



COMMONWEALTH OF PENNSYLVANIA

September 27, 2024

**E-FILED**

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

**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 & P-2024-3049359**

Dear Secretary Chiavetta:

Enclosed please find the Statement of the Office of Small Business Advocate in Support of the Joint Petition for Settlement of Citizens' Electric Company of Lewisburg, PA's, and Wellsboro Electric Company's Joint Default Service Plan, on behalf of the Office of Small Business Advocate ("OSBA"), in the above-referenced proceedings.

Copies will be served on all known parties in these proceedings, as indicated on the attached Certificate of Service.

If you have any questions, please do not hesitate to contact me.

Sincerely,

*/s/ Steven C. Gray*

Steven C. Gray  
Senior Attorney  
Assistant Small Business Advocate  
Attorney ID No. 77538

*Enclosures*

cc: Mark D. Ewen  
Parties of Record

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	<b>Docket Nos. P-2024-3049357</b>
	:	<b>P-2024-3049359</b>
	:	
<b>v.</b>	:	
	:	
<b>Joint Default Service Plan for Citizens'</b>	:	
<b>Electric Company of Lewisburg, PA, and</b>	:	
<b>Wellsboro Electric Company for</b>	:	
<b>the Period June 1, 2025, through May 31,</b>	:	
<b>2029</b>	:	

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**STATEMENT OF  
THE OFFICE OF SMALL BUSINESS ADVOCATE  
IN SUPPORT OF THE  
JOINT PETITION FOR SETTLEMENT  
OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA'S AND  
WELLSBORO ELECTRIC COMPANY'S JOINT DEFAULT SERVICE PLAN**

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**I. Introduction**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50. Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a Notice of Intervention, in the above-captioned proceeding, on June 20, 2024, in response to the Citizens’ Electric Company of Lewisburg, PA and Wellsboro Electric Company (the “Companies”) Joint Petition for Approval of Default Service Plan for the Period June 1, 2025, through May 31, 2029 (“Joint Petition”) that was filed with the Pennsylvania Public Utility Commission (“Commission”) on May 31, 2024.

The OSBA participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Settlement of Citizens’ Electric Company of Lewisburg, PA’s

and Wellsboro Electric Company's Joint Default Plan ("*Joint Petition*"). The OSBA submits this statement in support of the *Joint Petition*.

## **II. The Commission's Policy on Settlements**

Section 5.231(a) of the Commission's regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows:

It is the policy of the Commission to encourage settlements.

Similarly, Section 69.401 of the Commission's regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

## **III. Procurement of Electric Supply**

The *Joint Petition* proposes to change how the Companies procure their electric supply. Specifically, the Companies will "ladder" the price paid to the electric supplier. Ladder pricing entails two-year forward pricing that is determined every six months. Furthermore, one-quarter of that pricing is adjusted every six months, which is based upon a 24-month average of that pricing. *Joint Petition*, at Paragraph 12.

This methodology is designed to minimize significant, rapid changes in supply pricing, thereby minimizing the impact of those changes upon the consumer. Small businesses prefer stable, predictable utility rates, especially in regard to their electric usage.

The *Joint Petition* also proposes to notify wholesale suppliers no later than 1:30 pm on the day of obtaining pricing. *Joint Petition*, at Paragraph 13. This notice should serve to reduce

price volatility on the days when the Companies are contemplating purchases of supply.

Finally, the *Joint Petition* proposes the requirement of a two-bid minimum. *Joint Petition*, at Paragraph 14. This proposal will help to ensure that the bidding process for electric supply is a competitive process. If only a single bid is received, the *Joint Petition* will require the Companies to fully demonstrate, to the Commission, that the bid price is reasonable. *Id.*

#### **IV. The GSSR-2 E-Factor**

Each of the Companies have two Generation Supply Service Rates (“GSSRs”). GSSR-1 is a fixed-price option for residential and small commercial customers (<400kW). GSSR-2 is an hourly priced option for large commercial customers ( $\geq$ 400kW).

Under the current DSP, over- or under-recovery of electric supply costs for the GSSR-2 customer class were paid for through the GSSR-1 E-factor. This resulted in residential and small business customers potentially subsidizing the cost recovery of over or under collections for the large customers.

The *Joint Petition* proposes to create a GSSR-2 customer class E-Factor. This will remove the burden on the Companies’ small businesses by requiring the large customers to pay for their own over and under recovery of electric supply charges.

V. **Conclusion**

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

Respectfully submitted,

/s/ Steven Gray  
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Senior Attorney  
Assistant Small Business Advocate  
Attorney ID # 77538

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September 27, 2024

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Pennsylvania Public Utility Commission</b>	:	
	:	
v.	:	<b>Docket Nos. P-2024-3049357</b>
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<b>Joint Default Service Plan for Citizens'</b>	:	
<b>Electric Company of Lewisburg, PA, and</b>	:	
<b>Wellsboro Electric Company for</b>	:	
<b>the Period June 1, 2025, through May 31,</b>	:	
<b>2029</b>	:	

**CERTIFICATE OF SERVICE**

I hereby certify that true and correct copies of the foregoing have been served via email (*unless otherwise noted below*) upon the following persons, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

The Honorable Conrad A. Johnson  
Administrative Law Judge  
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DATE: September 27, 2024

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