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July 3, 2024

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

VIA ELECTRONIC FILING

**RE: Joint Default Service Plan for Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company For the Period June 1, 2025 through May 31, 2029
Docket Nos. P-2024-3049357 and P-2024-3049359**

Dear Secretary Chiavetta:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of Citizens' Electric Company of Lewisburg, PA ("Citizens") and Wellsboro Electric Company ("Wellsboro") (together, the "Companies").

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.

Sincerely,

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

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

c: Administrative Law Judge Conrad A. Johnson (via email)
Certificate of Service

CERTIFICATE OF SERVICE

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

VIA E-MAIL OR FIRST CLASS MAIL

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Adeolu A. Bakare

Counsel to Citizens' Electric Company of
Lewisburg, PA and Wellsboro Electric Company

Dated this 3rd day of July, 2024, at Harrisburg, Pennsylvania

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Default Service Plan for Citizens' Electric	:	
Company of Lewisburg and Wellsboro Electric	:	P-2024-3049357
Company for the Period June 1, 2025 through	:	P-2024-3049359
May 31, 2029	:	

**PREHEARING MEMORANDUM OF
CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA AND
WELLSBORO ELECTRIC COMPANY**

Pursuant to the June 20, 2024, Prehearing Conference Order issued by Administrative Law Judges ("ALJ") Conrad A. Johnson, Citizens' Electric Company of Lewisburg, PA ("Citizens") and Wellsboro Electric Company ("Wellsboro") (collectively, the "Companies") hereby submit this Prehearing Memorandum in the above-captioned proceeding.

I. HISTORY OF THE PROCEEDING

On May 31, 2024, Citizens' and Wellsboro filed with the Pennsylvania Public Utility Commission ("Commission" or "PUC") their Seventh Joint Default Service Program ("DSP"), pursuant to the Electric Generation Customer Choice and Competition Act, 66 Pa. C.S. § 2801 *et seq.* ("Competition Act"), as amended by Act 129 of 2008 ("Act 129"), the Commission's Default Service Regulations, 52 Pa. Code §§ 54.181 – 54.189, and the Policy Statement on Default Service ("Policy Statement"), 52 Pa. Code §§ 69.1801 – 69.1817. Through the filing, Citizens' and Wellsboro propose to continue, in substantial part, the procurement structure and rate design that were approved in the existing Sixth Joint DSP, as amended.

The Companies propose to maintain the same Procurement and Implementation Plan that was approved by the Commission in the Sixth Joint DSP. Under the Procurement and

Implementation Plan, the Companies propose to conduct a competitive bid process and enter into Load-Following Full Requirements ("Load-Following FR") contracts with one or more wholesale suppliers to serve all default service customers. Each Company will independently select one wholesale supplier; the Companies may be served by the same supplier or different suppliers depending on the lowest qualifying bid for each territory. Wellsboro's supplier will serve all of Wellsboro's wholesale needs. Citizens' supplier will supply all Citizens' wholesale needs.

The Companies request one change to the Procurement and Implementation Plan. Specifically, the Companies propose to allow same day triggers of the wholesale energy component of the fixed default service rate. Currently, Citizens' and Wellsboro provide their wholesale suppliers with a day-ahead notice of the trigger date. Moving to a same day trigger will reduce the likelihood of wholesale energy market fluctuations between the time that the trigger notice is given and the lock-in of the wholesale energy price. This change is discussed in more detail later in the testimony of Mr. Byron (Barney) Farnsworth Jr, CW Statement No. 1.

The Companies' Rate Design Plans will remain the same. The current Commission-approved Generation Supply Service Rate ("GSSR") for each company will continue to calculate the price of default service supply, including the GSSR-1 fixed price option for residential and small commercial customers and the GSSR-2 hourly priced option for large customers. Finally, the Companies also propose to maintain their non-bypassable Customer Choice Support ("CCS") Riders that have been effective since 2014. For both companies, the CCS Riders will remain available for appropriate costs approved by the Commission for recovery by the Companies.

To implement the Seventh Joint DSP, the Companies request waivers as contemplated by Section 54.185(g) of the Commission's Regulations. The proposed waivers are similar to waivers approved by the Commission in the Companies' Sixth Joint DSP. These proposed waivers, set

forth in the Companies' Appendix D to the Petition, include requests to establish a four (4) year DSP for the period June 1, 2025, through May 31, 2029 and to offer Hourly Priced Service ("HPS") only to Large C&I customers with a registered peak demand at or above 400 kW. Approval of the waivers will enable the Companies to continue to offer market-based default service products in a manner appropriate for their current circumstances.

With a similar market-based procurement approach, rate design, and requested waivers, the Companies believe that the Seventh Joint DSP satisfies the directives from the End State Order and remains consistent with the Competition Act, Act 129, and the Commission's Default Service Regulations.

On June 13, 2024, the Office of Small Business Advocate ("OSBA") filed a Notice of Appearance in this proceeding, and on June 20, 2024, the OSBA filed a Notice of Intervention. On June 20, 2024, the Office of Consumer Advocate ("OCA") filed a Notice of Appearance and an Answer to the Companies' Petition.

On June 20, 2024, the ALJs issued a Prehearing Conference Order to the Companies and to all parties scheduling the Prehearing Conference for July 9, 2024.

II. SERVICE LIST

For purposes of service in the above-referenced dockets, please direct all communications to:

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III. ANTICIPATED ISSUES AND SUB-ISSUES

As noted above, the Companies propose only a procedural change to the current DSP VI to allow for same day notice to trigger pricing of the six-month and twelve-month fixed-price wholesale energy pricing, where DSP VI requires 24 hours' notice. The Companies propose to continue relying on a competitive bid process to secure Load-Following FR contracts with wholesale suppliers, using the bids on the Supplier Adder to award the contract to the lowest qualified supplier(s). Under the Load-Following FR contracts, wholesale suppliers will continue to provide fixed price energy for the Companies' Residential customers and Small C&I customers with a registered billing demand below 400 kW in the prior 12 months using the laddered energy pricing lock-ins. Large C&I customers, and Small C&I customers with registered billing demands at or above 400 kW in the prior 12 months, will continue to be served on HPS. Although the retail price will change periodically, the Companies will each continue to choose a single wholesale supplier to provide all of the necessary wholesale energy for a four-year period. Additionally, the Companies propose to continue transferring congestion management and Alternative Energy Portfolio Standards ("AEPS") compliance obligations from the Companies to wholesale suppliers, utilizing six-month GSSR pricing and reconciliation periods, and reflecting separate energy pricing for Residential/Small C&I customers and Large C&I customers. To the extent that the proposed Seventh Joint DSP deviates from the Commission's regulations or other directives, the Companies anticipate demonstrating how their unique circumstances, as small Electric

Distribution Companies ("EDCs") with fewer than 50,000 retail customers, justify the implemented modifications that have been requested.

Citizens' and Wellsboro anticipate addressing these issues during this proceeding and reserve the right to raise further issues and to respond to all issues raised by other parties.

IV. PROPOSED WITNESSES

The Companies will submit the testimony of the following witnesses on the issues reflected below:

Mr. Byron Farnsworth Jr.
President and Chief Executive Officer
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901
(570) 724-6701

- Overview of Wellsboro, Wellsboro's load profile, customer migration costs, and other characteristics that make the proposed procurement plan appropriate;
- Background on how the burgeoning retail market in both territories led to the Companies' decision to procure default service through Load-Following, Full Requirements contracts;
- Results of the current default service plan; and
- The proposed procedural modification to the trigger process for the energy component pricing for the GSSR-1.

Mr. Nathan Johnson
President and Chief Executive Officer
Citizens' Electric Company of Lewisburg
1775 Industrial Boulevard
Lewisburg, PA 17837
(570) 522-6141

- Overview of Citizens', Citizens' load profile, customer migration costs, and other characteristics that make the proposed procurement plan appropriate;
- Description of the Joint DSP;
- Consistency of the Companies' proposed procurement plan with Commission regulations;
- The Companies' proposed Request for Proposals process and GSSR schedule;
- Explanation of the bidding process for choosing wholesale suppliers;

- The Companies' proposed contingency plan; and
- Compliance with the End State Order.

Ms. Melissa Sullivan
Chief Financial Officer
C&T Enterprises, Inc.
33 Austin Street, 3rd Floor
Wellsboro, PA 16901
(570) 724-6711

- Explanation of the GSSR calculation;
- Recovery of the cost components of the Residential/Small C&I and Large C&I procurements; and
- Proposal of customer billing under the GSSR.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

Citizens' and Wellsboro propose the following procedural schedule:

Date	Event
August 6, 2024	Other Parties' Direct Testimony Due
September 9, 2024	Rebuttal Testimony Due
September 20, 2024	Surrebuttal Testimony Due
September 25-26, 2024	Evidentiary Hearings (with Company Oral Rejoinder as necessary)
October 16, 2024	Main Briefs Due
October 31, 2024	Reply Briefs Due
Dec. 15, 2024	Recommended Decision
Jan. 6, 2024	Exceptions
Jan. 16, 2025	Reply Exceptions
Feb. 20, 2025	PUC Public Meeting

The Companies additionally propose that discovery be conducted according to the Commission's rules and regulations (52 Pa. Code § 5.321 et seq), subject to the following modifications developed in consultation with the OCA and understood to apply on a best efforts basis:

- Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) business days of service of the interrogatories; unresolved objections shall be served in writing to

the propounding party within five (5) business days of service of the interrogatories and/or requests for production.

- c. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections;
- d. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions;
- e. Requests for admission will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service;
- f. Answers to on-the-record data requests will be served in-hand within five (5) calendar days of the request; and
- g. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 12:00 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal testimony is served, the deadlines should be reduced as follows:

- a. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) business days of service of the interrogatories or requests for production;
- b. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) business days of service; unresolved objections shall be served on the propounding party in writing within three (3) business days of service of the interrogatories and/or requests for production;
- c. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) business days of service of written objections;
- d. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within two (2) business days of service of such motions;
- e. Requests for admission shall be deemed admitted unless answered or objected to within three (3) business days of service; and
- f. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 12:00 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VI. POSSIBILITY OF SETTLEMENT

The Companies are interested in pursuing settlement discussions with the other parties to amicably resolve the issues in this proceeding, subject to Commission approval.

VII. OTHER ISSUES

During the Initial Prehearing Conference, the Companies also intend to address the following issues:

- A. Designation of the May 31, 2024, filing as "CW Exhibit No. 1."
- B. Confirmation that electronic service is acceptable to all parties.
- C. Potential necessity for a Protective Order.
- D. Confirm consolidation of all assigned Dockets.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

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Dated: July 3, 2024