. OCA St. 3 at 6-9. When a corrected cost of service study was used to set rates, OCA witness Pavlovic recommended an increase to residential customers that was approximately \$698,000, or an increase in distribution revenues of 22%. OCA St. 3 at 9.

Under the Settlement, Citizens' residential customers will be allocated \$737,100, which represents a 23.5% increase in distribution rates for residential customers. Attachment B, Sch. B6-4 (line 35-36). The Settlement allocation of the revenue requirement reduces the burden of the increase on residential customers as compared to the originally filed allocation, consistent with the concerns identified by OCA witness Pavlovic.

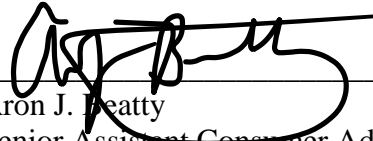
The revenue allocations contained in the Settlement for Citizens' represent compromises among the positions of the parties in this proceeding and is designed to move all classes towards their cost of service. As such, the allocations are appropriate and when accompanied by other important provisions contained in the Settlement, yield a result that is just and reasonable.

III. CONCLUSION

The terms and conditions of the Settlement provide for an overall distribution base rate increase of \$930,000 for Citizens. The OCA submits that the reductions in the proposed revenue increases, proposed customer charges, the revenue allocation, along with all of the other terms and conditions of the Settlement described above, 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 best interest of Citizens' ratepayers.

Respectfully submitted,



Aron J. Beatty
Senior Assistant Consumer Advocate
PA Attorney I.D. # 86625
ABeatty@paoca.org

Harrison W. Breitman
Assistant Consumer Advocate
Pa. Attorney Id. No. 320580
HBreitman@paoca.org

Counsel for:
Patrick M. Cicero
Consumer Advocate

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

DATE: October 5, 2022
00336128.docx

Attachment F

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

PENNSYLVANIA PUBLIC UTILITY COMMISSION	:	
	:	
v.	:	DOCKET NO. R-2022-3032369
	:	
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA	:	

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

I. Introduction

The Office of Small Business Advocate (“OSBA”) is an agency of the Commonwealth of Pennsylvania authorized by the Small Business Advocate Act (Act 181 of 1988, 73 P.S. §§ 399.41 – 399.50) to represent the interests of small business consumers as a party in proceedings before the Pennsylvania Public Utility Commission (“Commission”).

II. Filing Background

On April 29, 2022, Citizens’ Electric Company (“Citizens”) filed Supplement No. 152 to Tariff-Electric Pa.P.U.C. No. 14 (“Supplement No. 152”), to increase distribution revenues. The proposed tariff, if approved by the Commission, would increase the total electric distribution revenues of Citizens’ by \$999,270 per year, a 7.1% increase in annual distribution revenues.

On May 27, 2022, the OSBA filed a Complaint and a Public Statement. On June 16, 2022, the Commission entered an Order at this docket which suspended the proposed rate increase for investigation

The matter was subsequently assigned to the Office of Administrative Law Judge (“OALJ”) for hearings and the issuance of a recommended decision. Administrative Law Judges (“ALJs”) Eranda Vero and Charece Z. Collins were assigned to the proceeding. A telephonic pre-hearing conference, at which a procedural schedule was established, was held on July 1, 2022. The OSBA filed the Direct Testimony of Robert D. Knecht on July 25, 2022. The Office of Consumer Advocate (“OCA”) and the Bureau of Investigation and Enforcement (“I&E”) also filed Direct Testimony on July 25, 2022. A Public Input hearing was held on August 11, 2022. Rebuttal testimony was filed by the Company, and the OSBA on August 16, 2022. On September 6, 2022 the OSBA filed the Surrebuttal Testimony of Mr. Knecht.

Subsequent to the filing of testimony, but prior to the evidentiary hearings the parties reached a settlement of all of the issues in this case. The testimony of the various parties will be entered into the record by stipulation along with the settlement. The OSBA actively participated in the negotiations that led to the Joint Petition for Settlement (“Settlement”) and is a signatory to the Settlement. The OSBA submits this statement in support of the Settlement.

III. Settlement

The Settlement sets forth a comprehensive list of issues that were resolved through the negotiation process. This statement outlines the OSBA's specific reasons for concluding that the Settlement is in the best interests of small business customers.

As a caveat, however, the OSBA observes that Citizens has included various measures of system-wide and class-specific rates of return at the first and second pages (labeled Exhibit ___ (HSG-1) Schedule C1(S), and Exhibit ___ (HSG-1) Schedule B6-4(S)) of Attachment A to the Settlement. It is the OSBA's understanding of this Settlement that both the overall revenue requirement and the revenue allocation among rate classes represent "black box" agreements, and that these agreements are not based on any assumptions as to what specific costs are included in the Settlement revenue requirement or on any particular cost allocation methodology. Moreover, the second page of Attachment A includes a metric which purportedly shows progress toward cost-based rates associated with the Settlement. The OSBA strongly disagrees with the Company's use of the indexed rate of return metric for evaluating progress toward cost-based rates, for the reasons detailed in OSBA Statement No. 1 Appendix A. Even if the Company's cost allocation method were adopted as part of this Settlement (which it is not), the OSBA concludes that the progress metric reported in this table grossly overstates progress toward cost-based rates.

The OSBA therefore respectfully submits that the Commission should give no weight to these tables in evaluating the reasonableness of the Settlement.

A. Distribution Revenue Requirement

In its initial filing, Citizens’ requested an increase of \$999,270 per year in distribution rate revenue.¹ In considering this request, however, the OSBA recognizes that the Company voluntarily reduced the proposed increase in its filing from that needed to meet its own calculation of the revenue requirement, which would have involved an increase of \$1,134,250.² In the Settlement, the parties have agreed to a distribution rate revenue increase of \$930,000 per year.³ At a time when all types of utility service are becoming more expensive, the significant (18.0%) reduction in the Company’s proposed cost-based distribution revenue increase provided by the Settlement will benefit Citizens’ small business customers.

B. Class Cost Allocation

In its filing, Citizens’ identified two specific objectives that guided the development of the Company’s proposed revenue allocation: 1) each rate class should be moved closer to full cost of service, as determined by the Company’s class cost-of-service study (“COSS”), and 2) no individual rate class should receive an “extreme rate impact.”⁴ The OSBA generally agrees that these are the primary criteria for revenue allocation in Pennsylvania.⁵ However, there is often disagreement as to how costs should be allocated among the rate classes.

Based on the timing and constraints of the litigation schedule, the OSBA did not conduct a detailed review of the Company’s allocated cost of service study (“ACOSS”).

¹ Citizens’ Statement No. 1 at 2 and *see* also Exhibit_(HSG-1) Schedule C1.

² *Id.*

³ Settlement at ¶13.

⁴ Citizens’ Statement No. 1 at 29.

⁵ OSBA Statement No. 1 at 15-16.

OSBA's witness Mr. Knecht did develop an alternative simulations of the Company's ACOSS model to (a) correct an inadvertent programming error which resulted in an inaccurate classification of line transformer costs, and (b) correct for an inadvertent programming error in the classification of miscellaneous distribution expenses.⁶ Mr. Knecht also observed that the Company's ACOSS model was not consistent with Commission precedent in that it relied on a 100% demand classification for primary system assets.⁷ He further explained that the Company's ACOSS should consider the use of the sum of individual customer demands rather than NCP for the allocating secondary system demand costs.⁸ Mr. Knecht made no adjustments for these considerations, but recommended that the Company consider these allocation methods in its next base rates case.⁹ Moreover, Mr. Knecht noted that because the residential class was already producing revenues far below allocated costs, the considerations he identified would not result in any major change to revenues allocated to the residential class, due to the constraints of gradualism.¹⁰

In addition to the OSBA's cost allocation analysis, OCA Witness Pavlovic also submitted an alternative ACOSS simulation in direct testimony.¹¹ As explained by Mr. Knecht, Witness Pavlovic's methodological changes to the Company's ACOSS are

⁶ OSBA Statement No. 1 at 13, OSBA Statement No. 1-R at 3.

⁷ OSBA Statement No. 1 at 11-12.

⁸ *Id.*, at 13.

⁹ *Id.*, at 14.

¹⁰ *Id.*

¹¹ OCA Statement No. 3 at 4-7 and OCA Exhibit KRP-2.

wholly inconsistent with cost causation and with Commission precedent, and Witness Pavlovic's results included technical errors in the simulation of the ACOSS model.¹²

The Company generally accepted Mr. Knecht's corrections to the inadvertent programming errors in its ACOSS methodology. Moreover, in its rebuttal testimony, Company Witness Gorman agreed to evaluate the classification of primary system plant in the next base rates proceeding, and agreed that Mr. Knecht's proposal regarding demand allocation factors deserves consideration in the future.¹³

The OSBA acknowledges the Company's correction of its errors, and accepts the Company's agreements to review classification of primary system costs and to give due consideration to alternative demand allocations factors in its next base rates cases. While these specific items are not explicitly addressed in the Settlement, the OSBA believes that the Company's commitments in this respect address the OSBA's concerns regarding the ACOSS.

C. Class Revenue Allocation

The Company submitted a revenue allocation proposal in its filed case, and it modestly updated its proposal in rebuttal to reflect modest changes in the revenue requirement and some of the recommendations of the parties. As Mr. Knecht explained, the Company's revenue allocation proposals were directionally consistent with the ACOSS results, but were far more constrained by rate gradualism than the Company's own standard would permit.¹⁴

¹² OSBA Statement No. 1-R at 2-5.

¹³ Citizens' Statement No. 1-R at 12.

¹⁴ OSBA Statement No. 1 at 15-18.

OSBA submitted an alternative revenue allocation proposal in direct testimony based on the ACOSS (corrected for programming errors), and modestly updated that proposal in surrebuttal. Mr. Knecht applied the Company's own standard for rate gradualism, namely restricting the average increase for any rate class to be no more than 1.5 times system average.

OCA Witness Pavlovic submitted an alternative revenue allocation proposal, purportedly based on the results of the OCA ACOSS simulation. As Mr. Knecht demonstrated, Dr. Pavlovic's proposed revenue allocation was not consistent with the cost allocation philosophy of the OCA ACOSS. Mr. Knecht prepared Table RDK R2, to reflect difficulty with reconciling OCA's ACOSS and revenue allocation.¹⁵ As shown in Table RDK R2, OCA's proposal would provide for minimal progress towards cost-based rates for the RS class, moderate progress for the GLP-1 class, and would move revenue and costs farther apart for the GLP-3 class. Additionally, Dr. Pavlovic's proposed revenue allocation would result in increases to SH and MBL classes of 50% and 42% respectively, more than double the system average increase.¹⁶ Mr. Knecht therefore concluded that OCA's revenue allocation proposal should be rejected."¹⁷

I&E Witness Sakaya acknowledged that, under the Company's cost allocation and revenue allocation proposals, the Rate GLP-1 and GLP-3 rate classes continued to substantially over-recover allocated costs. To address this inequity, Witness Sakaya

¹⁵ OSBA Statement No. 2 at 10.

¹⁶ OSBA Statement No. 2 at 9

¹⁷ OSBA Statement No. 2 at 9.

advanced a modest shift in costs away from those classes at the full revenue requirement, plus a “first dollar relief” (“FDR”) proposal, to assign initial reductions in the overall revenue requirement as credits to those classes. In evaluating Witness Sakaya’s FDR proposal, Mr. Knecht noted that, given the modest nature of I&E reduction to the Company’s proposed overall increase of \$69,000, the proposed first dollar relief mechanism would do little to address the substantial over-recovery of costs by GLP-1 and GLP-3 as set forth in the Company’s revenue allocation proposal.¹⁸ He therefore recommended against the adoption of the I&E revenue allocation proposal.

Table A (below) compares the parties’ proposed increases for Citizens’ small business classes, adjusted for the overall level of the Settlement increase, to the small business increases provided by the Settlement.

Table A
Comparison of Parties’ Proposed GLP-1 and GLP-3 Increases at Settlement Revenue Level to Settlement Increases 1/

<i>Class</i>	<i>Per Settlement</i>	<i>OSBA Surr.</i>	<i>Citizens Rebuttal</i>	<i>OCA</i>	<i>I&E FDR</i>
GLP-1	\$ 79,000	\$ 57,459	\$100,905	\$ 82,263	\$ 65,846
GLP-3	<u>\$ 79,920</u>	<u>\$ 43,784</u>	<u>\$ 88,469</u>	<u>\$170,233</u>	<u>\$ 64,944</u>
TOTAL	<u>\$158,920</u>	\$101,243	\$189,374	\$252,496	\$130,790

Sources: Settlement Attachment A, OSBA Statement No. 1-S, Citizens’ Statement 1-R, OCA Statement No. 3, I&E Statement No. 3.

1/ Parties’ positions scaled to reflect the overall settlement increase of \$930,000. I&E FDR applied as proposed.

¹⁸ OSBA Statement No. 2 at 8

As shown in Table A, the settlement increases for the small business classes reflect a compromise among the parties' positions. Had the Commission given equal weight to the positions of the parties excluding OSBA, the overall increase to the small business classes (assuming an overall increase of \$930,000) would have been \$190,886, which is \$31,966 greater than the combined increase provided by the Settlement. As a result, the OSBA concludes that the Settlement revenue allocation provides a meaningful benefit to small business customers.

D. Rate Design

Citizens' current Rate GLP-3 (non-residential service over 50 kW) consists of a customer charge, a demand charge, and two-block load factor energy charges. Citizens' filing generally proposed to maintain the existing relationship between demand and blocked energy charges, with a modestly lower increase for the customer charge, but did not offer any explanation for the proposal. Mr. Knecht explained why the current tariff structure makes little sense, and that it is unclear what the Company's rate design plan is for this class.¹⁹ He recommended that the Company explain its position and define its rate design plan for the GLP-3 class. Company Witness Gorman did not offer any explanation for the Company's proposal in rebuttal, but indicated that he would "... recommend the Company commit to present such an evaluation in its next rate case." The OSBA is disappointed that the Company filed a base rates proceeding without carefully considering rate design for its non-residential customers. However, the OSBA had little choice other than to accept the Company's proposal to defer further analysis on

¹⁹ OSBA Statement No. 1 at 20-21.

this issue and accept Witness Gorman’s recommendation. This commitment is reflected in the Settlement at paragraph 21.

In addition, the Company’s tariff includes a grandfathered Schedule SH space heating class for non-residential customers, which has been closed to new entrants for more than 40 years.²⁰ There are only about 10 customers left in this class.²¹ The OSBA believes that these “grandfathered” rate classes are needlessly discriminatory and should be phased out as quickly as possible. To that end, the Settlement assigns a relatively large rate increase to this class. In addition, Settlement paragraph 22 requires that Citizens evaluate the bills paid by the grandfathered customers to determine whether they would get lower bills in an alternative regular rate service class, and so advise the customers. The OSBA is optimistic that these changes will accelerate the phase-out of this anachronism.

²⁰ OSBA Statement No. 1 at 3.

²¹ See RDK WP2 filed with OSBA Statement No. 1.

IV. Conclusion

For the reasons set forth in the Settlement, as well as the additional factors enumerated in this statement, the OSBA supports the proposed Settlement and respectfully requests that the ALJ and the Commission approve the Settlement in its entirety.

Respectfully submitted,

Sharon E. Webb

Sharon E. Webb
Assistant Small Business Advocate
Attorney I.D. No. 73995

For:
NazAarah Sabree
Small Business Advocate

Office of Small Business Advocate
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
(717) 783-2525
(717) 783-2831 (fax)

October 5, 2022