BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
	:	
v.	:	Docket No. R-2025-_____
	:	
Citizens' Electric Company of Lewisburg, PA	:	

STATEMENT OF REASONS

Citizens' Electric Company of Lewisburg, PA ("Citizens'" or "Company") hereby files with the Pennsylvania Public Utility Commission ("PUC" or "Commission") proposed Supplement No. 172 to Tariff Electric Pa. P.U.C. No. 14 ("Supplement No. 172"), with a proposed effective date of June 29, 2025. Supplement No. 172 reflects an overall increase in Citizens' distribution rates and other tariff changes. This Statement of Reasons provides a background of the filing, an explanation of the reasons necessitating the proposed overall distribution rate increase, and an explanation of the proposed changes to the tariff language, terms and conditions reflected in the proposed Supplement No. 172.

In addition, attached to this Statement of Reasons are the following documents in support of the proposed changes:

Volume I:

Tab A	Affidavit of Nathan (Nate) Johnson
Tab B	Customer Notice
Tab C	Press Release
Tab D	Supplement No. 172
Tab E	52 Pa. Code Section 53.52 and 53.53 Responses

Volume II:

Tab F	Citizens' Statement No. 1—Direct Testimony and Exhibits of Howard S Gorman
Tab G	Joint Statement No. 2—Direct Testimony and Exhibit of Dylan W. D'Ascendis and Ryan M. Kucan

Tab H Joint Statement No. 3—Direct Testimony and Exhibit of Melissa Sullivan
Tab I Citizens' Statement No. 4—Direct Testimony and Exhibits of Nathan Johnson
Tab J Citizens' Statement No. 5—Direct Testimony and Exhibits of Kathy Stauder

Volume III:
Tab K Joint Confidential Exhibits
Tab L Citizens' Confidential Exhibits

I. DESCRIPTION OF COMPANY

Citizens' is a Pennsylvania corporation with its principal office located in Lewisburg, Union County, Pennsylvania. Citizens' is an investor-owned, for-profit electric utility, wholly owned by C&T Enterprises, Inc. ("C&T"). C&T is a holding and management services company that currently also owns Wellsboro Electric Company ("Wellsboro") and Valley Energy, Inc. ("Valley Energy").

Citizens' service territory is a 55-square-mile territory in and around Lewisburg, Pennsylvania. At the end of December 2024, Citizens' served 7,176 customers, of which 5,964 customers were residential and the remaining were commercial, industrial, or lighting. *See* Tab F, Exhibit __ (HSG-1), Schedule B5. Citizens' received its authorization to operate as a public utility in the Commonwealth of Pennsylvania in Docket No. A-110050.

II. AMOUNT AND REASONS FOR PROPOSED DISTRIBUTION RATE INCREASE

Citizens' conducted an analysis of whether its present rates for its unbundled distribution service are sufficient to recover the costs that it incurs to provide electric distribution service and to earn a fair return on capital. As part of this analysis, Citizens' segregated its revenues received from distribution service by deducting from total revenues the portion received for generation supply purchases. As a result of that study, the Company determined that an overall distribution rate increase of $1.79 million per year is necessary to recover its costs and to earn a fair return on

capital. This analysis was conducted using 2026 as a Fully Projected Future Test Year ("FPFTY"), as authorized by the Public Utility Code.

The proposed increase is approximately 11% of Citizens' annual total revenues under current rates, including generation, transmission and distribution. *See* Tab F, Exhibit__(HSG-1), Schedule C1. The testimony, exhibits and other documents supporting the Company's analysis are referenced in Tabs A through L of this filing.

If the full request is granted, the Company will be able to earn a return on rate base of approximately 8.49%. *See id.* Schedule C1. Without rate relief, Citizens' projects that it will earn a return on rate base of only 1.46% in 2026. *Id.*

Citizens' last distribution rate adjustment took effect in February 2023. Since that time, Citizens' has continued to provide high quality reliable service to customers while at the same time the costs of providing that service have continued to grow. Citizens' has been systematically replacing its aging distribution infrastructure, including replacing aged poles, increasing conductor size to provide greater operating flexibility and reliability, replacing underground cable, reconductoring to increase capacity and reliability, and relocating lines for reliability improvement. Additionally, Citizens' has completed numerous small line extensions and upgrades. In comparison to the last rate case, the Company will have increased its utility rate base by $4 million by the end of the FPFTY. *See id.* Schedule C5-1.

Citizens' investments in reliability and infrastructure are occurring as Citizens' faces declining kWh. *See id.* Citizens' expects its customers to continue improving energy efficiency through continued proliferation and use of efficiency measures such as solar generation, LED lighting, higher-efficiency appliances, and variable speed heat pumps.

Finally, Citizens' Operations and Maintenance ("O&M") costs are increasing due to inflation. Citizens' O&M costs are over $1.4 million higher for the FPFTY when compared to the last rate case. *See id.* Citizens' has experienced cost increases for most major components that are required to operate and maintain our distribution system. The Company has taken steps to offset those increases, including adjusting the rates for revenue from telecommunications, cable and other entities that attach to our poles; however, this benefit is minor and a distribution rate increase is also needed.

Above all, the proposed distribution rates will promote the continued provision of safe and reliable service by ensuring that Citizens' will 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.

III. RATES FOR SPECIFIC CUSTOMER CLASSES

The new rates for each Schedule are summarized in Tab F, Exhibit__(HSG-1), Schedule B7. The Company conducted a Cost of Service Study ("COSS") to determine the fixed and variable costs of providing service to each customer class. *Id.*, Schedule E. Based on this study, Citizens' proposes to allocate the distribution increase on a cost-causation basis, which will result in different percentage increases for each customer class. Exhibit__(HSG-1), Schedule B6-4 shows the increase that is allocated to each customer class. The Company was not able to move each customer class to full cost-of-service rates because this would have resulted in very large rate increases for residential customers. However, the Company's proposed allocation of the rate

increase reflects meaningful progress in moving all customer classes toward their respective cost-to-serve.

For all rate schedules, Citizens' proposes to increase the monthly customer charge. *See* Exhibit__(HSG-1), Schedule B7. A very large portion of the revenues for most utilities are collected through variable charges (demand-based or energy-based), while the actual cost-to-serve for most customers is largely fixed. Citizens' revenues and costs have these same characteristics. To better align rates with the cost of providing service, Citizens' proposes to recover more costs through fixed charges.

In addition, as required by the Commission's regulations, Citizens' will reflect its anticipated obligations for various state taxes in the new distribution rates and reset its State Tax Adjustment Surcharge ("STAS") to 0.00%.

IV. TARIFF CHANGES

The Company is proposing several modifications to its tariff provisions. Mr. Johnson's testimony at Tab I summarizes the changes. *See* Tab I, Direct Testimony and Exhibits of Nathan Johnson.

V. NOTICE PROCEDURES AND EFFECTIVENESS OF PROPOSED RATE CHANGES

On April 30, 2025, Citizens' mailed the Customer Notice in Tab B to its customers. Citizens' also issued the Press Release contained in Tab C on April 30, 2025. Citizens' also will post the notice in its office, as required by Section 53.45(b) of the Commission regulations, and will post the filing on its website at www.citizenselectric.com.

VI. APPEARANCE OF COUNSEL

Citizens' will be represented regarding this filing by the following attorneys:

Adeolu A. Bakare (PA I.D. No. 208541)
Matthew L. Garber (Pa. I.D. No. 322855)
Rebecca Kimmel (Pa. I.D. No. 335097)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 260-1744
abakare@mcneeslaw.com
mgarber@mcneeslaw.com
rkimmel@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
Phone: (570) 724-9469
ppolacek@ctenterprises.org

All inquiries or pleadings regarding this filing should be directed to Mr. Bakare. The Company encourages interested parties to informally contact its attorneys to discuss any questions or concerns related to the filing. All counsel consent to electronic service of filings and other documents.

VII. CONCLUSION

WHEREFORE, Citizens' Electric Company of Lewisburg, PA, requests that the Pennsylvania Public Utility Commission review and approve its proposed Supplement No. 172 to Tariff Electric Pa. P.U.C. No. 14 effective on June 29, 2025.

Respectfully submitted,

By

Adeolu A. Bakare (PA I.D. No. 208541)
Matthew L. Garber (Pa. I.D. No. 322855)
Rebecca Kimmel (Pa. I.D. No. 335097)
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 260-1744
abakare@mcneeslaw.com
mgarber@mcneeslaw.com
rkimmel@mcneeslaw.com

Pamela C. Polacek (PA I.D. No. 78276)
C&T Enterprises, Inc.
P.O. Box 129
Venetia, PA 15367
Phone: (570) 724-9469
ppolacek@ctenterprises.org

Counsel to Citizens' Electric Company of Lewisburg, PA

Dated: April 30, 2025

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	
	:	

VOLUME I
INDEX

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA

APRIL 30, 2025

VOLUME I INDEX---CITIZENS

Volume I:

Tab A Affidavit of Nathan (Nate) Johnson
Tab B Customer Notice
Tab C Press Release
Tab D Supplement No. 172
Tab E 52 Pa. Code Section 53.52 and 53.53 Responses

A

VERIFICATION

I, Nathan Johnson, hereby state that the facts set forth in the foregoing document are true and correct to the best of my information, knowledge and belief, and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties in 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Name: Nathan Johnson

Company: Citizens' Electric Company of Lewisburg, PA

Title: President & CEO

Date: 4/29/2025

B

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
NOTICE OF PROPOSED RATE INCREASE AND TARIFF CHANGES

To Our Customers:

Citizens' Electric Company of Lewisburg, PA (Citizens' or the Company) is filing a request with the Pennsylvania Public Utility Commission (PUC or Commission) to change your electric rates as of June 29, 2025. It is likely that the Commission will suspend the effective date for this filing to investigate our costs, which will result in the new rates taking effect in late 2025 or early 2026. This notice describes the Company's rate request, the PUC's role, and what actions you can take.

Rate Request

Citizens' has requested an overall distribution service rate increase of $1.79 million per year. This request is for an increase of about 11% of the Company's total annual revenues for generation, transmission and distribution. The changes will be shown in the distribution portion of customers' bills. This overall rate increase will ensure that Citizens' is able to continue to offer safe and reliable electric distribution service. If this filing is approved, it will also reset the State Tax Adjustment Surcharge to 0.00% and adjust the Generation Supply Service Rate to reflect the roll-in of the taxes. This will have zero net impact on the generation portion of your bill.

If the Company's entire request to increase rates by $1.79 million is approved by the PUC, the total bill for a residential customer purchasing electricity from Citizens' and using 1,250 kWh per month would increase by $17.63 per month, from $163.89 to $181.51. This is about an 11% increase in your total charges.

The total bill for commercial class customers purchasing electricity from Citizens' will vary depending on billing demand and rate schedule. For example, the bill for a commercial customer purchasing electricity from Citizens' on Schedule GLP-1 with a 10 kW demand using approximately 3,650 kWh per month would increase by $20.14 per month, from $405.92 to $426.5. This is about a 5% increase in your total charges. The bill for a commercial customer on Schedule GLP-3 with a billing demand of 150 kW using approximately 54,750 kWh per month would increase by $303.32 per month, from $5,715.48 to $6,018.79. This is about a 5.3% increase in your total charges.

Bills for other types of customers, including customers purchasing street and area lighting service or space heating service from Citizens', will also change. Any residential, commercial or other type of customer can contact Citizens' for an estimate of the impact of the proposed rate changes on its annual payments to the Company.

Tariff Changes

The Company is proposing several changes to its tariff. The specific tariff changes are included in the materials available from the Company.

More Information Available

To find out your customer class, how the requested increase may affect your electric bill, or if you are interested in reviewing the material filed with the PUC, contact Citizens' at 570-524-2231. The rates requested by the Company may be found in Tariff Supplement No. 172 to Tariff Electric- Pa. PUC No. 14. You may examine the material filed with the PUC which explains the requested increase and the reasons for it. A copy of this material is kept at Citizens' office. Citizens' is open from 7:30 AM to 4:00 PM Monday through Friday. Citizens' office is located at 1775 Industrial Boulevard, Lewisburg

PA. A copy will also be posted on Citizens' website at www.citizenselectric.com. Upon request, the Company will send you the Statement of Reasons explaining why the rate increase has been requested.

PUC Role

The state agency that approves rates for public utilities is the PUC. The PUC will examine the requested rate increase and can prevent existing rates from changing until it investigates and/or holds hearings on the request. The Company must prove that the requested rates are reasonable. After examining the evidence, the PUC may grant all, some or none of the request or may reduce existing rates.

The PUC may change the amount of the rate increase or decrease requested by the utility for each customer class. As a result, the rate charged to you may be different than the rate requested by the Company and shown above.

Actions You Can Take

There are three ways to challenge a company's request to change its rate:

1. You can file a formal complaint. If you want a hearing before a judge, you must file a formal complaint. By filing a formal complaint, you assure yourself the opportunity to take part in hearings about the rate increase request. All complaints should be filed with the PUC as soon as possible. If no formal complaints are filed, the Commission may grant all, some or none of the request without holding a hearing before a judge. The PUC has a form called the Formal Complaint to a Proposed Rate increase that is available on the PUC's website at www.puc.pa.gov/complaints/formal-complaints/ or upon request to the PUC. The PUC can be contacted at 1-800-692-7380 or at the following address: Pennsylvania Public Utility Commission, 400 North Street, Commonwealth Keystone Building, 2nd Floor, Harrisburg PA 17120. Your complaint can be filed electronically with the PUC. Information regarding electronic filing is available at https://efiling.puc.pa.gov/.

2. You can send the PUC a comment telling them why you object to the requested rate increase. Sometimes there is information in these comments that makes the PUC aware of problems with the Company's service or management. This information can be helpful when the PUC investigates the rate request. The PUC has a form called Comment to a Proposed Rate Increase that is available on the Commission's website at www.puc.pa.gov/complaints/formal-complaints/ or upon request to the PUC. Send your comment form or letter to the Pennsylvania Public Utility Commission, 400 North Street, Commonwealth Keystone Building, 2nd Floor, Harrisburg PA 17120. Your comment form or letter can be filed electronically with the PUC. Information regarding electronic filing is available at https://efiling.puc.pa.gov/.

3. You can be a witness at a public input hearing. Public input hearings may be held if the Commission opens an investigation of the Company's rate increase request and if there is a large number of customers interested in the case. At these hearings you have the opportunity to present your views to the PUC judge hearing the case and the Company representatives. All testimony given "under oath" becomes part of the official rate case record. These hearings may be held in the service area of the Company in person, telephonically or virtually.

C

PRESS RELEASE

FOR IMMEDIATE RELEASE

April 30, 2025

CITIZENS' ELECTRIC COMPANY FILES FOR DISTRIBUTION RATE INCREASE

Lewisburg, PA—Citizens' Electric Company (Citizens') has filed a distribution rate increase proposal with the Pennsylvania Public Utility Commission (PUC), effective today, April 30, 2025.

The proposed increase is $1.79 million per year, or about 11% of the company's total annual revenue. The proposed effective date for the increase is June 29, 2025. Company officials expect the PUC will suspend the effective date for this filing to review Citizens' costs, which will likely result in the new rates taking effect in late 2025 or early 2026, if approved.

In Pennsylvania, electric rates consist of three components: "generation," which is the production of electricity; "transmission," which is the movement of electricity from where it is generated to the point of distribution; and "distribution," which is the delivery of electricity from transmission lines to consumers' homes and businesses. The proposed rate change would be reflected in the distribution portion of customers' bills. The company last filed to increase its distribution rates in April 2022.

If the PUC approves the Company's request to increase rates by $1.79 million, the total bill for a residential customer purchasing electricity from Citizens' and using 1,250 kilowatt-hours (kWh) per month would increase by $17.62 per month, from $163.89 to $181.51. This is about an 11% increase in total charges.

The total bill for commercial class customers purchasing electricity from Citizens' will vary depending on billing demand and rate schedule. For example, the bill for a commercial customer on Schedule GLP-1 with a billing demand of 10 kilowatt (kW) using approximately 3,650 kWh per month would increase by $20.13 per month, from $405.92 to $426.05. This represents about a 5% increase in total charges. The bill for a larger customer on Schedule GLP-3 with a billing demand of 150 kW using approximately 54,750 kWh per month would increase by $303.31 per month, from $5,715.48 to $6,018.79. This represents about a 5.3% increase in total charges.

Bills for other types of customers, including those purchasing street and area lighting service or space heating service from Citizens', will also change. Any residential, commercial, or other type of customer can contact Citizens' for an estimate of the impact of the proposed rate changes on their annual payments to the Company.

"Citizens' Electric, like many businesses, has faced rising costs for materials, labor, fuel, and equipment due to ongoing inflation," said President & CEO Nathan (Nate) Johnson. "The proposed rate adjustment will allow us to invest adequately in our infrastructure, ensuring we continue to provide our customers with the safe and reliable electric service they expect and deserve from Citizens' Electric Company."

Any questions concerning the distribution rate increase proposal or its effect on customers' bills can be directed to the Citizens' office at 570-524-2231. A copy of the filing is posted on Citizens' website at citizenselectric.com.

About Citizens' Electric Company:
Citizens' Electric Company, headquartered in Lewisburg, PA, is an investor-owned electric utility regulated by the Pennsylvania Public Utility Commission. Citizens' service area covers approximately 55 square miles, including the Borough of Lewisburg, Buffalo, East Buffalo and small portions of Kelly and West Buffalo Townships in Union County. Operating one 69,000-volt substation and approximately 220 miles of 12,470 volt overhead and underground distribution lines, Citizens' delivers more than 160,000,000 kilowatt hours of reliable electricity annually. For more information about Citizens', please visit citizenselectric.com.

Contact:

Casey Wood
Vice President of Communications
C&T Enterprises, Inc.
caseyw@ctenterprises.org

C&T Enterprises, Inc. is a jointly owned subsidiary of Claverack (Wysox, PA) and Tri-County (Mansfield, PA) Rural Electric Cooperatives. C&T provides shared management and support services for the two parent electric cooperatives, the cooperatives' telecom affiliates of Revolution Broadband and Tri-Co Connections, and C&T's subsidiary utilities of Wellsboro Electric Co. (Wellsboro, Pa), Citizens' Electric Co. (Lewisburg, Pa), and Valley Energy (Sayre, Pa), a natural gas distribution company.

D

Supplement No. 172
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 April 30, 2025

Effective June 29, 2025

Issued by
NATHAN JOHNSON, 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. 172 implements a distribution rate increase. Specifically, Supplement No. 172:

Page 5: Adds definition of "Billing Demand."

Page 12: Updates Rule 12 "Bills – Rates – Disconnection" to add a new section regarding in-person meter reading.

Page 14: Updates Rule 17 "Meter Installations."

Page 17: Updates Rule 26 "Determination of Billing Demand."

Page 25: For Rule 30 "Service For Less Than One Year," removes the Seasonal Residential Service class and associated minimum charge.

Page 26: Updates Rule 30 "Service For Less Than One Year" to include language for when service is discontinued at the Customer's request.

Page 37: Sets the State Tax Adjustment Surcharge to 0.0000% as of June 29, 2025.

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 and revises the definition of "Billing Demand."

Page 45: Increases the Customer Charge, the block charges, and the variable distribution charge for all energy consumption.

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

Page 46: Increases the Minimum Charge, block charge, and Voltage Discount. Revises the definition of "Billing Demand."

Page 47: Increases the monthly per-meter and per-light-post charges.

Page 49: Increases the distribution charges for light fixtures installed prior to March 13, 2018, and for all available LED Fixtures.

Page 53: Increases the Customer Charge and the energy-based charge.

Supplement No. 172 also makes housekeeping revisions to the following pages: Page 5A; Page 9; Page 38; Page 39; Page 43; and Page 45. (C)

(C) Indicates Change

INDEX

Page

Title Page.....Supplement No. 172 (C)
List of Changes Made by This Tariff.....One-Hundred-Fifty-Eighth Revised 2 (C)
[RESERVED].....Fifth Revised 2A (C)
Index.....One-Hundred-Fifty-Seventh Revised 3 (C)
.....One-Hundred-Fifty-Third Revised 4 (C)
.....Thirty-Fifth Revised 4A (C)
Definitions.....Fifth Revised 5 (C)
.....Second Revised 5A (C)
.....Third Revised 6
.....Fourth Revised 7
RULES AND REGULATIONS:
1 – Contracts.....Second Revised 8
2 - Right of Way and Access to Property.....Second Revised 8A
3 - Company's Service: Equipment.....Second Revised 8A
4 - Customer's Responsibility.....Fourth Revised 9 (C)
5 - Customer's Installation.....Fourth Revised 9 (C)
6 - Repairs for Customers.....Second Revised 10
7 - Use of Service.....Second Revised 10
8 - Redistribution of Service.....Second Revised 10
9 - Notice of Trouble.....Second Revised 11
10 - Continuity of Service .....Second Revised 11
11 - Capacity of Company's Service Facilities .....Fifth Revised 12 (C)
12 - Bills - Rates – Disconnection .....Fifth Revised 12 (C)
.....Eighth Revised 13
13 - Deposits .....Eighth Revised 13
14 – [RESERVED] .....Third Revised 14 (C)
15 - Taxes on Contributions in Aid of Construction and
Customer Advances .....Third Revised 14 (C)
16 - Point and Method of Adjustment .....Third Revised 14 (C)
17 - Meter Installations .....Third Revised 14 (C)
18 - Unmetered Service .....Fourth Revised 15
19 - Interference with Company's Property .....Second Revised 15A
20 - Meter Testing .....Second Revised 15A
21 - Application Provisions .....Third Revised 16
22 - Incidental Lighting .....Third Revised 16
23 - Selection of Schedules .....Third Revised 16
24 - Company Reserves the Right to Shut Off Supply .....Third Revised 16
25 – Remedies.....Sixth Revised 17 (C)
26 - Determination of Billing Demand.....Sixth Revised 17 (C)
.....Fourth Revised 17A

(C) Indicates Change

INDEX (cont'd)

Page

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

(C) Indicates Change

INDEX (cont'd)

Page

Schedule MBL – Municipal Blvd.
Street Lighting Service.....Ninety-First Revised 47 (C)
By Contract With Municipal Authorities.....Tenth Revised 48
Schedule OL - Outdoor Lighting Service By Contract
High Pressure Sodium (HPS), Mercury Vapor (MV) &
Light Emitting Diode (LED).....Eighty-Seventh Revised 49 (C)
.....Second Revised 49A
.....Sixth Revised 50
Reserved for future use.....Sixth Revised 51
.....Fourth Revised 52
Schedule SH - Space Heating.....Ninety-First Revised 53 (C)
.....Tenth Revised 54
Cogeneration & Small Power Production Qualifying
Facility Service.....Second Revised 55
Sales to Qualifying Facilities, SPPs and Cogeneration
Facilities of Over 50 kW.....Original 56
.....Second Revised 57
.....Original 58
Sales to Qualifying Facilities, SPPs and Cogeneration
Facilities of Over 50 kW.....Twelfth Revised 59
.....Seventh Revised 60
.....Third Revised 61
RIDERS:
Reserved for future use.....Second Revised 62,63
Rider B-Net Metering.....Fourth Revised 64
.....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
.....Original 72A
.....First Revised 73

(C) Indicates Change

DEFINITIONS

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.

BILLING DEMAND (C)

Billing Demand shall reflect the Customer’s use of the distribution system, which will be the greater of Gross Generator Rating (kW(AC)) as stated in the generator interconnection application or the maximum demand of the customer during any 15-minute period during the current month. (C)

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.

(C)

* * *

(C)

(C) Indicates Change

DEFINITIONS (cont'd)

CUSTOMER'S INSTALLATION (C)

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.

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)

ELECTRIC DISTRIBUTION COMPANY (EDC)

An entity owning and providing facilities for the distribution of (C)
electricity to retail customers, except building or facility owners or (C)
operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility. In this tariff, EDC refers to Citizens' Electric Company.

ELECTRIC GENERATION SUPPLIERS (EGS)

A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to the Competition Act. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa.C.S. § 74(relating to generation choice for customers of electric cooperatives).

(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 may 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)

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

(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.

(1) A Customer may request an in-person reading of a meter that is otherwise read automatically in order to verify the accuracy of the reading. The Company may charge a fee of $35.00 for the in-person reading, which will be included in the Customer's monthly bill. (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.

(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)

14. [RESERVED]

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. The premises owner is responsible for accurately labeling meters in accordance with Company specifications. The Company shall not be responsible for incorrect billing due to meters with incorrect, illegible, unclear, or missing labels. (C)

(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)

24. COMPANY RESERVES THE RIGHT TO SHUT OFF SUPPLY (cont'd)

of the foregoing, termination of any residential Customer will be done in accordance 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.

Consistent with 52 Pa. Code § 56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; and (4) other forms to be accepted at the Company's discretion. The Customer must provide this information within 10 days of the Company's request. This information may also be used by the Company to avoid termination and to determine deposit requirements, payment arrangements, and any other income-specific program.

Whenever the service is discontinued for non-payment of bill for regulated and/or Default Service charges, said service will not be reconnected until the bill for regulated and/or Default Service charges is paid or satisfactory arrangements are made for payment. An additional charge of not less than $33.00 will be made for reconnecting during regular business hours, or $47.00 if the reconnection must occur after regular working hours.

25. REMEDIES

Any failure by Company at any time to resort to any remedy available to it shall not be deemed a waiver of such remedy as to any matter arising in the future. Company reserves the right to shut off the supply of electric service and remove its equipment from the premises without notice in case a Writ of Execution is issued against Customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of Customer.

26. DETERMINATION OF BILLING DEMAND

The method of determining the Billing Demand as stated in the applicable schedules is subject to the following regulations unless it is specified to the contrary in the schedule:

(a) Billing Demand shall reflect the Customer's maximum use of the distribution system during the 15-minute period of maximum use for the month. This shall be the maximum energy supplied by the Company to the Customer's meter during the applicable period or, for customer generators that qualify for Rider B – Net Metering, the greater of the maximum energy supplied by the Company to the meter or the nameplate generator capacity indicated on the application to interconnect. (C)

(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.

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) 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. (C)

* * * (C)
(C)

(C) Indicates Change

RULES AND REGULATIONS (cont'd)

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

B. RATES (cont'd)

(3) If service is discontinued at the request of the Customer, then the Company shall not be under any obligation to resume service to the same premises for the same Customer or the premises owner within twelve months unless it shall receive an amount equal to the minimum charge for each month of the intervening period, plus the cost of disconnection and reconnection. (C)

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.

(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

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcharge of (C)
0.0000% will apply to all bills for service rendered on or after June 29, 2025. (I)(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) Indicates Change (I) Indicates Increase

GENERATION SUPPLY SERVICE RATE – 1 ("GSSR-1") RIDER

The Generation Supply Service Rate – 1 ("GSSR-1") shall be applied to each kilowatt-hour supplied to customers who take Default Service from the Company under Rate Schedules RS, GLP-1, GLP-3, MBL, or OL, except any customer who has experienced a monthly Billing Demand of 400 kW or more during any month in the last 12-month period. (C)

The GSSR-1 shall be calculated for each computation period to the nearest one thousandths of one cent per kilowatt hour in accordance with the formula set forth below. The GSSR-1 shall be applied on services rendered.

Formula: $$GSSR\text{-}1 = \left[\frac{F + E}{S}\right] \times \left[\frac{1}{1 - T}\right]$$

F = The total estimated direct and indirect Purchased Power Costs for the compliance period incurred by the Company to acquire generation supply from any source on behalf of Default Service customers eligible to be served on the GSSR-1. Purchased Power Costs include costs of: wholesale energy (including the Distribution Loss Adjustment); capacity; transmission; ancillary services; congestion; losses; financial transactions and physical call options for energy consistent with the Company's PUC-approved Default Service Plan; financial transmission rights or other products; applicable RTO or ISO administrative activities; supply management, including wholesale supplier administrative charges (including the Distribution Loss Adjustment), supply bidding, contracting, hedging, risk management, and any scheduling and forecasting services provided exclusively for default service; administration related to Default Service, including education, regulatory, litigation, tariff filings, working capital and information system costs; and alternative energy portfolio standard compliance. The GSSR-1 computation period shall be the six calendar months over which the GSSR-1 as computed, shall apply. The GSSR-1 computation periods shall be June 1-November 30 and December 1-May 31, unless an interim filing is submitted to adjust the GSSR-1 as set forth below.

E = Experienced net overcollections or undercollections of the GSSR-1 Purchased Power Costs (F) as of the end of the GSSR-1 reconciliation period including interest. Interest shall be computed monthly at the appropriate rate as provided in 52 Pa. Code § 54.187(f) and, other applicable PUC regulations for the month the over or undercollection occurs to the effective month such overcollection is refunded and such undercollection is recouped. The GSSR-1 reconciliation periods shall be April 1-September 30 and October 1-March 31.

S = The Company's projected total kilowatt hour Default Service sales to customers under GSSR-1 during the computation period.

T = The Pennsylvania Gross Receipts Tax rate in effect during the billing month expressed in decimal form.

(C) Indicates Change

GENERATION SUPPLY SERVICE RATE – 2 ("GSSR-2") RIDER

The Generation Supply Service Rate – 2 ("GSSR-2") shall be charged to each customer who takes Default Service from the Company under Rate Schedules GLP-1 or GLP-3 and who experienced a monthly Billing Demand of 400 kW or more during any month in the last 12 months. (C)

All of the following charges apply to this rate option:

- GSSR-2 Energy Charge per kWh: The product of the actual real-time PJM West Hub Locational Marginal Prices ("LMPs") for each hour of the billing month expressed in cents per kWh (including the Distribution Loss Adjustment), times the customer's actual energy use during each hour of the billing month.

- GSSR-2 Capacity Charge: The product of the PJM Reliability Pricing Model price of capacity expressed in dollars per kW-Day, as reported by PJM for the PL Zone, for the applicable billing month, times the customer's fixed peak load capacity obligation, as determined by the Company in accordance with the applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 Transmission Charge: The product of the PL Zonal Network Integrated Transmission Service ("NITS") price expressed in dollars per kW-Day for the applicable billing month, times the customer's fixed network peak service load obligation, as determined by the Company in accordance with applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 Regional Transmission Expansion Plan/Transmission Enhancement Charge: The product of the PL Zonal Regional Transmission Expansion Plan/Transmission Enhancement Service ("RTEP") price expressed in dollars per kW-Day for the applicable billing month, times the customer's fixed network peak service load obligation, as determined by the Company in accordance with applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 E-Factor (*Pilot Program effective June 1, 2025 through May 31, 2029*): Experienced net overcollections or undercollections of the GSSR-2 costs as of the end of the GSSR-2 reconciliation period including interest. Interest shall be computed monthly at the appropriate rate as provided in 52 Pa. Code § 54.187(f) and other applicable PUC regulations for the month the over or undercollection occurs to the effective month such overcollection is refunded, or such undercollection is recouped. The GSSR-2 reconciliation periods shall be April 1 – September 30 and October 1 – March 31.

(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

$16.50 Customer Charge (I)
4.506 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 = 11.419 cents per kWh

(I) Indicates Increase

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

$21.00 Customer Charge (I)
$4.52 per kilowatt for all kilowatts of the Billing Demand (I)
1.164 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. (C)

GSSR-1 = 11.419 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. (C)

GSSR-2 Administrative Charge = -0.140 cents per kWh

(I) Indicates Increase (C) Indicates Change

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

MINIMUM CHARGE

$21.00 per month, plus $4.52 per kW times the Billing Demand requirement of this rate schedule, but not less than 5 kW. (I)(C)

BILLING DEMAND

Billing Demand is defined in Rule 26(a), but not less than 50% of the highest Billing 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.

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.

(I) Indicates Increase (D) Indicates Decrease

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 of Billing Demand from available lines of three phase 230 volts or at a higher available voltage at the option of the Customer. (C)

NET MONTHLY DISTRIBUTION RATE

$100.00 Customer Charge (I)
$6.91 per kilowatt for all kilowatts of the Billing Demand (I)
1.221 cents per kWh for 30 kWh per kilowatt of the Billing Demand (I)
0.133 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. (C)

GSSR-1 = 11.419 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. (C)

GSSR-2 Administrative Charge = -0.140 cents per kWh

(C) Indicates Change (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 $100.00, plus (I)
$6.91 per kW times the Billing Demand requirement of this rate schedule but (I)(C)
not less than 50 kW.

BILLING DEMAND

Billing Demand is defined in Rule 26(a), but not less than 50% of the (C)
highest Billing Demand during the preceding eleven months. (C)

VOLTAGE DISCOUNT

30.159 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 to all charges under this rate.

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.

NET MONTHLY DISTRIBUTION RATE

$6.72 for each meter (I)
$6.97 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 = 11.419 cents per kWh

(I) Indicates Increase

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	$11.71	$5.20	$16.91	(I)
100	HPS*	8,500	UG	Open	$19.03	$5.20	$24.23	
100	HPS*	8,500	UG	Colonial**	$28.18	$5.20	$33.38	
400	HPS*	45,000	OH	Cobra	$18.29	$18.59	$36.88	
175	MV*	6,650	UG	Cobra	$19.03	$7.99	$27.02	
175	MV*	6,650	OH	Open	$9.36	$7.99	$17.35	(I)

LED FIXTURES

Watts	Lamp	Nominal Lumens	Supply OH/UG	Fixture Type	Distribution	Generation***	Total Cost	
45	LED	5,000	OH	Cobra	$16.64	$1.80	$18.44	(I)
45	LED	5,000	UG	Cobra	$24.27	$1.80	$26.07	
50	LED	5,000	UG	Colonial	$34.26	$2.00	$36.26	
140	LED	15,000	OH	Cobra	$20.93	$5.60	$26.53	
140	LED	15,000	UG	Cobra	$28.52	$5.60	$34.12	
280	LED	20,000	OH	Cobra	$26.42	$11.19	$37.61	
280	LED	20,000	UG	Cobra	$34.01	$11.19	$45.20	(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 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

$24.00 Customer Charge (I)
5.482 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 = 11.419 cents per kWh

(I) Indicates Increase

Supplement No. ~~171~~172
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 April ~~17~~30, 2025

Effective June ~~1~~29, 2025

Issued by
NATHAN JOHNSON, PRESIDENT & CEO
1775 Industrial Boulevard
Lewisburg, PA 17837

~~(C)~~

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. ~~171 makes the following changes~~172 implements a distribution rate increase. Specifically, Supplement No. 172:

Page ~~No. 39~~5: ~~For the "Generation Supply Service Rate – 2 ("GSSR-2") Rider," adds language regarding the "GSSR-2 E-Factor (*Pilot Program effective June 1, 2025 through May 31, 2029*)."~~
Adds definition of "Billing Demand."

Page ~~No. 39A~~12: ~~For the "Generation Supply Service Rate – 2 ("GSSR-2") Rider," deletes language indicating that the GSSR-2 shall be reconciled through the GSSR-1.~~
Updates Rule 12 "Bills – Rates – Disconnection" to add a new section regarding in-person meter reading.

Page ~~No. 39B~~14: ~~For the "Generation Supply Service Rate – 2 ("GSSR-2") Rider," adds language regarding the E-Factor Interim Adjustment.~~
Updates Rule 17 "Meter Installations."

Page ~~No. 72A~~17: ~~For "Rider D – Customer Choice Support Charge," adds language regarding the "GSSR-2 CCS Rate (*Pilot Program effective June 1, 2025 through May 31, 2029*)."~~Updates Rule 26 "Determination of Billing Demand."

Page 25: For Rule 30 "Service For Less Than One Year," removes the Seasonal Residential Service class and associated minimum charge.

Page 26: Updates Rule 30 "Service For Less Than One Year" to include language for when service is discontinued at the Customer's request.

Page 37: Sets the State Tax Adjustment Surcharge to 0.0000% as of June 29, 2025.

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 and revises the definition of "Billing Demand."

Page 45: Increases the Customer Charge, the block charges, and the variable distribution charge for all energy consumption.

~~Pages 41, 43, 45, 47, 49, 53:~~

~~In addition, Supplement No. 171 increases the GSSR-1 rate from 8.697 cents per kWh to 11.419 cents per kWh and decreases the GSSR-2 Administrative Charge from 0.269 cents per kWh to a credit of -0.140 cents per kWh.~~

~~**[RESERVED]**~~ ~~(C)~~

~~* * *~~

~~(C)~~

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

Page 46:	Increases the Minimum Charge, block charge, and Voltage Discount. Revises the definition of "Billing Demand."
Page 47:	Increases the monthly per-meter and per-light-post charges.
Page 49:	Increases the distribution charges for light fixtures installed prior to March 13, 2018, and for all available LED Fixtures.
Page 53:	Increases the Customer Charge and the energy-based charge.

(C) Indicates Change

Supplement No. 172 also makes housekeeping revisions to the following pages: Page 5A; Page 9; Page 38; Page 39; Page 43; and Page 45. (C)

(C) Indicates Change

INDEX

Page

Title Page.....Supplement No. ~~171~~172 (C)
List of Changes Made by This Tariff.....One-Hundred-Fifty-Eighth Revised 2 (C)
[RESERVED].....Fifth Revised 2A (C)
Index.....One-Hundred-Fifty-Seventh Revised ~~2~~3 (C)
~~[RESERVED].....Fourth Revised 2A~~ (C)
~~Index.....One-Hundred-Fifty-Sixth Revised 3~~ (C)
.....~~One-Hundred-Fifty-Second~~ One-Hundred-Fifty-Third Revised 4 (C)
.....~~Thirty-Fourth~~ Thirty-Fifth Revised 4A (C)
Definitions.....~~Fourth~~ Fifth Revised 5
.....~~First~~ Second Revised 5A
.....Third Revised 6
.....Fourth Revised 7
RULES AND REGULATIONS:
1 - Contracts.....Second Revised 8
2 - Right of Way and Access to Property.....Second Revised 8A (C)
3 - Company's Service: Equipment.....Second Revised 8A (C)
4 - Customer's Responsibility.....~~Third~~ Fourth Revised 9
5 - Customer's Installation.....~~Third~~ Fourth Revised 9
6 - Repairs for Customers.....Second Revised 10
7 - Use of Service.....Second Revised 10
8 - Redistribution of Service.....Second Revised 10
9 - Notice of Trouble.....Second Revised 11 (C)
10 - Continuity of Service .....Second Revised 11 (C)
11 - Capacity of Company's Service Facilities .....~~Fourth~~ Fifth Revised 12
12 - Bills - Rates - Disconnection .....~~Fourth~~ Fifth Revised 12
.....Eighth Revised 13 (C)
13 - Deposits .....Eighth Revised 13
14 - [RESERVED] .....~~Second~~ Third Revised 14 (C)
15 - Taxes on Contributions in Aid of Construction and (C)
Customer Advances .....~~Second~~ Third Revised 14 (C)
16 - Point and Method of Adjustment .....~~Second~~ Third Revised 14
17 - Meter Installations .....~~Second~~ Third Revised 14
18 - Unmetered Service .....Fourth Revised 15
19 - Interference with Company's Property .....Second Revised 15A
20 - Meter Testing .....Second Revised 15A
21 - Application Provisions .....Third Revised 16
22 - Incidental Lighting .....Third Revised 16
23 - Selection of Schedules .....Third Revised 16 (C)
24 - Company Reserves the Right to Shut Off Supply .....Third Revised 16 (C)
25 - Remedies.....~~Fifth~~ Sixth Revised 17
26 - Determination of Billing Demand.....~~Fifth~~ Sixth Revised 17
.....Fourth Revised 17A

(C) Indicates Change

INDEX (cont'd)

Page

27 - Auxiliary Service.....Second Revised 18
28 - Extension of Service.....Second Revised 19
.....Second Revised 20
.....Original 21
29 - Supply of Service.....Original 22
.....Second Revised 23,24
30 - Service for Less Than One Year.....~~Second~~ Third Revised 25 (C)
31 - Residential Service Requirements.....Third Revised 26 (C)
.....Second Revised ~~26,27~~27
32 - Pole Removal Or Relocation Charges – Residential.....Second Revised 28
33 - Underground Distribution.....Second Revised 28
34 - Underground Electric Service in New Residential
Developments .....Second Revised 29,30,31
35 - Emergency Load Control.....Original 32
36 - Emergency Energy Conservation.....Original 32
.....Second Revised 33,34
37 – Electric Vehicle (EV) Charging Facilities.....Sixth Revised 35
38 – [RESERVED].....Sixth Revised 35
39 - Electric Generation Supplier Switching
and Service Address Changes .....Sixth Revised 35
.....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.....~~Thirty-Eighth~~ Thirty-Ninth Revised 37 (C)
Generation Supply Service Rate - 1 Rider.....~~Ninth~~ Tenth Revised 38 (C)
.....Fourth Revised 38A
Generation Supply Service Rate - 2 Rider.....~~Seventh~~ Eighth Revised 39 (C)
.....Second Revised 39A
.....Original 39B
TCJA Voluntary Surcharge.....Twelfth Revised 40
Schedule RS - Residential Service.....~~Ninety-First~~ Ninety-Second Revised 41 (C)
..... Ninth Revised 42
Schedule GLP-1 - General Light and Power Service~~Eighty-Fifth~~ Eighty-Sixth Revis (C)
.....~~Twenty-Sixth~~ Twenty-Seventh Revised 44 (C)
Schedule GLP-3 – General Light & Power Service 50 kW Min.
.....~~Eighty-Fourth~~ Eighty-Fifth Revised 45 (C)
.....~~Twenty-Fifth~~ Twenty-Sixth Revised 46 (C)

(C) Indicates Change

INDEX (cont'd)

Page

Schedule MBL – Municipal Blvd.
Street Lighting Service.....~~Ninetieth~~ Ninety-First Revised 47 (C)
By Contract With Municipal Authorities.....Tenth Revised 48
Schedule OL - Outdoor Lighting Service By Contract
High Pressure Sodium (HPS), Mercury Vapor (MV) &
Light Emitting Diode (LED).....~~Eighty-Sixth~~ Eighty-Seventh Revised 49 (C)
.....Second Revised 49A
.....Sixth Revised 50
Reserved for future use.....Sixth Revised 51
.....Fourth Revised 52
Schedule SH - Space Heating.....~~Ninetieth~~ Ninety-First Revised 53 (C)
.....Tenth Revised 54
Cogeneration & Small Power Production Qualifying
Facility Service.....Second Revised 55
Sales to Qualifying Facilities, SPPs and Cogeneration
Facilities of Over 50 kW.....Original 56
.....Second Revised 57
.....Original 58
Sales to Qualifying Facilities, SPPs and Cogeneration
Facilities of Over 50 kW.....Twelfth Revised 59
.....Seventh Revised 60
.....Third Revised 61
RIDERS:
Reserved for future use.....Second Revised 62,63
Rider B-Net Metering.....Fourth Revised 64
.....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
.....Original 72A
.....First Revised 73 ~~(C)~~

(C) Indicates Change

DEFINITIONS

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.

BILLING DEMAND (C)

Billing Demand shall reflect the Customer's use of the distribution system, which will be the greater of Gross Generator Rating (kW(AC)) as stated in the generator interconnection application or the maximum demand of the customer during any 15-minute period during the current month. (C)

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.

(C)

* * *

(C)

(C) Indicates Change

DEFINITIONS (cont'd)

CUSTOMER'S INSTALLATION

(C)

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.

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)

ELECTRIC DISTRIBUTION COMPANY (EDC)

An entity owning and providing facilities for the distribution of electricity to retail customers, except building or facility owners or operators that manage the internal distribution system serving such building or facility and that supply electric power and other related electric power services to occupants of the building or facility. In this tariff, EDC refers to Citizens' Electric Company.

ELECTRIC GENERATION SUPPLIERS (EGS)

A person or corporation, including municipal corporation, which provides service outside its municipal limits except to the extent provided prior to the Competition Act. This includes brokers and marketers, aggregators or any other entities that sell to end-use customers electricity or related services utilizing the jurisdictional transmission or distribution facilities of an electric distribution company. The term excludes building or facility owner/operators that manage the internal distribution system for the building or facility and that supply electric power and other related power services to occupants of the building or facility. The term also excludes electric cooperative corporations except as provided in 15 Pa.C.S. § 74(relating to generation choice for customers of electric cooperatives).

(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~~ may 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)

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

(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.

(1) A Customer may request an in-person reading of a meter that is otherwise read automatically in order to verify the accuracy of the reading. The Company may charge a fee of $35.00 for the in-person reading, which will be included in the Customer's monthly bill. (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.

(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)

14. [RESERVED]

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. The premises owner is responsible for accurately labeling meters in accordance with Company specifications. The Company shall not be responsible for incorrect billing due to meters with incorrect, illegible, unclear, or missing labels. (C)

(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)

24. COMPANY RESERVES THE RIGHT TO SHUT OFF SUPPLY (cont'd)

of the foregoing, termination of any residential Customer will be done in accordance 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.

Consistent with 52 Pa. Code § 56.100, the Company will accept the following most current and valid documents as proof of household income: (1) income tax returns; (2) pay stubs; (3) benefit letters and governmental agency verification; and (4) other forms to be accepted at the Company's discretion. The Customer must provide this information within 10 days of the Company's request. This information may also be used by the Company to avoid termination and to determine deposit requirements, payment arrangements, and any other income-specific program.

Whenever the service is discontinued for non-payment of bill for regulated and/or Default Service charges, said service will not be reconnected until the bill for regulated and/or Default Service charges is paid or satisfactory arrangements are made for payment. An additional charge of not less than $33.00 will be made for reconnecting during regular business hours, or $47.00 if the reconnection must occur after regular working hours.

25. REMEDIES

Any failure by Company at any time to resort to any remedy available to it shall not be deemed a waiver of such remedy as to any matter arising in the future. Company reserves the right to shut off the supply of electric service and remove its equipment from the premises without notice in case a Writ of Execution is issued against Customer, or in case the premises at which service is supplied is levied upon, or in case of assignment or act of bankruptcy on the part of Customer.

26. DETERMINATION OF BILLING DEMAND

The method of determining the Billing Demand as stated in the applicable schedules is subject to the following regulations unless it is specified to the contrary in the schedule:

(a) Billing Demand shall reflect the Customer's maximum use of the distribution system during the 15-minute period of maximum use for the month. This shall be the maximum energy supplied by the Company to the Customer's meter during the applicable period or, for customer generators that qualify for Rider B – Net Metering, the greater of the maximum energy supplied by the Company to the meter or the nameplate generator capacity indicated on the application to interconnect. (C)

(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.

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~~ 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)

* * *

(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:~~ (C)

~~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.~~

(3) If service is discontinued at the request of the Customer, then the Company shall not be under any obligation to resume service to the same premises for the same Customer or the premises owner within twelve months unless it shall receive an amount equal to the minimum charge for each month of the intervening period, plus the cost of disconnection and reconnection. (C)

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.

(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

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a ~~surcredit of~~ ~~0.0255~~surcharge of 0.0000% will apply to all bills for service rendered on or after ~~January 1~~June 29, 2025. (C) (I)(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.

GENERATION SUPPLY SERVICE RATE – 1 ("GSSR-1") RIDER

The Generation Supply Service Rate – 1 ("GSSR-1") shall be applied to each kilowatt-hour supplied to customers who take Default Service from the Company under Rate Schedules RS, GLP-1, GLP-3, MBL, or OL, except any customer who has experienced a monthly ~~billing demand~~ Billing Demand of 400 kW or more during any month in the last 12-month period. (C)

The GSSR-1 shall be calculated for each computation period to the nearest one thousandths of one cent per kilowatt hour in accordance with the formula set forth below. The GSSR-1 shall be applied on services rendered.

Formula: $$GSSR\text{-}1 = \left[\frac{F + E}{S}\right] \times \left[\frac{1}{1 - T}\right]$$

F = The total estimated direct and indirect Purchased Power Costs for the compliance period incurred by the Company to acquire generation supply from any source on behalf of Default Service customers eligible to be served on the GSSR-1. Purchased Power Costs include costs of: wholesale energy (including the Distribution Loss Adjustment); capacity; transmission; ancillary services; congestion; losses; financial transactions and physical call options for energy consistent with the Company's PUC-approved Default Service Plan; financial transmission rights or other products; applicable RTO or ISO administrative activities; supply management, including wholesale supplier administrative charges (including the Distribution Loss Adjustment), supply bidding, contracting, hedging, risk management, and any scheduling and forecasting services provided exclusively for default service; administration related to Default Service, including education, regulatory, litigation, tariff filings, working capital and information system costs; and alternative energy portfolio standard compliance. The GSSR-1 computation period shall be the six calendar months over which the GSSR-1 as computed, shall apply. The GSSR-1 computation periods shall be June 1-November 30 and December 1-May 31, unless an interim filing is submitted to adjust the GSSR-1 as set forth below.

E = Experienced net overcollections or undercollections of the GSSR-1 Purchased Power Costs (F) as of the end of the GSSR-1 reconciliation period including interest. Interest shall be computed monthly at the appropriate rate as provided in 52 Pa. Code § 54.187(f) and, other applicable PUC regulations for the month the over or undercollection occurs to the effective month such overcollection is refunded and such undercollection is recouped. The GSSR-1 reconciliation periods shall be April 1-September 30 and October 1-March 31.

S = The Company's projected total kilowatt hour Default Service sales to customers under GSSR-1 during the computation period.

T = The Pennsylvania Gross Receipts Tax rate in effect during the billing month expressed in decimal form.

(C) Indicates Change

GENERATION SUPPLY SERVICE RATE – 2 ("GSSR-2") RIDER

The Generation Supply Service Rate – 2 ("GSSR-2") shall be charged to each customer who takes Default Service from the Company under Rate Schedules GLP-1 or GLP-3 and who experienced a monthly ~~billing demand~~ Billing Demand of 400 kW or more during any month in the last 12 months. (C)

All of the following charges apply to this rate option:

- GSSR-2 Energy Charge per kWh: The product of the actual real-time PJM West Hub Locational Marginal Prices ("LMPs") for each hour of the billing month expressed in cents per kWh (including the Distribution Loss Adjustment), times the customer's actual energy use during each hour of the billing month.

- GSSR-2 Capacity Charge: The product of the PJM Reliability Pricing Model price of capacity expressed in dollars per kW-Day, as reported by PJM for the PL Zone, for the applicable billing month, times the customer's fixed peak load capacity obligation, as determined by the Company in accordance with the applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 Transmission Charge: The product of the PL Zonal Network Integrated Transmission Service ("NITS") price expressed in dollars per kW-Day for the applicable billing month, times the customer's fixed network peak service load obligation, as determined by the Company in accordance with applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 Regional Transmission Expansion Plan/Transmission Enhancement Charge: The product of the PL Zonal Regional Transmission Expansion Plan/Transmission Enhancement Service ("RTEP") price expressed in dollars per kW-Day for the applicable billing month, times the customer's fixed network peak service load obligation, as determined by the Company in accordance with applicable PJM Agreements, times the number of days in the billing month.

- GSSR-2 E-Factor (*Pilot Program effective June 1, 2025 through May 31, 2029*): Experienced net overcollections or undercollections of the GSSR-2 costs as of the end of the GSSR-2 reconciliation period including interest. Interest shall be computed monthly at the appropriate rate as provided in 52 Pa. Code § 54.187(f) and other applicable PUC regulations for the month the over or undercollection occurs to the effective month such overcollection is refunded, or such undercollection is recouped. The GSSR-2 reconciliation periods shall be April 1 – September 30 and October 1 – March 31.

(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~~ 16.50 Customer Charge (I)
~~3.368~~ 4.506 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 = 11.419 cents per kWh

(I) Indicates Increase

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~~ 21.00 Customer Charge (I)
$~~3.74~~ 4.52 per kilowatt for all kilowatts of the Billing Demand (I)
~~0.963~~ 1.164 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~~ 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. (C)

GSSR-1 = 11.419 cents per kWh

Customers with a monthly ~~billing demand~~ 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. (C)

GSSR-2 Administrative Charge = -0.140 cents per kWh

~~(D)~~

(I) Indicates Increase (~~D~~C) Indicates ~~Decrease~~ Change

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

MINIMUM CHARGE

$~~16.00~~ 21.00 per month, plus $~~3.74~~ 4.52 per kW times the ~~minimum~~ Billing Demand requirement of this rate schedule, but not less than 5 kW. (I)(C)

BILLING DEMAND

Billing Demand is ~~the average kilowatts supplied during the 15-minute period of maximum use during the current month~~ defined in Rule 26(a), but not less than 50% of the highest ~~demand~~ Billing 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.

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.

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 of Billing Demand from available lines of three phase 230 volts or at a higher available voltage at the option of the Customer. (C)

NET MONTHLY DISTRIBUTION RATE

$~~55.00~~ 100.00 Customer Charge (I)

$~~5.37~~ 6.91 per kilowatt for all kilowatts of the Billing Demand

~~0.949~~ 1.221 cents per kWh for 30 kWh per kilowatt of the Billing Demand (I) (I)

~~0.103~~ 0.133 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~~ 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. (C)

GSSR-1 = 11.419 cents per kWh

Customers with a monthly ~~billing demand~~ 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. (C)

GSSR-2 Administrative Charge = -0.140 cents per kWh

~~(D)~~

(C) Indicates Change (I) Indicates Increase

~~(D) Indicates Decrease~~

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~~100.00, (I)
plus $~~5.37~~ 6.91 per kW times the ~~minimum~~ Billing Demand requirement of this ~~(I~~(I)(C)
rate schedule but not less than 50 kW.

BILLING DEMAND

Billing Demand is ~~the average kilowatts supplied during the 15-minute~~ (C)
~~period of maximum use during the current month~~defined in Rule 26(a), but not (C)
less than 50% of the highest ~~demand~~ Billing Demand during the preceding
eleven months.
(I)

VOLTAGE DISCOUNT

~~23.442~~ 30.159 cents per kilowatt of Billing Demand when service is supplied at 12,000 volts for loads over 1000 kilowatts.

STATE TAX ADJUSTMENT SURCHARGE

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

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 ~~Changes~~ 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.

NET MONTHLY DISTRIBUTION RATE

$~~3.84~~ 6.72 for each meter
$~~3.98~~ 6.97 for each light post connected to the meter (I) (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 = 11.419 cents per kWh ~~(I)~~

(I) Indicates Increase

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~~11.71	$5.20	$~~14.29~~16.91	(I)
100	HPS*	8,500	UG	Open	$~~14.77~~19.03	$5.20	$~~19.97~~24.23	
100	HPS*	8,500	UG	Colonial**	$~~21.88~~28.18	$5.20	$~~27.08~~33.38	
400	HPS*	45,000	OH	Cobra	$~~14.20~~18.29	$18.59	$~~32.79~~36.88	
175	MV*	6,650	UG	Cobra	$~~14.77~~19.03	$7.99	$~~22.76~~27.02	
175	MV*	6,650	OH	Open	$~~7.27~~9.36	$7.99	$~~15.26~~17.35	(I)

LED FIXTURES

Watts	Lamp	Nominal Lumens	Supply OH/UG	Fixture Type	Distribution	Generation***	Total Cost	
45	LED	5,000	OH	Cobra	$~~12.92~~16.64	$1.80	$~~14.72~~18.44	(I)
45	LED	5,000	UG	Cobra	$~~18.84~~24.27	$1.80	$~~20.64~~26.07	
50	LED	5,000	UG	Colonial	$~~26.60~~34.26	$2.00	$~~28.60~~36.26	
140	LED	15,000	OH	Cobra	$~~16.25~~20.93	$5.60	$~~21.85~~26.53	
140	LED	15,000	UG	Cobra	$~~22.14~~28.52	$5.60	$~~27.74~~34.12	
280	LED	20,000	OH	Cobra	$~~20.51~~26.42	$11.19	$~~31.70~~37.61	
280	LED	20,000	UG	Cobra	$~~26.40~~34.01	$11.19	$~~37.59~~45.20	(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 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~~ 24.00 Customer Charge (I)
~~4.413~~ 5.482 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 = 11.419 cents per kWh

(I) Indicates Increase

Summary Report	
Title	**compareDocs Comparison Results**
Date & Time	4/30/2025 2:37:05 PM
Comparison Time	7.01 seconds
compareDocs version	v4.4.0.84

Sources	
Original Document	Current CECO Tariff Pages.docx
Modified Document	CECO Supplement No. 172 (BRC Proposed) - CLEAN.docx

Comparison Statistics	
Insertions	131
Deletions	72
Changes	218
Moves	2
Font Changes	0
Paragraph Style Changes	0
Character Style Changes	0
TOTAL CHANGES	423

Word Rendering Set Markup Options	
Name	
Insertions	
~~Deletions~~	
Moves / ~~Moves~~	
Font Changes	
Paragraph Style Changes	
Character Style Changes	
Inserted cells	
Deleted cells	
Merged cells	
Changed lines	Mark outside border.
Comments color	By Author.
Balloons	True

compareDocs Settings Used	Category	Option Selected
Open Comparison Report after saving	General	Always
Report Type	Word	TrackChanges
Character Level	Word	False
Include Headers / Footers	Word	True
Include Footnotes / Endnotes	Word	True
Include List Numbers	Word	True
Include Tables	Word	True
Include Field Codes	Word	True
Include Moves	Word	True
Flatten Field Codes	Word	False
Show Track Changes Toolbar	Word	True
Show Reviewing Pane	Word	True
Update Automatic Links at Open	Word	[Yes / No]
Summary Report	Word	End
Detail Report	Word	Separate (View Only)
Document View	Word	Print
Remove Personal Information	Word	False

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	
	:	

VOLUME II
INDEX

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY
OF LEWISBURG, PA

APRIL 30, 2025

VOLUME II INDEX---CITIZENS

Volume II:

Tab F Citizens' Statement No. 1—Direct Testimony and Exhibits of Howard S Gorman

Tab G Joint Statement No. 2—Direct Testimony and Exhibit of Dylan W. D'Ascendis and Ryan M. Kucan

Tab H Joint Statement No. 3—Direct Testimony and Exhibit of Melissa Sullivan

Tab I Citizens' Statement No. 4—Direct Testimony and Exhibits of Nathan Johnson

Tab J Citizens' Statement No. 5—Direct Testimony and Exhibits of Kathy Stauder

E

RESPONSES TO 52 PA CODE § 53.52(a)

52 Pa. Code § 53.52(a)(1) The specific reasons for filing this change.

Citizens' is not earning an adequate return on equity and requires rate relief to continue the investments in facilities and systems to provide safe and reliable service for consumers. Reasons for the tariff changes are set forth in the Statement of Reasons and the Company's testimony.

52 Pa. Code § 53.52(a)(2) The total number of customers served by the utility.

See Exhibit__(HSG-1), Schedule B5.

52 Pa. Code § 53.52(a)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

See Exhibit__(HSG-1), Schedule B5.

52 Pa. Code § 53.52(a)(4) The effect of the change on the utility's customers.

See Exhibit__(HSG-1), Schedules B8, B8-1 and B8-2.

52 Pa. Code § 53.52(a)(5) The direct or indirect effect of the proposed change on the utility's revenue and expenses.

See Exhibit__(HSG-1), Schedule C.

52 Pa. Code § 53.52(a)(6) The effect of the change on the service rendered by the utility.

Service levels will not change in the near-term; however, in the long-term, the Company may not be able to support the continued investment in facilities and systems to provide safe and reliable service if it is charging rates that do not cover its operating expenses and provide the opportunity for a fair return.

52 Pa. Code § 53.52(a)(7) A list of factors considered by the utility in its determination to make the change.

See Exhibit__(HSG-1) (calculating the revenue deficiency and needed rate relief) and Citizens' Statement No. 4, Direct Testimony of Nathan Johnson.

52 Pa. Code § 53.52(a)(8) Studies undertaken by the utility in order to draft its proposed change.

See Exhibit__(HSG-1) (calculating the revenue deficiency and needed rate relief) and Joint Statement No. 2, Direct Testimony of Dylan A. D'Ascendis and Ryan Kucan (calculating reasonable rate of return.

52 Pa. Code § 53.52(a)(9) Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

The Company has taken no customer polls relative to the proposed changes.

52 Pa. Code § 53.52(a)(10) Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

The Company has mailed all of its customers the Customer Notice attached to the Statement of Reasons as Tab B and has issued the Press Release attached to the Statement of Reasons as Tab C.

52 Pa. Code § 53.52(a)(11) F.C.C., F.E.R.C. or Commission orders or rulings applicable to the filing.

Not applicable.

RESPONSES TO 52 PA CODE § 53.52(b)

52 Pa. Code § 53.52(b)(1) The specific reasons for each increase or decrease.

Citizens' is not earning an adequate return on equity and requires rate relief to continue the investments in facilities and systems to provide safe and reliable service for consumers. See also Exhibit__(HSG-1) (calculating overall and class rate increases).

52 Pa. Code § 53.52(b)(2) The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under $100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

See Exhibit__(HSG-1), Schedule C5; see also Exhibit__(KS-1) (2024 Audited Financial Statements).

52 Pa. Code § 53.52(b)(3) A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

See Exhibit__(HSG-1), Schedule B6-1.

52 Pa. Code § 53.52(b)(4) A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis

See Exhibit__(HSG-1), Schedule B6.

52 Pa. Code § 53.52(b)(5) A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

None.

52 Pa. Code § 53.52(b)(6) A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.

None.

52 Pa. Code § 53.52(c)(1) A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).

See Exhibit__(HSG-1), Schedule C1.

52 Pa. Code § 53.52(c)(2) A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).

See Exhibit__(HSG-1), Schedule C2.

52 Pa. Code § 53.52(c)(3) A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).

See Exhibit__(HSG-1), Schedule C3.

52 Pa. Code § 53.52(c)(4) A statement showing the amount of depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).

See Exhibit__(HSG-1), Schedule C4.

52 Pa. Code § 53.52(c)(5) A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).

See Exhibit__(HSG-1), Schedule C1-5.

52 Pa. Code § 53.52(c)(6) A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)-(5).

There were no significant changes.

52 Pa. Code § 53.52(d) If a utility renders more than one type of public service, such as electric and gas, information required by § § 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.

Not applicable.

RESPONSES TO 52 PA CODE § 53.53

PART C—ELECTRIC UTILITIES

GENERAL FILING INFORMATION—SUMMARY OF FILING

1. Provide a summary discussion of the rate change request, including specific reasons for each increase or decrease. Also provide a breakdown which identifies the revenue requirement value of the major items generating the requested rate change.

The Company is requesting increases to the distribution rates for all of its service schedules. The increases are needed due to three main factors: (1) falling kWh sales to customers; (2) increases to the Company's operations and maintenance expenses; and (3) additions to the Company's electric equipment and facilities in its rate base. The Company's Statement No. 1, Direct Testimony and Exhibits of Howard S. Gorman, Exhibit__(HSG-1), Schedule C5-1 includes the impact of these issues on the rate increase.

2. Identify the proposed witnesses for all statements and schedules of revenues, expenses, taxes, property, valuation and the like.

Citizens' Statement No. 1, Direct Testimony and Exhibits of Howard S. Gorman

Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan

Joint Statement No. 3, Direct Testimony and Exhibits of Melissa Sullivan

Citizens' Statement No. 4, Direct Testimony and Exhibits of Nathan Johnson

Citizens' Statement No. 5, Direct Testimony and Exhibits of Kathy Stauder

3. Provide a single page summary table showing, at present and at proposed rates, together with references to the filing information, the following as claimed for the fully adjusted test year:

Revenues

Operating

Expenses

Operating

Income Rate

Base

Rate of Return (produced)

Exhibit__(HSG-1), Schedule C1.

4. Whenever a major generating plant is placed in operating service or removed from operating service the utility shall separately indicate the effect of the plant addition or removal from service upon rate base, revenue, expense, tax, income and revenue requirement as it affects the test year.

Citizens' does not own generating plants.

B. GENERAL DESCRIPTION OF UTILITY OPERATIONS

1. Provide a corporate history including the dates of original incorporation, subsequent mergers and acquisitions. Indicate all counties, cities and other governmental subdivisions to which service is provided, including service areas outside this Commonwealth, and the total number of customers or billed units in the areas served.

Citizens' Statement No. 4, pp. 2-3 discusses Citizens' corporate history and service territory. The total number of customers served in the territory is included in Exhibit__(HSG-1), Schedule B5.

2. Provide a description of the property of the utility and an explanation of the system's operation, and supply the following, using available projections if actual data is unavailable:

a. **A schedule of generating capability showing for the test year, and for the two consecutive 12- month periods prior to the test year, net dependable capacity in KW by unit, plant capacity factor by unit, and total fuel consumption by type and cost for each unit, if available, or for each station, and operation and maintenance expenses by station.**

Citizens' owns its office and operations building and property for electric distribution equipment. Citizens' does not own generating capacity.

b. **A schedule showing for the test year and for the 12-month period immediately prior to the test year the scheduled and unscheduled outages—in excess of 48 hours—for each station, the equipment or unit involved, the date the outage occurred, duration of the outage, maintenance expenses incurred for each outage, if available, and amounts reimbursable from suppliers or insurance companies.**

Citizens' does not own generating capacity**.**

c. **A schedule for each unit retired during the test year or subsequent to the end of the test year, which shows the unit's KW capacity, hours of operation during the test year, net output generated, cents/KWH of maintenance and fuel expenses, and date of retirement.**

Not applicable**.**

d. **A schedule showing latest projections of capacity additions and retirements—costs and KW—and reserve capacity at the time of peak for at least 10 years beyond the test year, including the in service dates—actual or expected—and AFDC cutoff dates—if different from in service dates—for all new generating units coming on line during or subsequent to the test year, if claimed.**

Response: Not applicable**.**

3. Provide an overall system map, including and labeling all generating plants, transmission substations—indicate voltage, transmission system lines—indicate voltage, and all interconnection points with other electric utilities, power pools, and other like systems.

Response: An overall system map is available for review at the Company's office to parties that execute an appropriate Confidentiality Agreement. Due to the sensitive security nature of the information, Citizens' does not distribute system maps to parties.

II. PRIMARY STATEMENTS OF RATE BASE AND OPERATING INCOME

A. RATE BASE—UNADJUSTED TO ADJUSTED BASIS

1. **Provide a schedule showing the test year rate base and rates of return at original cost less accrued depreciation under present rates and under proposed rates. Claims made on this schedule should be cross-referenced to appropriate supporting schedules.**

See Exhibit__(HSG-1), Schedule C1.

2. **If the schedule provided in response to item 1, is based upon a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.**

See Exhibit__(HSG-1), Schedule C1.

3. **When a utility files a tariff stating a new rate based in whole or in part on the cost of construction of an electric generating unit, the utility shall identify: [subparts a through d omitted].**

Not applicable.

B. RATE BASE SUPPORTING SCHEDULES

1. **If a claim is made for plant held for future use, supply the following:**

a. **A description of the plant or land site and its cost and any accumulated depreciation**

b. **The expected date of use for each item claimed.**

c. **An explanation as to why it is necessary to acquire each item in advance of date of use.**

d. **The data when each item was acquired.**

e. **The date when each item was placed in plant held for future use.**

The Company is not making a claim for plant held for future use.

2. **If a claim is made for construction work in progress, provide a supporting schedule which sets forth separately, revenue-producing and nonrevenue producing amounts, and include, for each category a summary of all work orders, amounts expended at the end of the test year and anticipated in service dates. Indicate if the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion dates and estimated total amounts to be spent on each project.**

The Company is not making a claim for CWIP.

3. **If a claim is made for materials and supplies or fuel inventory provide a supporting schedule for each claim showing the latest actual 13 monthly balances and showing in the case of fuel inventory claims, the type of fuel, and location, as in station, and the quantity and price claimed.**

The Company is not claiming fuel inventory.

4. **If a claim is made for cash working capital provide a supporting schedule setting forth the method and all detailed data utilized to determine the cash working capital requirement. If not provided in the support data provide a lead-lag study of working capital, completed no more than 6 months prior to the rate increase filing.**

The Company uses the one-eighth (1/8) method for cash working capital.

5. **If a claim is made for compensating bank balances, provide the following information: [subparts a to h omitted].**

The Company is not requesting the inclusion of compensating bank balances.

6. **Explain in detail by statement or exhibit the appropriateness of additional claims or the use of a method not previously mentioned, in the claimed rate base.**

All claims are supported by the testimony and exhibits of Mr. Gorman and the other Company witnesses.

C. OPERATING INCOME STATEMENT

1. **Prepare a Statement of Income including:**

   a. **The book, or budgeted, statement for the test year.**

   b. **Adjustments to annualize and normalize under present rates, including an elimination of the effects on income of the energy cost rate and state tax adjustment surcharge.**

   c. **The income statement under present rates after adjustment.**

   d. **The adjustment for the revenue requested.**

   e. **The income statement under requested rates after adjustment.**

Exhibit__(HSG-1), Schedule C5 for the Operating Income Statement. The adjustments are explained in Mr. Gorman's supporting schedules and workpapers.

2. **If the schedule provided in item 1 is based upon budgeted data for a future test year, provide a similar schedule which is based upon actual data for the 12-month period immediately prior to the test year.**

Actual data for 12-month periods ending December 31, 2023 and 2024 are included in the Audited Financial Statements that are provided as Exhibit__(KS-1).

D. INCOME STATEMENT SUPPORTING SCHEDULES

1. **Provide a schedule showing all revenues and expenses for the test year and for the 12-month period immediately prior to the test year, together with an explanation for major variances between test year revenues and expenses and those for the previous 12-month period. Revenues and expenses shall be summarized by the major account categories listed below. If budgeted data for a future test year is not readily available by these categories, an analysis of the data for the 12-month period immediately prior to the future test year or for the most recent available calendar year may serve as the basis for ratably allocating the budgeted data into the account categories.**

See Exhibit__(HSG-1) and the Company's testimony for a full explanation of any variances.

2. **Provide a summary of test year adjustments which sets forth the effect of the adjustment upon the following: operating revenues, operating expenses, taxes other**

than income taxes, operating income before income taxes, State income tax, Federal income tax and income available for return

Mr. Gorman's testimony and exhibits set forth the test year adjustments to the income statement.

3. **List and explain all nonrecurring or extraordinary expenses incurred in the test year and all expenses included in the test year which do not occur yearly but are of a nature that they do occur over an extended period of years, for example, non-yearly maintenance programs, and the like.**

The Company has not identified any nonrecurring or extraordinary expenses that are being claimed in the test year.

4. **As a separate item, list extraordinary property losses related to property previously included in cost of service when the gain or loss on this property has occurred or is likely to occur in the future test year. The proposed ratemaking treatment of extraordinary gains and losses must also be disclosed. Sufficient supporting data must be provided.**

The Company did not have any extraordinary property gains or losses related to plant or other storm related damage in the test year.

5. **Provide the amount of accumulated reserve for uncollectible accounts, method and rate of accrual, amounts accrued and amounts written off in each of the last 3 calendar years.**

See Exhibit__(HSG-1), Schedule D6.

6. **Supply detailed calculations to support the total claim for rate case expense, including supporting data for outside service rendered. Provide the items comprising the estimated rate case expense claim for the current rate case.**

See Exhibit__C1-3. The elements of the total are:

McNees fully litigated		180,000
HSG Group fixed		95,000
HSG Group travel		3,000
ScottMadden	DirectTest	11,667
ScottMadden	Additional	25,000
BKD		2,000
Printing, other		10,000
TOTAL		326,667
3-Year amort		108,889

7. **Submit schedules for the test year and for the 12-month period immediately prior to the test year showing by major components, if included in claimed test year expenses, the expenses incurred in each of the following expense categories.**

a. **Miscellaneous general expenses, including account 930.**

b. **Outside service expenses.**

c. **Regulatory commission expenses.**

d. **Advertising expenses, including advertising engaged in by trade associations whenever the utility has claimed a contribution to the trade association as a ratemaking claim—provide explanation of types and purposes of such advertising.**

e. **Research and development expenses—provide a listing of major projects.**

f. **Charitable and civic contributions, by recipient and amount.**

Explain major variances between the test year expenses and those expenses for the prior 12-month period.

See PA Code Response Attachments II-D-7 A/B 2023 & 2024 (Account 930 and Outside Services) and II-D-7 D (advertising).

8. **Provide an analysis by function of charges by affiliates, for the test year and the 12-month period immediately prior to the test year, for services rendered included in the operating expenses of the filing company. Explain the nature of the service and the basis on which charges or allocations are made, including a copy of an applicable contract. Also, explain major variances between the charges for the test year and the corresponding charges for the prior 12-month period.**

   Joint Statement No. 3, Direct Testimony and Exhibits of Melissa Sullivan, addresses affiliate transactions. A three-year history of charges by affiliates is included in Joint Confidential Exhibit 3.

9. **Prepare a detailed schedule for the test year showing types of social and service organization memberships paid for, the cost thereof, the accounting treatment and whether included in claimed test year expenses.**

   None are included in the test year expenses.

10. **Provide the following payroll and employee benefit data—regular and overtime—separately for the test year and for the 12-month period immediately prior to the test year:**

   a. **The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with union personnel.**

   b. **The average and year-end number of employees and the unadjusted annual payroll expense and employee benefit expense associated with nonunion personnel.**

   c. **The average and year-end number of employee and the unadjusted annual payroll expense and employee benefit expense associated with management employee, if different than b.**

   d. **A summary of the wage rate, salary and employee benefit changes granted or to be granted during the year.**

   e. **The claimed test year payroll expense and employee benefit expense. The percentage of payroll expense and employee benefit expense applicable to operation and maintenance expenses and the basis thereof.**

   See Joint Confidential Exhibit 6 for the historic payroll information for Citizens'. Wellsboro and Valley. Also see Citizens' Statement No. 4, Direct Testimony of Nathan Johnson, pp. 5-6 (discussion of wage and salary plan adjustments) and Citizens' Statement No. 4, Direct Testimony of Kathy Stauder, Exhibit__(KS-5).

11. **Describe costs relative to leasing equipment, including computer rentals, and office space, including terms and conditions of the leases. State method for calculating monthly or annual payments.**

Citizens' leases some vehicles and equipment. Monthly payments are made based on invoices received from the leasing companies.

12. **Submit a statement of past and anticipated changes, since the previous rate case, in major accounting procedures, explain any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate cases, and list all internal and independent audit reports for the most recent 2 year period.**

None**.**

13. **Regardless of whether a claim for negative or positive net salvage is made, attach an exhibit showing gross salvage, cost of removal, third party reimbursements, if any, and net salvage for the test year and 4 previous years.**

Salvage is included in Other Electric Revenue in Exhibit__(HSG-1), Schedule B. See PA Code Response Attachment II-D-13 for more details regarding the 2023 and 2024 cost of removal and salvage received. As set forth in Schedule B4, Citizens' does not project an increase in this item in the FPFTY. The historic total of Other Electric Revenue of $14,038 is extremely small in comparison to Citizens' overall revenues and expenses. The Company will respond to reasonable and necessary discovery from parties regarding this item.

14. **State the amount of debt interest utilized for test year income tax calculations, including the amount so utilized which has been allocated from the debt interest of an affiliate, and provide details of debt interest and allocation computations.**

The consolidated C&T Enterprises, Inc., 2023 Federal Income Tax return, which includes Citizens', Wellsboro and Valley, is included as Joint Confidential Exhibit 4. Citizens' 2023 Pennsylvania Income Tax return is included as Citizens Confidential Exhibit 3. Within the C&T family, debt interest is directly allocated per the approved affiliated interest agreements, including those that were submitted in conjunction with the Securities Certificate submissions specified in Ms. Sullivan's Exhibit__(MS-7).

15. **Provide a schedule for the test year of Federal and Pennsylvania taxes other than income taxes, per books, pro forma at present rates, and pro forma at proposed rates, including the following tax categories:**

See Exhibit__(HSG-1), Schedule C1-4.

16. **Submit a schedule showing the adjustments from taxable net income per books to taxable net income pro forma under existing rates and pro forma under proposed rates, together with an explanation of all normalizing adjustments.**

Response: See Exhibit__(HSG-1), Schedule C1.

17. **Submit a schedule showing for the last 5 years the income tax refunds, plus interest—net of taxes, received from the Federal government due to prior years' claims**

The Company has requested this information from its auditors and is awaiting their response. We will supplement this answer after confirmation of the information.

18. **Furnish a breakdown of major items comprising prepaid and deferred income tax charges and other deferred income tax credits, reserves and associated reversals on liberalized depreciation.**

See Exhibit__(HSG-1), Schedule C1-4.

19. **Explain how the Federal corporate graduated tax rates have been reflected for rate case purposes. If the Pennsylvania jurisdictional utility is part of a multi-corporate system, explain how the tax savings are allocated to each member of the system.**

Not applicable—Federal tax is now uniform.

20. **Explain the treatment given to costs of removal in the income tax calculation and the basis for such treatment.**

See the tax returns included in Joint Confidential Exhibit 4 and Citizens Confidential Exhibit 3.

21. **Show income tax loss/gain carryovers from previous years. Show loss/gain carryovers by years of origin and amounts remaining by years at the beginning of the test year.**

The Company has no unused NOL carryovers. All previous NOLs were extinguished prior to the HTY.

22. **State whether the company eliminates tax savings by the payment of actual interest on construction work in progress in rate base claim.**

The Company is not claiming CWIP**.**

23. **Under section 1552 of the Internal Revenue Code (26 U.S.C.A. § 1552) and 26 CFR 1.1552-1 (1983), if applicable, a parent company, in filing a consolidated income tax return for the group, must choose one of four options by which it must allocate total income tax liability of the group to the participating members to determine each member's tax liability to the Federal government (if this interrogatory is not applicable, so state):**

a. **State what option has been chosen by the group.**

b. **Provide, in summary form, the amount of tax liability that has been allocated to each of the participating members in the consolidated income tax return for the test year and the most recent 3 years for which data is available.**

c. **Provide a schedule, in summary form, of contributions, which were determined on the basis of separate tax return calculations, made by each of the participating members to the tax liability indicated in the consolidated group tax return.**

Provide total amounts of actual payments to the tax depository for the tax year, as computed on the basis of separate returns of members.

d. **Provide the most recent annual income tax return for the group.**

The C&T Consolidated Federal Income Tax Return for 2023 is included as Joint Confidential Exhibit 4. The Company has requested information regarding the consolidation option from its auditors and is awaiting their response. We will supplement this answer after confirmation of the information.

e. **Provide details of the amount of the net operating losses of any member allocated to the income tax returns of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.**

The Company has no unused NOL carryovers. All previous NOLs were extinguished prior to the HTY.

f. **Provide details of the amount of net negative income taxes, after all tax credits are accounted for, of any member allocated to the income tax return of each of the members of the consolidated group for the test year and the 3 most recent years for which data is available, together with a summary of the actual tax payments for those years.**

Not applicable.

24. **Provide detailed computations by vintage year showing State and Federal deferred income taxes resulting from the use of accelerated tax depreciation associated with post-1969 public utility property, ADR rates, and accelerated tax depreciation associated with post-1980 public utility property under the Accelerated Cost Recovery System (ACRS).**

a. **Reconcile and explain any differences in the base used to calculate State and Federal deferred income taxes.**

b. **State whether tax depreciation is based on all rate base items claimed as of the end of the test year, and whether it is the annual tax depreciation at the end of the test year.**

c. **Reconcile differences between the deferred tax balance, as shown as a reduction to rate base, and the deferred tax balance as shown on the balance sheet.**

Compiling this information in support of this filing would require an unreasonable and excessive burden on the Company's resources that is not commensurate with the amount of the rate increase requested. See Exhibit__(HSG-1), Schedule C1-4.

25. **Submit a schedule showing a breakdown of accumulated and unamortized investment tax credits, by vintage year and percentage rate, together with calculations supporting the amortized amount claimed as a reduction to pro forma income taxes. Provide details of methods used to write-off the unamortized balances.**

The Company does not have accumulated and unamortized investment tax credits.

26. **Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not otherwise specifically explained and supported in the statement of operating income.**

The Company is not claiming any items not supported in the statement of operating income.

27. **If the utility's operations include non-jurisdictional activities, provide a schedule which demonstrates the manner in which rate base and operating income date have been adjusted to develop the jurisdictional test year claim.**

The Company is not including any non-jurisdictional activities.

E. BUDGETED DATA

1. **Supply a copy of any budget utilized as a basis for any test year claim and explain the utility's budgeting process.**

The Company used its 2025 Budget and 5-Year Work Plan, with known and anticipated adjustments since its adoption in late 2024, as the basis for Mr. Gorman's analysis. A copy of the 2025 Budget and 5-Year Work Plan is included in the filing as Confidential Citizens Exhibit 2.

2. **Supply summaries of the utility's projected operating and capital budgets for the 2 calendar years following the end of the test year.**

See response to II(E)(1) above.

III. RATE OF RETURN

A. CLAIMED RATE OF RETURN

1. **Provide a schedule showing the major components of claimed capitalization, and the derivation of the weighted costs of capital for the rate case claim. This schedule shall include a descriptive statement concerning the major elements of changes in claimed capitalization, cost rates and overall return from comparable historical data.**

Please refer to the Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan for a full explanation of the Company's rate of return claim.

2. **Provide a schedule in the same format as Schedule 1, except for the omission of the descriptive statement, for the most immediate comparable annual historical period prior to the test year and the two calendar years most immediately preceding the rate of return claim period. Irrespective of whether the capitalization claimed on**

Schedule 1 includes short-term debt, Schedule 2 should reflect capital ratios with and without short-term debt.

Please refer to the Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan for a full explanation of the Company's rate of return claim.

B. EMBEDDED COST OF LONG-TERM DEBT

1. **Provide a schedule showing the calculation of embedded cost of long-term debt by issue, supporting the related rate case claim. The schedule shall contain the following information:**

a. **Date of issue.**

b. **Date of maturity.**

c. **Amount issued.**

d. **Amount outstanding.**

e. **Amount retired.**

f. **Amount reacquired.**

g. **Gain or loss on reacquisition.**

h. **Coupon rate.**

i. **Discount or premium at issuance.**

j. **Issuance expense.**

k. **Net proceeds.**

l. **Sinking fund requirements.**

m. **Effective cost rate.**

n. **Total average weighted effective cost rate.**

Projected new issues, retirements and other major changes from the comparable historic data should be clearly noted.

Ms. Sullivan's Direct Testimony discusses the Company's outstanding long-term debt, including Exhibit__(MS-7) that details each issuance.

2. **In the event that a claim made for a true or economic cost of debt exceeds that shown in the preceding nominal cost schedule because of convertible features, sale with warrants or for any other reason, a full statement of the basis for such a claim should be provided.**

Not applicable.

3. **Provide the following information concerning bank notes payable for test year and for latest comparable annual historical period prior to the test year:**

a. **Line of credit at each bank.**

b. **Average daily balances of notes to each bank, by name of bank.**

c. **Interest rate charged on each bank note (Prime rate, formula rate, or other).**

d. **Purpose of each bank note (for example, construction, fuel storage, working capital, debt retirement).**

e. **Prospective future need for this type of financing.**

Ms. Sullivan's Direct Testimony discusses the Company's long-term and short-term borrowing through C&T Enterprises. Compiling the information requested in b in support of this filing would require an unreasonable and excessive burden on the Company's resources that is not commensurate with the amount of the rate increase requested.

4. **Provide detailed information concerning all other short-term debt outstanding.**

The Company does not have any other short-term debt outstanding.

5. **Describe long-term debt reacquisition by issue by Company and Parent as follows:**

a. **Reacquisition by issue by year.**

b. **Total gain or loss on reacquisitions by issue by year.**

c. **Accounting for gain or loss for income tax and book purposes.**

d. **Proposed treatment of gain or loss on such reacquisition for ratemaking purposes.**

The Company does not anticipate any long-term debt reacquisitions; however, the Company is working to retire existing debt in accordance with the terms of the outstanding loans.

C. EMBEDDED COST OF PREFERRED STOCK

Provide a schedule showing the calculation of the embedded cost of preferred stock equity by issue, supporting the related rate case claim. The schedule shall contain the following information:

a. **Date of issue.**

b. **Date of maturity.**

c. **Amount issued.**

d. **Amount outstanding.**

e. **Amount retired.**

f. **Amount reacquired.**

g. **Gain or loss on reacquistion.**

h. **Dividend rate.**

i. **Discount or premium at issuance.**

j. **Issuance expenses.**

k. **Net proceeds.**

l. **Sinking fund requirements.**

m. **Effective cost rate.**

n. **Total average weighted effective cost rate.**

Projected new issues, retirement and other major changes from the comparable historical data should be clearly noted.

The Company does not have preferred stock.

D. COST OF COMMON EQUITY

1. **Provide complete support for claimed common equity rate of return.**

The Company's claimed common equity rate of return is supported by Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan**.**

2. **Provide a summary statement of all stock dividends, splits or par value changes during the 2 calendar year period preceding the rate case filing.**

The Company's dividends for the last two calendar years are included in Joint Confidential Exhibit 6.

3. **Provide a schedule of all issuances of common stock, whether or not underwriters are used, for the most immediately available annual historical period and the 2 calendar years most immediately preceding the test year.**

The Company has not issued any common stock during the test period or in any of the two calendar periods preceding the test year.

4. **Submit details on the utility and parent company stock offerings—past 5 years to present—as follows:**

a. **Date of prospectus.**

b. **Date of offering.**

c. **Record date.**

d. **Offering period—dates and numbers of days.**

e. **Amount and number of shares offered.**

f. **Offering ratio, if rights offering.**

g. **Percent subscribed.**

h. **Offering price.**

i. **Gross proceeds per share.**

j. **Expenses per share.**

k. **Net proceeds per share (i—j).**

l. **Market price per share.**

(1) **At record date.**

(2) **At offering date.**

(3) **One month after close of offering.**

m. **Average market price during offering.**

(1) **Price per share.**

(2) **Rights per share—average value of rights.**

n. **Latest reported earnings per share at time of offering.**

o. **Latest reported dividends at time of offering.**

Neither the Company nor C&T had issuances during the last 5 years**.**

E. PARENT—SUBSIDIARY RELATIONSHIP

1. **If a claim of the filing utility is based on utilization of the capital structure or capital costs of the parent company and system—consolidated—the reasons for this claim must be fully stated and supported.**

The Company's use of a hypothetical capital structure is supported by the Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan.

2. **Regardless of the claim made, provide the capitalization data requested at Item III.A.2. for the parent company and for the system—consolidated.**

The Company's use of a hypothetical capital structure is supported by the Joint Statement No. 2, Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan.

3. **Provide the latest available balance sheet and income statement for the parent company and system— consolidated.**

C&T's most recent audited consolidated financial statements are included as Joint Confidential Exhibit 1.

4. **Provide an organizational chart explaining the filing utility's corporate relationship to its affiliates— system structure.**

The Company's Statement No. 3, Direct Testimony and Exhibits of Melissa D. Sullivan, addresses the entities within the corporate family, including an organizational chart as Exhibit__(MS-1).

F. GENERAL FINANCIAL DATA

1. **The latest available quarterly operating and financial report, annual report to the stockholders and prospectus shall be supplied for the utility and for the utility's parent, if the relationship exists.**

The Company's audited financial statements for the years ended December 31, 2023 and 2024 are attached as Exhibit__(KS-1) to the Citizens' Statement No. 5, Direct Testimony and Exhibits of Kathy Stauder. C&T Enterprises, Inc.'s financial statements are included as Joint Confidential Exhibit 1.

2. **Supply projected capital requirements and sources of the filing utility, its parent and system— consolidated—for the test year and each of 3 comparable future years.**

Future year projections are included in the statement of cash flow in Citizens Confidential Exhibit 2

3. **State what coverage requirements or capital structure ratios are required in the most restrictive of applicable indentures/charter tests and how these measures have been computed.**

Ms. Sullivan's Direct Testimony, Joint Statement No. 3, pp. 12-13, discusses the financial covenants for the Company's debt.

4. **A schedule of comparative financial data shall be supplied for the test year, the most immediately available annual historical period, prior to the test year, and the 2 calendar years most immediately preceding the test year. Changes in Moody's/S&P ratings, noted on this schedule, shall be accompanied by the Moody's/S&P writeup of such change, if available. The following financial data and ratios shall be supplied for the utility's parent, where applicable, if not available for the utility.**

a. **Times interest earned ratio—pre-tax and post-tax basis.**

b. **Preferred stock dividend coverage ratio—post-tax basis.**

c. **Times fixed charges earned ratio—pre-tax basis.**

d. **Earnings per share.**

e. **Dividend per share.**

f. **Average dividend yield (52-week high/low common stock price).**

g. **Average book value per share.**

h. **Average market price per share.**

i. **Market price-book value ratio.**

j. **Earnings-book value ratio (per share basis, average book value).**

k. **Dividend payout ratio.**

l. **AFUDC as a % of earnings available for common equity.**

m. **Construction work in progress as a % of net utility plant.**

n. **Effective income tax rate.**

o. **Internal cash generations as a % of total capital requirements.**

Both the Company and its parent corporation are small, privately-held corporations that are not rated by a credit rating agency. As such**,** compiling this information in support of this filing would require an unreasonable and excessive burden on the Company's resources that is not commensurate with the amount of the rate increase requested. The Company and its parent have provided extensive alternative financial information upon which the requested rate relief can be judged.

IV. RATE STRUCTURE AND COST ALLOCATION

A. SUMMARY OF INDIVIDUAL RATE EFFECTS

Provide a summary schedule of the individual rate effects. For each state jurisdictional rate, show the following information for the test period elected:

1. Rate schedule designation.

Citizens' Statement No. 1, Direct Testimony and Exhibits of Howard S. Gorman, including Schedule B7, addresses rate design and schedule designations.

2. For existing rates:

(a) **Customers served as of end of period.**

(b) **Annual Kwh sales.**

(c) **Base rate revenues adjusted for any changes in base rate application that may have occurred during the test period.**

(d) **Tax surcharge revenues.**

(e) **Energy Cost adjustment clause revenues.**

(f) **Revenues received from other clauses or riders separately accounted for.**

(g) **Total of all revenues.**

See Exhibit__(HSG-1), Schedules B3, B3-1, B4, B5, B6, B6-1, B6-2, B6-3 and B6-4**.**

3. For proposed rates:

(a) **Estimated number of customers whose charges for electric service will be increased or decreased as a result of this filing.**

(b) **Base rate revenues:**

(1) **Annual dollar amount of increase or decrease.**

(2) **Percentage change.**

(c) **Estimated tax surcharge revenues based on the assumption that the base rate changes proposed were in place.**

(d) **Estimated Energy cost adjustment clause revenues.**

(e) **Revenues received from other clauses or riders separately accounted for.**

(f) **Total of all revenues:**

(1) **Amount of total annual dollar change.**

(2) **Percentage change.**

See Exhibit__(HSG-1), Schedules B3, B3-1, B4, B5, B6, B6-1, B6-2, B6-3 and B6-4**.**

4. Supplement the revenue summary to obtain a complete revenue statement of the electric business, that is, show delayed payments, other electric revenues, FERC jurisdictional sales and revenues and all other appropriate revenue items and adjustments.

Other Electric Revenue is included in Citizens' analysis.

5. Develop the grand total showing total sales and revenues as adjusted and the various increases and decreases and percent effects as described above.

See Exhibit__(HSG-1), Schedules B3, B3-1, B4, B5, B6, B6-1, B6-2, B6-3 and B6-4**.**

B. DESCRIPTION OF PROPOSED RATE CHANGES

Provide a description of changes proposed for the new tariff:

(1) **For each rate schedule proposed to be modified.**

(2) **For each rate schedule proposed to be deleted.**

(3) **For each new rate schedule proposed to be added.**

The tariff modifications are set forth in the "List of Changes" included with the Tariff Supplement and are supported by the testimony of the Company's witnesses.

C. REVENUE EFFECTS AND BILLING ANALYSES FOR CHANGED RATES

The annual revenue effect of any proposed change to any rate must be supported by a billing analysis. This may consist of the use of bill frequency distributions or individual customer billing records for the most recent annual periods available. All billing determinants should be displayed. The blocking and corresponding prices of the existing rate and the proposed rate should be applied to the determinants to derive the base rate revenues under both present and proposed rates. The derived base rate revenues should form the basis for measuring the annual base rate effect of the rates in question for the test periods.

See Exhibit__(HSG-1), Schedules B3, B3-1, B4, B5, B6, B6-1, B6-2, B6-3 and B6-4.

D. MONTHLY BILLING EFFECT CHARTS AND DATA

The effects of the proposed rates on monthly billing conditions should be provided as follows:

1. Residential Bill Comparisons

For each rate applicable to residential service provide a chart or tabulation which shows the dollar and percentage effect of the proposed base rate on monthly bills ranging from the use of zero kWh to 5,000 kWh at appropriate intervals.

2. General Bill Comparisons

For each rate that requires both a billing demand (kW) and kWh's as the billing determinants, provide a tabulation or graphical comparison showing the percentage effect of the proposed base rate on monthly bills using several representative demand (kW) levels, the monthly kWh for each demand selected to be in load factor increments of 10% starting at 0% and ending at 100% (730H) or by hours' use increments that covers approximately 95% of the bills.

See Exhibit__(HSG-1), Schedules B7, B8, B8-1 and B8-2**.**

E. COST OF SERVICE STUDY, ALLOCATIONS TO EACH TARIFF RATE SCHEDULE

1. Provide a cost study which allocates the total cost of service to each proposed tariff rate schedule. Tariff rates schedules may be combined for this purpose provided that they are of a similar supply or end use nature. A statement describing which rates were combined and the reasons therefore should be submitted.

The rates of return for each tariff rate schedule as defined above should be determined at both the present and proposed rate levels. Base rate revenues should be used for this purpose unless there are good and sufficient reasons to include revenues derived from other sources. Should the latter be the case, an explanation of other revenue sources included and reasons therefore should accompany the cost allocation study.

See Exhibit__(HSG-1), Schedules D through E

The methods selected for use in allocating costs to rate classes should include cost analyses based on:

a. **Peak responsibility.**

b. **Average and excess, on a non-coincident demand basis.**

c. **Company preferred method if different from the above-referenced methods, with rationale behind the selection.**

See Exhibit __(HSG-1), Schedules D through E.

This study should include a statement of the source and age of the load data used in the determination of demand responsibilities, a description of any special studies used to prepare the cost study, and the most recent overall system line loss study.

.

2. Provide comparisons in either graphical or tabular form showing cost, as defined in the cost of service study, and proposed base rate revenues and usage for all residential and demand/energy rate schedules. Demand shall be for representative loads for each demand/energy rate schedule.

See Exhibit__(HSG-1), Schedules B7, B8, B8-1 and B8-2

V. PLANT AND DEPRECIATION SUPPORTING DATA, INCLUDING RELATED DEPRECIATION STUDY REPORT

A. ADJUSTED ORIGINAL COST PLANT WITH ACCUMULATED BOOK AND CALCULATED DEPRECIATION AT TEST YEAR-END

1. **Provide schedules supporting claimed amounts for Electric Plant in Service by function and by account if available.**

See Exhibit__(HSG-1), Schedules C3 and C4.

2. **Provide a comparison of calculated depreciation reserve versus book reserve at the end of the test year. Provide this comparison by functional group and by account if available.**

The Company's support for the depreciation expense is set forth in Exhibit__(HSG-1), Schedules C3 and C4.

3. **Provide supporting schedules which indicate the procedures and calculations employed to develop the original cost plant and applicable reserves to the test year end as submitted in the current proceeding.**

The Company's support for the depreciation expense is set forth in Exhibit__(HSG-1), Schedules C3 and C4**.**

4. **Provide a schedule showing details of rate case adjustments.**

The Company's support for the depreciation expense is set forth in Exhibit__(HSG-1), Schedules C3 and C4.

B. ADJUSTED ORIGINAL COST ANNUAL BOOK AND CALCULATED DEPRECIATION ACCRUALS

1. **Provide a comparison of calculated depreciation accruals versus book accruals by function and by account if available.**

This information is not available.

2. **Supply a schedule by account or by depreciable group showing the survivor curve or interim survivor curve and annual accrual rate estimated to be appropriate:**

a. **For the purpose of this filing.**

b. **For the purpose of the most recent rate filing prior to the current proceeding.**

The Company did not perform a depreciation study for this proceeding or its prior proceeding.

3. **Supply an explanation for any major change in annual accrual rate by account or by depreciable group.**

The Company is proposing selected changes to accrual rates for certain equipment as set forth in Citizens' Statement No. 5, Direct Testimony and Exhibits of Kathy Stauder, p 3. This change would apply going forward after the rate case.

a. Supply a comprehensive statement of major changes made in depreciation methods, procedures and techniques and the effect of the changes upon accumulated and annual depreciation, if any.

See prior response.

C. USE OF RETIREMENT RATE ACTUARIAL METHOD

Where the retirement rate actuarial method of mortality analysis is utilized, set forth representative examples including charts depicting the observed and estimated survivor curves and a tabular presentation of the observed and estimated life tables plotted on the chart. Other analysis results shall be subject to request.

The Company did not perform a depreciation study for this filing.

D. EXAMPLE TABULATIONS OF ORIGINAL COST CLAIMED ESTIMATES OF ACCRUED DEPRECIATION

1. **Provide the surviving original cost plant at the appropriate test year date or dates by account or functional property group and include claimed depreciation reserves. Provide annual depreciation accruals where appropriate. These calculations should be provided for plant in service as well as other categories of plant, including but not limited to, contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with construction work in progress claims, if applicable.**

The Company's support for the depreciation expense is set forth in Exhibit__(HSG-1), Schedules C3 and C4.

2. **Provide representative examples of detail calculations by vintage at account or at a more detailed level, as performed for these purposes. Other vintage detail calculations shall be subject to request.**

The Company's support for the depreciation expense is set forth in Exhibit__(HSG-1), Schedules C3 and C4.

E. DESCRIPTION OF DEPRECIATION METHODS

Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of the significant factors which were considered in arriving at estimates of service life and forecast retirements by facilities, accounts or sub-accounts, as applicable.

The Company accrues depreciation utilizing the current rates in effect. To this amount it adds the current allowance for removal and negative salvage costs.

VI. UNADJUSTED COMPARATIVE BALANCE SHEETS AND OPERATING INCOME STATEMENTS

Provide the following unadjusted detailed schedules by function and by FERC account for the claimed test year and for each of the 3 preceding comparable years:

A. **Balance sheet, in the form available.**

B. **Statement of income.**

C. **Plant in service.**

D. **Accumulated depreciation.**

The Company's audited financial statements for the years ending 2023 and 2024 are included as Exhibit__(KS-1). See also Exhibit__(HSG-1).

AUDITOR SCHEDULE
OUTSIDE SERVICES - ACCOUNTING
YEAR ENDING DECEMBER 31, 2023

ACCOUNT 923.2

DATE	CHECK NO.	DESCRIPTION	AMOUNT	TOTAL
01/31/23		C & T (BKD Tax and Audit)	$ 3,381.00	$ 3,381.00
02/28/23		C & T (BKD Tax and Audit)	$ 3,381.00	$ 6,762.00
03/31/23		C & T (BKD Tax and Audit)	$ 12,209.55	$ 18,971.55
03/31/23		C & T (BKD Tax and Audit)	$ 2,025.00	$ 20,996.55
04/30/23		C & T (BKD Tax and Audit)	$ 600.00	$ 21,596.55
04/30/23		C & T (BKD Tax and Audit)	$ 7,611.00	$ 29,207.55
05/31/23		C & T (BKD Tax and Audit)	1,450.00	$ 30,657.55
06/30/23		C & T (BKD Tax and Audit)	$ 133.34	$ 30,790.89
07/31/23		C & T (BKD Tax and Audit)	583.34	$ 31,374.23
09/30/23		C & T (BKD Tax and Audit)	608.34	$ 31,982.57
10/31/23		C & T (BKD Tax and Audit)	1,005.00	$ 32,987.57
12/31/23		C & T (BKD Tax and Audit)	133.34	$ 33,120.91
12/31/23		C & T (BKD Tax and Audit)	$ 5,214.68	$ 38,335.59
12/31/23		C & T (BKD Tax and Audit)	$ 416.67	**$ 38,752.26**

AUDITOR SCHEDULE
OUTSIDE SERVICES - LEGAL
YEAR ENDING DECEMBER 31, 2023

ACCOUNT 923.3

DATE	CHECK #	DESCRIPTION	AMOUNT	TOTAL	Purpose
01/26/23		McNees (JE #84756)	$ 6,256.00	$ 6,256.00	Misc. Matters
01/31/23		C & T (Legal Bill Reimbursment)	$ (1,258.25)	$ 4,997.75	Legal Allocation
02/28/23		C & T (Legal Bill Reimbursment)	$ (3,400.35)	$ 1,597.40	Legal Allocation
03/01/23		C & T (Legal Bill Reimbursment)	$ 3,000.00	$ 4,597.40	Legal Allocation
03/31/23		Correct AP McNees	$ (1,744.00)	$ 2,853.40	Legal Allocation
03/31/23		Correct AP	$ 3,168.50	$ 6,021.90	Legal Allocation
03/31/23		C & T (Legal Bill Reimbursment)	$ (228.78)	$ 5,793.12	Legal Allocation
04/30/23		Correct AP	$ 42.50	$ 5,835.62	Legal Allocation
04/30/23		C & T (Legal Bill Reimbursment)	$ (171.59)	$ 5,664.03	Legal Allocation
05/31/23		Correct AP	$ 1,495.00	$ 7,159.03	Legal Allocation
05/31/23		Correct AP	$ 85.00	$ 7,244.03	Misc. Matters
05/31/23		C & T (Legal Bill Reimbursment)	$ (343.17)	$ 6,900.86	Legal Allocation
06/27/23	29950	McNees	$ 4,158.50	$ 11,059.36	Misc. Matters
06/30/23		C & T (Legal Bill Reimbursment)	$ (629.14)	$ 10,430.22	Legal Allocation
07/28/23	30026	McNees	$ 367.00	$ 10,797.22	Misc. Matters
07/31/23		C & T (Legal Bill Reimbursment)	$ (171.58)	$ 10,625.64	Legal Allocation
08/31/23		C & T (Legal Bill Reimbursment)	$ (857.92)	$ 9,767.72	Misc. Matters
09/30/23		C & T (Legal Bill Reimbursment)	$ (686.34)	$ 9,081.38	Legal Allocation
09/30/23	30168	McNees	$ 127.50	$ 9,208.88	Misc. Matters
11/30/23		C & T (Legal Bill Reimbursment)	$ (285.97)	$ 8,922.91	Legal Allocation
12/31/23		C & T (Legal Bill Reimbursment)	$ (285.97)	**$ 8,636.94**	Legal Allocation

CITIZENS' ELECTRIC COMPANY
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2022

ACCOUNT 930.2

DATE	CHECK NUMBER	DIRECTOR	RETAINER	OTHER	AMOUNT	DUES	AMOUNT	BALANCE
01/16/23	2937	Craig A. Bennett	$ 780.00					$ 780.00
01/16/23	938	Graham Showalter	$ 780.00					$ 1,560.00
01/16/23	29604	Richard W. Gathman	$ 780.00					$ 2,340.00
01/16/23	2939	Robert R. Faux	$ 780.00					$ 3,120.00
01/16/23	2944	Valery Robbins	$ 780.00					$ 3,900.00
01/16/23	2941	Matthew S. Whiting	$ 780.00					$ 4,680.00
01/16/23	29+42	Nicholas Reitter	$ 780.00					$ 5,460.00
01/16/23	2943	Gary Hennip	$ 780.00					$ 6,240.00
01/16/23	2940	Angela Joines	$ 780.00					$ 7,020.00
02/15/23	2960	Craig A. Bennett	$ 780.00					$ 7,800.00
02/15/23	2961	Graham Showalter	$ 780.00					$ 8,580.00
02/15/23	29651	Richard W. Gathman	$ 780.00					$ 9,360.00
02/15/23	2962	Robert R. Faux	$ 780.00					$ 10,140.00
02/15/23	2967	Valery Robbins	$ 780.00					$ 10,920.00
02/15/23	2964	Matthew S. Whiting	$ 780.00					$ 11,700.00
02/15/23	2965	Nicholas Reitter	$ 780.00					$ 12,480.00
02/15/23	2966	Gary Hennip	$ 780.00					$ 13,260.00
02/15/23	2963	Angela Joines	$ 780.00					$ 14,040.00
03/15/23	4673	Craig A. Bennett	$ 780.00					$ 14,820.00
03/15/23	4699	Graham Showalter	$ 780.00					$ 15,600.00
03/15/23	29708	Richard W. Gathman	$ 780.00					$ 16,380.00
03/15/23	2982	Robert R. Faux	$ 780.00					$ 17,160.00
03/15/23	2987	Valery Robbins	$ 780.00					$ 17,940.00
03/15/23	2984	Matthew S. Whiting	$ 780.00					$ 18,720.00
03/15/23	2985	Nicholas Reitter	$ 780.00					$ 19,500.00
03/15/23	2986	Gary Hennip	$ 780.00					$ 20,280.00
03/15/23	2983	Angela Joines	$ 780.00					$ 21,060.00
04/26/23	3016	Craig A. Bennett	$ 780.00					$ 21,840.00
04/26/23	3017	Graham Showalter	$ 780.00					$ 22,620.00
04/26/23	29798	Richard W. Gathman	$ 780.00					$ 23,400.00
04/26/23	3018	Robert R. Faux	$ 780.00	Mileage	$ 94.32			$ 24,274.32
04/26/23	3023	Valery Robbins	$ 780.00	Mileage	$ 36.68			$ 25,091.00
04/26/23	3020	Matthew S. Whiting	$ 780.00	Mileage	$ 115.28			$ 25,986.28
04/26/23	3021	Nicholas Reitter	$ 780.00	Mileage	$ 157.20			$ 26,923.48
04/26/23	3022	Gary Hennip	$ 780.00					$ 27,703.48
04/26/23	3019	Angela Joines	$ 780.00					$ 28,483.48
04/26/23	3024	Jerome Sasala	$ 780.00	Mileage	$ 170.30			$ 29,433.78
04/24/23	975	Schooks Concession		Board lunch	$ 149.27			$ 29,583.05
04/24/23	980	WalMart		Board snacks	$ 79.13			$ 29,662.18
05/01/23	998	WalMart		Board snacks	$ 24.77			$ 29,686.95
05/17/23	3033	Craig A. Bennett	$ 780.00					$ 30,466.95
05/17/23	3034	Graham Showalter	$ 780.00					$ 31,246.95
05/17/23	29816	Richard W. Gathman	$ 780.00					$ 32,026.95
05/17/23	3035	Robert R. Faux	$ 780.00					$ 32,806.95
05/17/23	3039	Valery Robbins	$ 780.00					$ 33,586.95
05/17/23	3037	Matthew S. Whiting	$ 780.00					$ 34,366.95
05/17/23	3038	Gary Hennip	$ 780.00					$ 35,146.95
05/17/23	3036	Angela Joines	$ 780.00					$ 35,926.95
05/17/23	3040	Jerome Sasala	$ 780.00					$ 36,706.95
06/02/23	3057	Craig A. Bennett	$ 780.00					$ 37,486.95
06/02/23	3058	Graham Showalter	$ 780.00					$ 38,266.95
06/02/23	29909	Richard W. Gathman	$ 780.00					$ 39,046.95
06/02/23	3059	Robert R. Faux	$ 780.00					$ 39,826.95
06/02/23	3063	Valery Robbins	$ 780.00					$ 40,606.95
06/02/23	3061	Matthew S. Whiting	$ 780.00					$ 41,386.95
06/02/23	3062	Gary Hennip	$ 780.00					$ 42,166.95
06/02/23	3060	Angela Joines	$ 780.00					$ 42,946.95
06/02/23	3064	Jerome Sasala	$ 780.00					$ 43,726.95
07/20/23		Jersey Mike's/Giant			$ 138.31			$ 43,865.26
07/25/23	3088	Craig A. Bennett	$ 780.00					$ 44,645.26
07/25/23	3089	Graham Showalter	$ 780.00					$ 45,425.26
07/25/23	3089	Richard W. Gathman	$ 780.00					$ 46,205.26
07/25/23	3090	Robert R. Faux	$ 780.00	Mileage	$ 94.32			$ 47,079.58
07/25/23	3094	Valery Robbins	$ 780.00	Mileage	$ 153.27			$ 48,012.85
07/25/23	3092	Matthew S. Whiting	$ 780.00	Mileage	$ 115.28			$ 48,908.13
07/25/23	3091	Gary Hennip	$ 780.00	Mileage	$ 121.00			$ 49,809.13
07/25/23	3092	Angela Joines	$ 780.00	Mileage	$ 116.59			$ 50,705.72
07/25/23	3095	Jerome Sasala	$ 780.00	Mileage	$ 85.15			$ 51,570.87
08/15/23	3107	Craig A. Bennett	$ 780.00					$ 52,350.87
08/15/23	3108	Graham Showalter	$ 780.00					$ 53,130.87
08/15/23	30029	Richard W. Gathman	$ 780.00					$ 53,910.87
08/15/23	3109	Robert R. Faux	$ 780.00					$ 54,690.87
08/15/23	3113	Valery Robbins	$ 780.00					$ 55,470.87
08/15/23	3111	Matthew S. Whiting	$ 780.00					$ 56,250.87
08/15/23	3112	Gary Hennip	$ 780.00					$ 57,030.87

CITIZENS' ELECTRIC COMPANY **PAGE 1**
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2022

ACCOUNT 930.2

DATE	CHECK NUMBER	DIRECTOR	RETAINER	OTHER	AMOUNT	DUES	AMOUNT	BALANCE
08/15/23	3110	Angela Joines	$ 780.00					$ 57,810.87
08/15/23	3114	Jerome Sasala	$ 780.00					$ 58,590.87
08/01/23	1041	Dunkin Donuts			$ 76.95			$ 58,667.82
09/15/23	3131	Craig A. Bennett	$ 780.00					$ 59,447.82
09/15/23	3132	Graham Showalter	$ 780.00					$ 60,227.82
09/15/23	30109	Richard W. Gathman	$ 780.00					$ 61,007.82
09/15/23	3133	Robert R. Faux	$ 780.00					$ 61,787.82
09/15/23	3137	Valery Robbins	$ 780.00					$ 62,567.82
09/15/23	3135	Matthew S. Whiting	$ 780.00					$ 63,347.82
09/15/23	3136	Gary Hennip	$ 780.00					$ 64,127.82
09/15/23	3134	Angela Joines	$ 780.00					$ 64,907.82
09/15/23	3138	Jerome Sasala	$ 780.00					$ 65,687.82
10/16/23	3156	Craig A. Bennett	$ 780.00					$ 66,467.82
10/16/23	3157	Graham Showalter	$ 780.00					$ 67,247.82
10/16/23	30170	Richard W. Gathman	$ 780.00					$ 68,027.82
10/16/23	3158	Robert R. Faux	$ 780.00	Mileage	94.32			$ 68,902.14
10/16/23	3162	Valery Robbins	$ 780.00	Mileage				$ 69,682.14
10/16/23	3160	Matthew S. Whiting	$ 780.00	Mileage	115.28			$ 70,577.42
10/16/23	3161	Gary Hennip	$ 780.00	Mileage	121.50			$ 71,478.92
10/16/23	3159	Angela Joines	$ 780.00	Mileage	116.59			$ 72,375.51
10/16/23	3163	Jerome Sasala	$ 780.00	Mileage	85.15			$ 73,240.66
10/16/23	30170	Richard W. Gathman	$ 780.00					$ 74,020.66
10/16/23	30170	Richard W. Gathman		Mileage	44.00			$ 74,064.66
10/02/23	1071	Schooks Concession		Lunch	129.70			$ 74,194.36
11/15/23	3177	Craig A. Bennett	$ 780.00					$ 74,974.36
11/15/23	3178	Graham Showalter	$ 780.00					$ 75,754.36
11/15/23	30228	Richard W. Gathman	$ 780.00					$ 76,534.36
11/15/23	3179	Robert R. Faux	$ 780.00					$ 77,314.36
11/15/23	3183	Valery Robbins	$ 780.00					$ 78,094.36
11/15/23	3181	Matthew S. Whiting	$ 780.00					$ 78,874.36
11/15/23	3182	Gary Hennip	$ 780.00					$ 79,654.36
11/15/23	3180	Angela Joines	$ 780.00					$ 80,434.36
11/15/23	3184	Jerome Sasala	$ 780.00					$ 81,214.36
12/15/23	4673	Craig A. Bennett	$ 780.00					$ 81,994.36
12/15/23	4699	Graham Showalter	$ 780.00					$ 82,774.36
12/15/23	30302	Richard W. Gathman	$ 780.00					$ 83,554.36
12/15/23	5188	Robert R. Faux	$ 780.00		103.49			$ 84,437.85
12/15/23	5354	Valery Robbins	$ 780.00		140.17			$ 85,358.02
12/15/23	5260	Matthew S. Whiting	$ 780.00	Mileage	230.56			$ 86,368.58
12/15/23	5276	Gary Hennip	$ 780.00		121.00			$ 87,269.58
12/15/23	5238	Angela Joines	$ 780.00					$ 88,049.58
12/15/23	5384	Jerome Sasala	$ 780.00					$ 88,829.58
12/21/23	30394	Energy Assoc of PA			1,058.00	Membership dues		**$ 89,887.58**

CITIZENS' ELECTRIC COMPANY
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2023

ACCOUNT 930.3

DATE	CHECK NUMBER	DIRECTOR	COMM. EXPENSE	OTHER	DESCRIPTION	BALANCE
						$ -
04/26/23	3016	Craig A. Bennett	$ 1,560.00			$ 1,560.00
04/26/23	3017	Graham Showalter	$ 780.00			$ 2,340.00
04/26/23	29798	Richard W. Gathman	$ 780.00			$ 3,120.00
04/26/23	3023	Valery Robbins	$ 780.00			$ 3,900.00
04/26/23	3020	Matthew S. Whiting	$ 780.00			$ 4,680.00
04/26/23	3022	Gary Hennip	$ 780.00			$ 5,460.00
04/26/23	3019	Angela Joines	$ 780.00			$ 6,240.00
07/25/23	3088	Craig A. Bennett	$ 780.00			$ 7,020.00
07/25/23	3094	Valery Robbins	$ 780.00			$ 7,800.00
07/25/23	3092	Matthew S. Whiting	$ 780.00			$ 8,580.00
07/25/23	3093	Gary Hennip	$ 780.00			$ 9,360.00
12/15/23	3206	Matthew S. Whiting	$ 780.00			$ 10,140.00
12/15/23	3202	Craig A. Bennett	$ 780.00			$ 10,920.00
12/15/23	3208	Valery Robbins	$ 780.00	$ 140.17	Mileage	$ 11,840.17
12/15/23	3203	Graham Showalter	$ 780.00			$ 12,620.17
12/15/23	3207	Gary Hennip	$ 780.00			$ 13,400.17
12/15/23	3209	Jerome Sasala		$ 171.61	Mileage	$ 13,571.78
12/15/23	30327	Richard W. Gathman	$ 780.00			**$ 14,351.78**

AUDITOR SCHEDULE
OUTSIDE SERVICES - ACCOUNTING
YEAR ENDING DECEMBER 31, 2024

ACCOUNT 923.2

DATE	CHECK NO.	DESCRIPTION	AMOUNT	TOTAL
02/29/24	3273	(Forvis - C&T)	$ 19,807.60	$ 19,807.60
03/31/24	3298	(Forvis - C&T)	$ 1,000.00	$ 20,807.60
03/31/24	3298	(Forvis - C&T)	$ 1,000.00	$ 21,807.60
04/30/24	3322	(Forvis - C&T)	$ 10,145.86	$ 31,953.46
05/31/24	3341	(Forvis - C&T)	$ 1,550.00	$ 33,503.46
06/30/24	3365	(Forvis - C&T)	$ 333.34	$ 33,836.80
08/31/24	3405	(Forvis - C&T)	1,658.34	$ 35,495.14
09/30/24	3427	(Forvis - C&T)	$ 1,342.50	$ 36,837.64
11/30/25	3474	(Forvis - C&T)	146.67	$ 36,984.31
				$ 36,984.31
				$ 36,984.31
				$ 36,984.31
				$ 36,984.31
				$ 36,984.31

AUDITOR SCHEDULE
OUTSIDE SERVICES - LEGAL
YEAR ENDING DECEMBER 31, 2024

ACCOUNT 923.3

DATE	CHECK #	DESCRIPTION	AMOUNT	TOTAL	Purpose
01/22/24		McNees (Misc matters)	$ 1,512.50	$ 1,512.50	Misc. Matters
01/31/24		C & T (Legal Bill Reimbursment)	$ (786.90)	$ 725.60	Legal Allocation
02/02/24		McNees (Misc matters)	$ 238.50	$ 964.10	Misc. Matters
02/28/24		McNees (Misc matters)	$ 45.00	$ 1,009.10	Misc. Matters
03/31/24		C & T (Legal Bill Reimbursment)	$ (251.81)	$ 757.29	Legal Allocation
05/01/24		C & T (Legal Bill Reimbursment)	$ (377.72)	$ 379.57	Legal Allocation
05/31/24		C & T (Legal Bill Reimbursment)	$ (503.62)	$ (124.05)	Legal Allocation
06/30/24		C & T (Legal Bill Reimbursment)	$ (62.95)	$ (187.00)	Legal Allocation
07/31/24		C & T (Legal Bill Reimbursment)	$ (377.72)	$ (564.72)	Legal Allocation
09/30/24		C & T (Legal Bill Reimbursment)	$ (157.38)	$ (722.10)	Legal Allocation
10/31/24		C & T (Legal Bill Reimbursment)	$ (220.33)	$ (942.43)	Legal Allocation
11/30/24		C & T (Legal Bill Reimbursment)	$ (188.86)	$ (1,131.29)	Legal Allocation
12/31/24		C & T (Legal Bill Reimbursment)	$ (125.90)	$ (1,257.19)	Legal Allocation
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	
				$ (1,257.19)	

CITIZENS' ELECTRIC COMPANY **PAGE 1**
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2024

ACCOUNT 930.2

DATE	CHECK NUMBER	DIRECTOR	RETAINER	OTHER	AMOUNT	DUES	AMOUNT	BALANCE
01/15/24	4673	Craig A. Bennett	$ 810.00					$ 810.00
01/15/24	4699	Graham Showalter	$ 810.00					$ 1,620.00
01/15/24	30374	Richard W. Gathman	$ 810.00					$ 2,430.00
01/15/24	3234	Robert R. Faux	$ 810.00					$ 3,240.00
01/15/24	3239	Jerome Sasala	$ 810.00					$ 4,050.00
01/15/24	3238	Valery Robbins	$ 810.00					$ 4,860.00
01/15/24	3236	Matthew S. Whiting	$ 810.00					$ 5,670.00
01/15/24	3237	Gary Hennip	$ 810.00					$ 6,480.00
01/15/24	3235	Angela Joines	$ 810.00					$ 7,290.00
02/23/24	3257	Craig A. Bennett	$ 810.00					$ 8,100.00
02/23/24	3258	Graham Showalter	$ 810.00					$ 8,910.00
02/23/24	30432	Richard W. Gathman	$ 810.00					$ 9,720.00
02/23/24	3259	Robert R. Faux	$ 810.00					$ 10,530.00
02/23/24	3264	Jerome Sasala	$ 810.00					$ 11,340.00
02/23/24	3263	Valery Robbins	$ 810.00					$ 12,150.00
02/23/24	3261	Matthew S. Whiting	$ 810.00					$ 12,960.00
02/23/24	3262	Gary Hennip	$ 810.00					$ 13,770.00
02/23/24	3260	Angela Joines	$ 810.00					$ 14,580.00
03/22/24	4673	Craig A. Bennett	$ 810.00					$ 15,390.00
03/22/24	4699	Graham Showalter	$ 810.00					$ 16,200.00
03/22/24	4739	Richard W. Gathman	$ 810.00					$ 17,010.00
03/22/24	5188	Robert R. Faux	$ 810.00					$ 17,820.00
03/22/24	5384	Jerome Sasala	$ 810.00					$ 18,630.00
03/22/24	5354	Valery Robbins	$ 810.00					$ 19,440.00
03/22/24	5260	Matthew S. Whiting	$ 810.00					$ 20,250.00
03/22/24	5276	Gary Hennip	$ 810.00					$ 21,060.00
03/22/24	5238	Angela Joines	$ 810.00					$ 21,870.00
03/27/24	5375	Greater Susquehanna YMCA		Board meeting room rental	$ 500.00			$ 22,370.00
04/29/24	1241			Jersey Mike's (lunch)	$ 130.23			$ 22,500.23
04/29/24	3310	Robert R. Faux	$ 810.00	Mileage	$ 80.40			$ 23,390.63
04/29/24	3312	Matthew S. Whiting	$ 810.00	Mileage	$ 117.92			$ 24,318.55
04/29/24	3313	Gary Hennip	$ 810.00	Mileage	$ 123.95			$ 25,252.50
04/29/24	3314	Valery Robbins	$ 1,620.00	Mileage	$ 150.08			$ 27,022.58
04/29/24	3315	Jerome Sasala	$ 810.00	Mileage	$ 174.20			$ 28,006.78
04/29/24	3311	Angela Joines	$ 810.00					$ 28,816.78
04/29/24	3309	Graham Showalter	$ 810.00					$ 29,626.78
04/29/24	3308	Craig A. Bennett	$ 810.00					$ 30,436.78
04/29/24	30585	Richard W. Gathman	$ 810.00					$ 31,246.78
05/17/24	3324	Craig A. Bennett	$ 810.00					$ 32,056.78
05/17/24	3325	Graham Showalter	$ 810.00					$ 32,866.78
05/17/24	30606	Richard W. Gathman	$ 810.00					$ 33,676.78
05/17/24	3326	Robert R. Faux	$ 810.00					$ 34,486.78
05/17/24	3331	Jerome Sasala	$ 810.00					$ 35,296.78
05/17/24	3330	Valery Robbins	$ 810.00					$ 36,106.78
05/17/24	3328	Matthew S. Whiting	$ 810.00					$ 36,916.78
05/17/24	3329	Gary Hennip	$ 810.00					$ 37,726.78
05/17/24	3327	Angela Joines	$ 810.00					$ 38,536.78
06/21/24	3347	Craig A. Bennett	$ 810.00					$ 39,346.78
06/21/24	3348	Graham Showalter	$ 810.00					$ 40,156.78
06/21/24	30740	Richard W. Gathman	$ 810.00					$ 40,966.78
06/21/24	3349	Robert R. Faux	$ 810.00					$ 41,776.78
06/21/24	3354	Jerome Sasala	$ 810.00					$ 42,586.78
06/21/24	3353	Valery Robbins	$ 810.00					$ 43,396.78
06/21/24	3351	Matthew S. Whiting	$ 810.00					$ 44,206.78
06/21/24	3352	Gary Hennip	$ 810.00					$ 45,016.78
06/21/24	3350	Angela Joines	$ 810.00					$ 45,826.78
07/25/24	3370	Craig A. Bennett	$ 810.00					$ 46,636.78
07/25/24	3371	Graham Showalter	$ 810.00					$ 47,446.78
07/25/24	30801	Richard W. Gathman	$ 810.00					$ 48,256.78
07/25/24	3372	Robert R. Faux	$ 810.00	Mileage	100.50			$ 49,167.28
07/25/24	3377	Jerome Sasala	$ 810.00	Mileage	168.84			$ 50,146.12
07/25/24	3376	Valery Robbins	$ 810.00	Mileage	146.06			$ 51,102.18
07/25/24	3374	Matthew S. Whiting	$ 810.00	Mileage	117.92			$ 52,030.10
07/25/24	3375	Gary Hennip	$ 810.00	Mileage	123.95			$ 52,964.05
07/25/24	3373	Angela Joines	$ 810.00					$ 53,774.05
7/192024				Lunch (Giant)	24.25			$ 53,798.30
07/22/24				Lunch (Jersey Mike's)	149.87			$ 53,948.17
08/23/24	3389	Craig A. Bennett	$ 810.00					$ 54,758.17
08/23/24	3390	Graham Showalter	$ 810.00					$ 55,568.17
08/23/24	30857	Richard W. Gathman	$ 810.00					$ 56,378.17
08/23/24	3391	Robert R. Faux	$ 810.00					$ 57,188.17
08/23/24	3396	Jerome Sasala	$ 810.00					$ 57,998.17
08/23/24	3395	Valery Robbins	$ 810.00					$ 58,808.17
08/23/24	3393	Matthew S. Whiting	$ 810.00					$ 59,618.17
08/23/24	3394	Gary Hennip	$ 810.00					$ 60,428.17

CITIZENS' ELECTRIC COMPANY **PAGE 1**
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2024

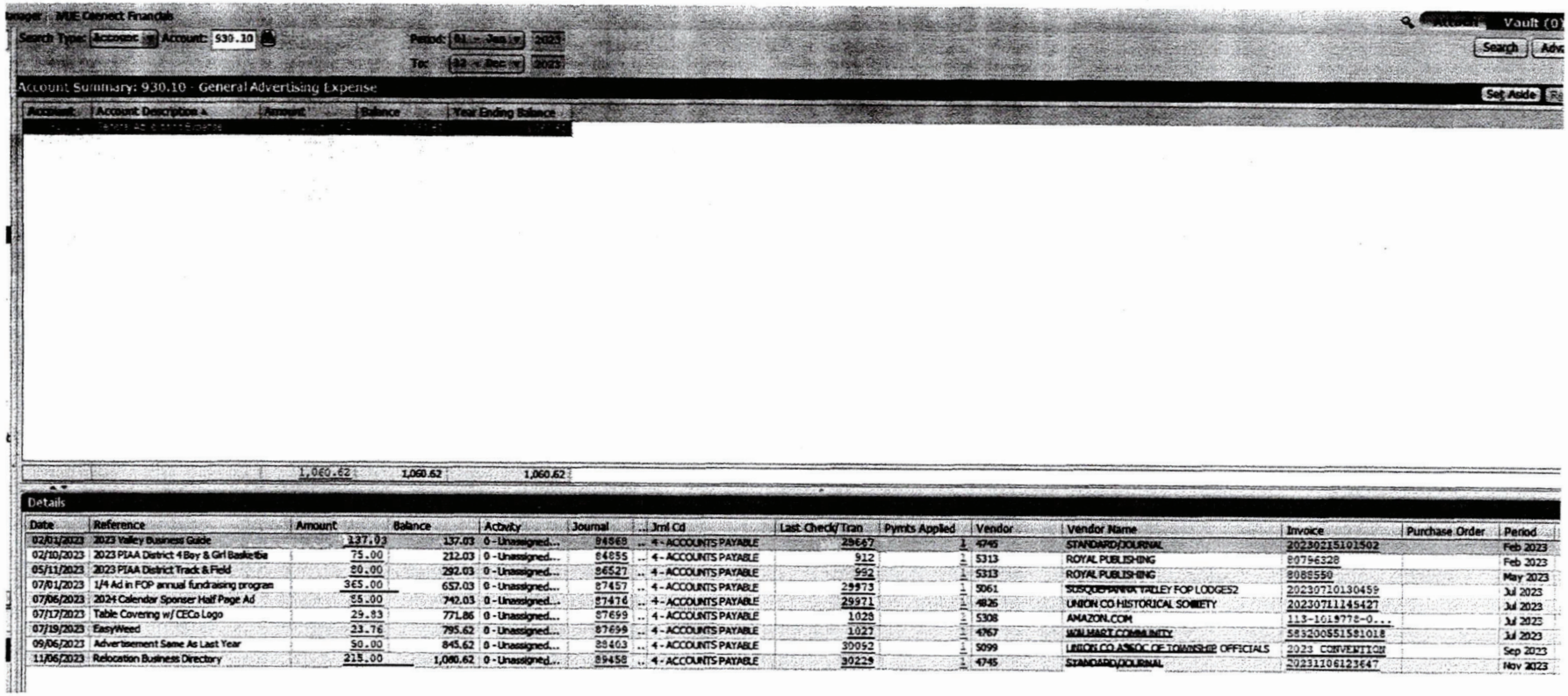
ACCOUNT 930.2

DATE	CHECK NUMBER	DIRECTOR	RETAINER	OTHER	AMOUNT	DUES	AMOUNT	BALANCE
08/23/24	3392	Angela Joines	$ 810.00					$ 61,238.17
09/20/24	3412	Craig A. Bennett	$ 810.00					$ 62,048.17
09/20/24	3413	Graham Showalter	$ 810.00					$ 62,858.17
09/20/24	30919	Richard W. Gathman	$ 810.00					$ 63,668.17
09/20/24	3414	Robert R. Faux	$ 810.00					$ 64,478.17
09/20/24	3419	Jerome Sasala	$ 810.00					$ 65,288.17
09/20/24	3418	Valery Robbins	$ 810.00					$ 66,098.17
09/20/24	3416	Matthew S. Whiting	$ 810.00					$ 66,908.17
09/20/24	3417	Gary Hennip	$ 810.00					$ 67,718.17
09/20/24	3415	Angela Joines	$ 810.00					**$ 68,528.17**
10/07/24	3436	Craig A. Bennett	$ 810.00					$ 69,338.17
10/07/24	3437	Graham Showalter	$ 810.00					$ 70,148.17
10/07/24	31006	Richard W. Gathman	$ 810.00					$ 70,958.17
10/07/24	3438	Robert R. Faux	$ 810.00	Mileage	99.16			$ 71,867.33
10/07/24	3443	Jerome Sasala	$ 810.00	Mileage	168.84			$ 72,846.17
10/07/24	3442	Valery Robbins	$ 810.00					$ 73,656.17
10/07/24	3440	Matthew S. Whiting	$ 810.00					$ 74,466.17
10/07/24	3441	Gary Hennip	$ 810.00	Mileage	120.6			$ 75,396.77
10/07/24	3439	Angela Joines	$ 810.00	Mileage	116.26			$ 76,323.03
10/07/24	1382	Misc vendors		Lunch	166.04			**$ 76,489.07**
11/01/24	3457	Craig A. Bennett	$ 810.00					$ 77,299.07
11/01/24	3458	Graham Showalter	$ 810.00					$ 78,109.07
11/01/24	31065	Richard W. Gathman	$ 810.00					$ 78,919.07
11/01/24	3459	Robert R. Faux	$ 810.00					$ 79,729.07
11/01/24	3464	Jerome Sasala	$ 810.00					$ 80,539.07
11/01/24	3463	Valery Robbins	$ 810.00					$ 81,349.07
11/01/24	3461	Matthew S. Whiting	$ 810.00					$ 82,159.07
11/01/24	3462	Gary Hennip	$ 810.00					$ 82,969.07
11/01/24	3460	Angela Joines	$ 810.00					**$ 83,779.07**
12/23/24		Craig A. Bennett	$ 810.00					$ 84,589.07
12/23/24		Graham Showalter	$ 810.00					$ 85,399.07
12/23/24		Richard W. Gathman	$ 810.00					$ 86,209.07
12/23/24		Robert R. Faux	$ 810.00	Mileage	100.5			$ 87,119.57
12/23/24		Jerome Sasala	$ 810.00	Mileage	168.84			$ 88,098.41
12/23/24		Valery Robbins	$ 810.00	Mileage	150.08			$ 89,058.49
12/13/24		Matthew S. Whiting	$ 810.00	Mileage	117.92			$ 89,986.41
12/23/24		Gary Hennip	$ 810.00	Mileage	123.95			$ 90,920.36
12/23/24		Angela Joines	$ 810.00	Mileage	170.18			$ 91,900.54
12/16/24		Energy Assoc of PA	$ 1,195.00					**$ 93,095.54**
								$ 93,095.54
								$ 93,095.54
								$ 93,095.54
								$ 93,095.54
								$ 93,095.54

CITIZENS' ELECTRIC COMPANY
MISC. GENERAL EXPENSES
YEAR ENDING DECEMBER 31, 2024

ACCOUNT 930.3

DATE	CHECK NUMBER	DIRECTOR	COMM. EXPENSE	OTHER	DESCRIPTION	BALANCE
04/01/24	3311	Angela Joines	$ 810.00			$ 810.00
04/01/24	3309	Graham Showalter	$ 810.00			$ 1,620.00
04/29/24	3312	Matthew Whiting	$ 810.00	$ 117.92	Mileage	$ 2,547.92
04/29/24	3313	Gary Hennip	$ 810.00	$ 123.95	Mileage	$ 3,481.87
04/29/24	3309	Graham Showalter	$ 810.00			$ 4,291.87
04/29/24	30585	Richard Gathman	$ 810.00			$ 5,101.87
04/29/24	3308	Craig Bennett	$ 2,430.00			$ 7,531.87
07/25/24	3370	Craig Bennett	$ 810.00			$ 8,341.87
07/25/24	3374	Matthew Whiting	$ 810.00			$ 9,151.87
07/25/24	3375	Gary Hennip	$ 810.00	$ 123.95	Mileage	$ 10,085.82
07/25/24	3376	Valery Robbins	$ 810.00			$ 10,895.82
08/29/24	30893	Kelly Z Photography		$ 556.50	Board photos	$ 11,452.32
09/10/24	30913	Kelly Z Photography		$ 37.10	Board photos	$ 11,489.42
10/07/24	3436	Craig Bennett	$ 810.00	$ 103.85	Mileage	$ 12,403.27
10/07/24	31006	Richard Gathman	$ 810.00	$ 154.00	Mileage	$ 13,367.27
12/13/24	2484	Matthew Whiting	$ 810.00	$ 117.72	Mileage	$ 14,294.99
12/23/24	3485	Gary Hennip	$ 810.00	$ 123.95	Mileage	$ 15,228.94
12/23/24	3486	Valery Robbins	$ 810.00			$ 16,038.94
12/23/24	3480	Craig Bennett	$ 810.00			**$ 16,848.94**



Search Type: Account | Account: 930.10 | Period: [illegible] 2023 | To: [illegible] 2023

Account Summary: 930.10 - General Advertising Expense

Account	Account Description	Amount	Balance	Year Ending Balance
[illegible]	[illegible]	1,060.62	1,060.62	1,060.62

Details

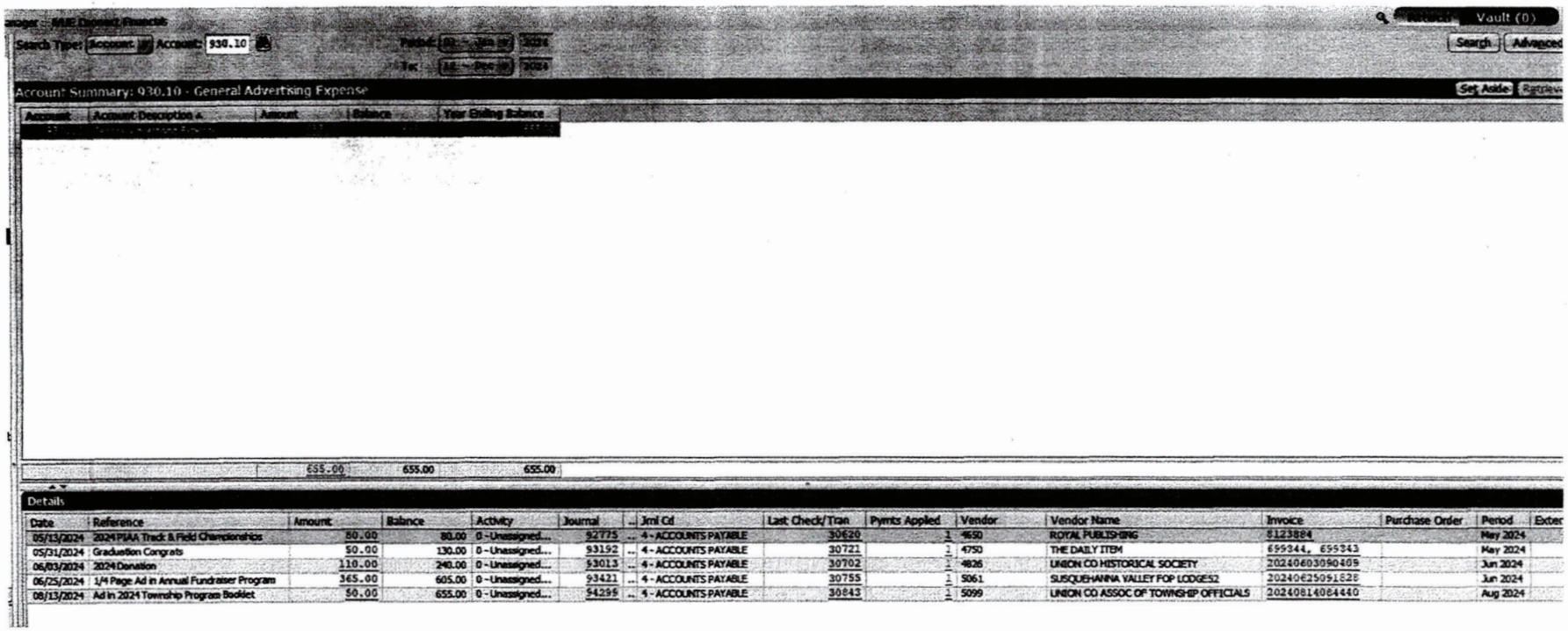
Date	Reference	Amount	Balance	Activity	Journal	Jrnl Cd	Last Check/Tran	Pymts Applied	Vendor	Vendor Name	Invoice	Purchase Order	Period
02/01/2023	2023 Valley Business Guide	137.03	137.03	0 - Unassigned...	84868	4 - ACCOUNTS PAYABLE	29667	1	4745	STANDARD JOURNAL	20230215101502		Feb 2023
02/10/2023	2023 PIAA District 4 Boy & Girl Basketba	75.00	212.03	0 - Unassigned...	84855	4 - ACCOUNTS PAYABLE	912	1	5313	ROYAL PUBLISHING	80796328		Feb 2023
05/11/2023	2023 PIAA District Track & Field	80.00	292.03	0 - Unassigned...	86527	4 - ACCOUNTS PAYABLE	992	1	5313	ROYAL PUBLISHING	8086550		May 2023
07/01/2023	1/4 Ad in FOP annual fundraising program	365.00	657.03	0 - Unassigned...	87457	4 - ACCOUNTS PAYABLE	29973	1	5061	SUSQUEHANNA VALLEY FOP LODGE52	20230710130459		Jul 2023
07/06/2023	2024 Calendar Sponser Half Page Ad	85.00	742.03	0 - Unassigned...	87476	4 - ACCOUNTS PAYABLE	29971	1	4826	UNION CO HISTORICAL SOCIETY	20230711145427		Jul 2023
07/17/2023	Table Covering w/ CECo Logo	29.83	771.86	0 - Unassigned...	87699	4 - ACCOUNTS PAYABLE	1029	1	5308	AMAZON.COM	113-1019778-0...		Jul 2023
07/19/2023	EasyWeed	23.76	795.62	0 - Unassigned...	87699	4 - ACCOUNTS PAYABLE	1027	1	4767	WALMART COMMUNITY	5892005515810l8		Jul 2023
09/06/2023	Advertisement Same As Last Year	50.00	845.62	0 - Unassigned...	88403	4 - ACCOUNTS PAYABLE	30092	1	5099	UNION CO ASSOC OF TOWNSHIP OFFICIALS	2023 CONVENTION		Sep 2023
11/06/2023	Relocation Business Directory	215.00	1,060.62	0 - Unassigned...	89458	4 - ACCOUNTS PAYABLE	30229	1	4745	STANDARD JOURNAL	20231106123647		Nov 2023

2023 $1060.62

Advertising

Acct # 930.1

PA CODE RESPONSE ATTACHMENT II-D-7 D



Search Type: Account | Account: 930.10 | Period: 01 - Jan 2024 to 12 - Dec 2024

Account Summary: 930.10 - General Advertising Expense

Account	Account Description	Amount	Balance	Year Ending Balance
		655.00	655.00	655.00

Details

Date	Reference	Amount	Balance	Activity	Journal	..	Jrnl Cd	Last Check/Tran	Pymts Applied	Vendor	Vendor Name	Invoice	Purchase Order	Period	Exter
05/13/2024	2024 PIAA Track & Field Championships	80.00	80.00	0 - Unassigned...	92775	..	4 - ACCOUNTS PAYABLE	30620	1	4650	ROYAL PUBLISHING	5123884		May 2024	
05/31/2024	Graduation Congrats	50.00	130.00	0 - Unassigned...	93192	..	4 - ACCOUNTS PAYABLE	30721	1	4750	THE DAILY ITEM	699344, 699343		May 2024	
06/03/2024	2024 Donation	110.00	240.00	0 - Unassigned...	93013	..	4 - ACCOUNTS PAYABLE	30702	1	4826	UNION CO HISTORICAL SOCIETY	20240603090409		Jun 2024	
06/25/2024	1/4 Page Ad in Annual Fundraiser Program	365.00	605.00	0 - Unassigned...	93421	..	4 - ACCOUNTS PAYABLE	30755	1	5061	SUSQUEHANNA VALLEY FOP LODGE52	20240625091828		Jun 2024	
08/13/2024	Ad in 2024 Township Program Booklet	50.00	655.00	0 - Unassigned...	94299	..	4 - ACCOUNTS PAYABLE	30843	1	5099	UNION CO ASSOC OF TOWNSHIP OFFICIALS	20240814084440		Aug 2024	

2024 $655- Acct # 930.1

Advertising

Citizens' Electric Company
Lewisburg, PA 17837

Utility Plant and Accumulated Deprectiation
End of December 2023

ACCT NO.	ACCOUNT	COST JANUARY 1 2023	ADD'S	RETIRE.	COST DECEMBER 31 2023	BALANCE JANUARY 1 2023	RETIREMENTS	COST OF REMOVALS	SALVAGE RECEIVED	DEPR. AMOUNT	BALANCE DECEMBER 31 2023
301	Organization	968.40	0.00	0.00	968.40	0.00	0.00	0.00	0.00	0.00	0.00
302	Franchises and consents	27.30	0.00	0.00	27.30	0.00	0.00	0.00	0.00	255.29	255.29
303	Misc Intangible Assets	319,218.07	0.00	0.00	319,218.07	319,090.80	0.00	0.00	0.00	127.27	319,218.07
360	Land and land rights	16,251.87	788.00	0.00	17,039.87	0.00	0.00	0.00	0.00	0.00	0.00
362	Station Equipment	792,280.15	0.00	0.00	792,280.15	758,753.73	0.00	0.00	0.00	2,808.19	761,561.92
364	Poles, towers and fixtures	4,176,226.66	152,758.26	11,746.34	4,317,238.58	2,988,016.96	11,746.34	22,221.92	844.97	173,935.14	3,128,828.81
365	Overhead conductors and	7,705,331.44	392,643.54	54,449.45	8,043,525.53	1,806,930.82	54,449.45	86,352.59	5,106.27	313,149.04	1,984,384.09
367	Underground conductors	3,386,989.69	104,700.72	5,927.60	3,485,762.81	2,016,126.51	5,927.60	5,754.00	404.59	136,984.95	2,141,834.45
368	Line Transformers	2,774,860.59	187,382.85	12,174.93	2,950,068.51	2,150,203.15	12,174.93	0.00	0.00	114,886.02	2,252,914.24
369	Services	3,946,149.20	205,164.82	21,134.05	4,130,179.97	1,665,515.23	21,134.05	32,253.99	1,676.51	161,156.18	1,774,959.88
370	Meters	1,361,624.23	144,148.98	27,510.88	1,478,262.33	(74,369.73)	27,510.88	0.00	0.00	55,646.29	(46,234.32)
373	Street Lighting and signal	637,477.76	57,458.56	13,984.82	680,951.50	44,400.55	13,984.82	15,708.33	1,491.91	43,364.26	59,563.57
390	Structures and improve-	637,162.63	63,470.88	0.00	700,633.51	581,189.80	0.00	0.00	0.00	3,376.02	584,565.82
391	Office furniture and	587,903.94	27,289.08	20,474.64	594,718.38	405,455.80	20,474.64	0.00	0.00	42,972.87	427,954.03
392	Transportation Equipment	1,287,238.31	92,234.12	84,827.91	1,294,644.52	866,368.12	84,827.91	0.00	0.00	110,667.65	892,207.86
393	Stores Equipment	39,241.01	0.00	0.00	39,241.01	35,749.05	0.00	0.00	0.00	731.04	36,480.09
394	Tools, shop and garage	109,292.32	20,702.20	1,940.34	128,054.18	72,662.86	1,940.34	0.00	0.00	6,335.80	77,058.32
395	Laboratory Equipment	117,337.81	0.00	50,590.53	66,747.28	85,982.20	50,590.53	0.00	0.00	4,449.36	39,841.03
396	Power Operated Equipmer	11,845.11	0.00	0.00	11,845.11	12,516.94	0.00	0.00	0.00	991.47	13,508.41
397	Communications Equipme	343,590.20	61,906.65	0.00	405,496.85	279,730.55	0.00	0.00	0.00	2,974.41	282,704.96
398	Miscellaneous Equipment	31,769.64	0.00	0.00	31,769.64	6,477.04	0.00	0.00	0.00	2,029.32	8,506.36
											14,740,112.88
	Totals	28,282,786.33	1,510,648.66	304,761.49	29,488,673.50	14,020,800.38	304,761.49	162,290.83	9,524.25	1,176,840.57	14,740,112.88

GL DEP** $ 1,066,172.92

**GL DEP DOES NOT INCLUDE
CAPITAL LEASE DEP

T:\ACCOUNTING\Utility Plant\Utility Plant 2023

1/12/2024 11:15 AM

Citizens' Electric Company
Lewisburg, PA 17837

Utility Plant and Accumulated Deprectiation
End of December 2024

ACCT NO.	ACCOUNT	COST JANUARY 1 2024	ADD'S	RETIRE.	COST DECEMBER 31 2023	BALANCE JANUARY 1 2024	RETIREMENTS	COST OF REMOVALS	SALVAGE RECEIVED	DEPR. AMOUNT	BALANCE DECEMBER 31 2024
301	Organization	968.40	0.00	0.00	968.40	0.00	0.00	0.00	0.00	0.00	0.00
302	Franchises and consents	27.30	0.00	0.00	27.30	0.00	0.00	0.00	0.00	0.00	0.00
303	Misc Intangible Assets	319,218.07	0.00	0.00	319,218.07	319,218.07	0.00	0.00	0.00	0.00	319,218.07
360	Land and land rights	17,039.87	1,254.25	0.00	18,294.12	0.00	0.00	0.00	0.00	0.00	0.00
362	Station Equipment	792,280.15	0.00	15,868.22	776,411.93	761,817.21	15,868.22	2,195.67	0.00	2,969.26	746,722.58
364	Poles, towers and fixtures	4,317,238.58	344,042.28	31,694.03	4,629,586.83	3,128,828.81	31,694.03	56,949.24	3,912.29	184,754.30	3,228,852.13
365	Overhead conductors and	8,043,525.73	462,967.64	66,107.50	8,440,385.87	1,984,384.09	66,107.50	97,174.56	6,381.92	328,729.61	2,156,213.56
367	Underground conductors	3,485,762.81	180,115.03	2,623.53	3,663,254.31	2,141,834.45	2,623.53	2,775.23	231.36	141,732.24	2,278,399.29
368	Line Transformers	2,950,068.51	140,154.03	32,421.62	3,057,800.92	2,252,914.24	32,421.62	0.00	0.00	120,120.15	2,340,612.77
369	Services	4,130,179.97	239,595.17	23,910.19	4,345,864.95	1,774,959.88	23,910.19	35,011.48	5,094.40	167,471.72	1,888,604.33
370	Meters	1,478,262.33	260,126.99	53,519.02	1,684,870.30	(46,234.32)	53,519.02	0.00	0.00	63,056.35	(36,696.99)
373	Street Lighting and signal	680,951.50	20,176.76	11,509.21	689,619.05	59,563.57	11,509.21	11,872.63	509.46	46,481.84	83,173.03
390	Structures and improve-	721,900.10	57,058.05	0.00	778,958.15	584,565.82	0.00	0.00	0.00	5,378.83	589,944.65
391	Office furniture and	594,718.38	20,301.04	170,748.42	444,271.00	427,954.03	170,748.42	0.00	0.00	41,163.87	298,369.48
392	Transportation Equipment	1,294,644.52	278,418.79	151,117.74	1,421,945.57	892,207.86	151,117.74	0.00	0.00	113,641.12	854,731.24
393	Stores Equipment	39,241.01	0.00	0.00	39,241.01	36,480.09	0.00	0.00	0.00	731.04	37,211.13
394	Tools, shop and garage	128,054.18	9,237.13	0.00	137,291.31	77,058.32	0.00	0.00	0.00	8,375.14	85,433.46
395	Laboratory Equipment	66,747.28	0.00	0.00	66,747.28	39,841.03	0.00	0.00	0.00	4,183.96	44,024.99
396	Power Operated Equipmer	11,845.11	0.00	0.00	11,845.11	13,508.41	0.00	0.00	0.00	0.00	13,508.41
397	Communications Equipme	405,496.85	23,742.10	1,202.90	428,036.05	282,704.96	1,202.90	0.00	0.00	9,255.87	290,757.93
398	Miscellaneous Equipment	31,769.64	0.00	0.00	31,769.64	8,506.36	0.00	0.00	0.00	2,029.32	10,535.68
											15,229,615.74
											-
	Totals	29,509,940.29	2,037,189.26	560,722.38	30,986,407.17	14,740,112.88	560,722.38	205,978.81	16,129.43	1,240,074.62	15,229,615.74

GL DEP** $ 1,126,433.50

**GL DEP DOES NOT INCLUDE
CAPITAL LEASE DEP

T:\ACCOUNTING\Utility Plant\Utility Plant 2024

1/16/2025 11:35 AM

F

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY

AND EXHIBITS

OF

HOWARD S. GORMAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY OF HOWARD S. GORMAN
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Q. Please state your name, occupation and business address.

A. My name is Howard Gorman. I am the President of HSG Group, Inc., a consulting firm specializing in utility rate and regulatory matters, located in Great Neck, NY.

Q. Please summarize your educational background and professional experience.

A. My educational background, professional experience and summary of testimony are outlined in Attachment A.

Q. Please state on whose behalf you are testifying and describe the purposes of your testimony.

A. I am testifying on behalf of the petitioner, Citizens' Electric Company of Lewisburg, PA ("Citizens'" or "Company"). The purposes of my testimony are:

- To develop the Fully Projected Future Test Year ("FPFTY") Revenue Requirement and Rate Base, and Future Test Year ("FTY") net income, based on Historic Test Year ("HTY") data and appropriate adjustments;
- To present the allocated class cost of service study that I performed; and

- To present the Company's proposed revenue allocation and the proposed Rates and Charges that produce the overall revenue requirement and the class revenue targets, and the proof of revenue and bill comparisons at the proposed rates.

The rates proposed in this filing are for the FPFTY; the FPFTY Revenue Requirement and Rate Base were determined for distribution only. Revenue and costs related to Citizens' Generation Supply Service Rate ("GSSR") were excluded from the analysis.

References in my testimony are to *Exhibit __ (HSG-1)*; for example, *Schedule C1* refers to *Exhibit __ (HSG-1), Schedule C1*.

In my testimony, dollar amounts (excluding rates and charges) are rounded to the nearest thousand dollars; in computing revenue requirements and rates, whole dollars are used.

Q. What FPFTY, FTY and HTY were used?

A. The HTY is Citizens' actual results for calendar year 2024. The FTY is Citizens' forecast for 2025 and the FPFTY is Citizens' forecast for 2026. Citizens' uses a calendar year for financial reporting.

When will the new rates take effect?

A. If the Commission suspends the filing for the statutory period, then the rates will take effect on January 30, 2026; however, the rate changes could be effective sooner if the Commission doesn't suspend the filing or if the parties reach a settlement that includes an accelerated effective date and that settlement is approved by the Commission.

Q. Is the presented FPFTY consistent with the Commission's revised regulations for rate cases using a FPFTY?

A. Yes. Earlier this year, the Commission adopted revised regulations for Sections 53.51-53.56 that are pending before the Independent Regulatory Review Commission, with final

action expected soon after the Company submits this filing. The revised regulations contain the following definition of FPFTY:

> A 12-consecutive-month period beginning with the first month that the new rates will be in effect after application of the full suspension period permitted under section 1308(d) of the Public Utility Code, 66 Pa.C.S. § 1308 (relating to voluntary changes in rates) and reflecting estimated results of operations of the public utility.

Q. Please summarize the results of your testimony regarding Citizens' revenue requirement.

A. Under its present rates, Citizens' is forecast to have Net operating income of approximately $250,000 in FPFTY 2026, a return on rate base of 1.46%. To produce the return of 8.49% that Company witnesses Mr. D'Ascendis and Mr. Kucan recommend, requires an increase in revenue of $1,795,000, an increase of 29.6% in Distribution revenue. This equals an increase in total revenue (distribution and supply) of 11% of Citizens' 2024 total revenue. The revenue produced by the proposed rates in the FPFTY, $7,849,000 (plus $104,000 Other revenue, for total distribution revenue of $7,953,000) would recover Citizens' forecast costs in the FPFTY, and provide return on rate base of 8.49% (Schedule C1).

Q. Please summarize the purpose and results of the allocated class cost of service study.

A. The purpose of an allocated class cost of service study ("ACOS") is to assign, on a cost-causation basis, the total distribution revenue requirement among the rate classes. The results of Citizens' ACOS are presented on Schedule E-1. This schedule shows, for each rate class, FPFTY net income at present rates (line 7), return on rate base at present rates (line 11), the revenue requirement to produce a return of 8.49% (line 13) and the increase or decrease in revenue to achieve the class revenue requirement (line 28). The Company

used the results of the ACOS to allocate the proposed increase among customer classes to move the classes closer to the cost-to-serve as indicated in the ACOS.

Q. Please summarize the proposed revenue allocation and rate design.

A. The Company's proposed revenue target for each class is presented on Schedule B6-4, line 24, and the proposed increases are on line 36. This schedule also presents other information about the increase, which I discuss later in this testimony.

The Company's proposed rates are presented on Schedule B6-3, lines 12-21, and also on Schedule B7. Schedule B6-3 demonstrates that the proposed rates produce the class revenue targets (compare lines 29 and 30; differences due to rounding).

Q. Please describe the approach used to develop Citizen's revenue requirement and proposed rates.

A. *First*, the FTY and FPFTY forecast of sales and distribution revenue was developed. Information about HTY sales and revenue was obtained from Citizens' financial records. Summary information on sales and revenues is presented in Schedule B. Information for HTY 2024 is on Schedule B1, with computations on Schedule B1-1. Schedule B4 presents a reconciliation of HTY 2024 revenue to Citizens' financial statements. Sales and revenue for FTY 2025 is on Schedule B2, with computations on Schedule B2-1. Sales and revenue for FPFTY 2026 is on Schedule B3, with computations on Schedule B3-1.

Second, costs were obtained for the HTY, and forecasted costs were obtained for the FTY and FPFTY. These costs, detailed by account, are presented on Schedule C1-1.

Third, the Rate Base for the HTY, FTY and FPFTY was developed, using information for the HTY, projected capital expenditures for the FTY and FPFTY and computing annual depreciation expense. In addition, accumulated deferred income taxes, cash working

capital allowance and other rate base components were computed. These computations are shown on Schedule C1-5.

Fourth, the required Net Utility Operating Income was developed using the FPFTY costs and rate base, and the required rate of return developed by Mr. D'Ascendis and Mr. Kucan, 8.49%. FPFTY revenue of $7,953,000 (including Other revenue) is needed to produce the 8.49% rate of return. These results are presented in Schedule C1, which also shows the rate of return for the HTY, FTY and FPFTY at present rates.

Fifth, the ACOS (presented in Schedule E) was performed to develop the share of the total revenue requirement attributable to each rate class.

Finally, proposed rates were developed that produce the required FPFTY revenue. The proposed rates are shown on Schedules B6-3 and B7. The amounts that typical ratepayers can expect to pay under the proposed rates are compared to the amounts they would pay under the present rates on Schedule B8 (including the present GSSR rate), Schedule B8-1 (excluding GSSR) and B8-2 (including the proposed GSSR rate effective June 1, 2025.). Schedule B6-3 demonstrates that the proposed rates produce the required revenue (compare lines 29 and 30).

Q. What are the reasons that Citizens' needs an increase in rates at this time?

A. Schedule C5-1 presents the financial drivers for the requested rate increase by comparing the FPFTY to the final results of Citizens' prior rate case, Docket R-2022-3032692. The increase is driven by increased costs and capital expenditures. The Company's internal witnesses will discuss this in more detail.

Q. What service classifications does Citizens' use to report sales and revenue?

A. Citizens' reports sales and revenue using the following service classifications:

Residential	• Schedule RS- Residential
Commercial and Industrial	• Schedule GLP1 – General Light and Power Service • Schedule GLP3 – General Light and Power Service • Schedule SH – Space Heating
Lighting	• Schedule MBL – Municipal Boulevard Lighting • Schedule OL – Outdoor Lighting

Q. What types of charges are in the current Tariff?

A. *Schedule RS* rates include a fixed monthly charge, a volumetric (kWh-based) distribution charge and the volumetric GSSR charge.

Schedule SH rates include a fixed monthly charge, a volumetric (kWh-based) distribution charge and the volumetric GSSR charge.

Schedule GLP-1 rates include a fixed monthly charge, a volumetric (kWh-based) distribution charge, a demand (kW-based) charge and the GSSR charge, which may be the GSSR-1 (volumetric) or the GSSR-2 (volumetric and demand components). The demand charge is the greater of 1) actual demand for the month based on the highest 15-minute interval and 2) 50% of the maximum billed demand in the previous 11 months.

Schedule GLP-3 rates include a fixed monthly charge, a volumetric distribution (kWh-based) charge, a demand (kW-based) charge and the GSSR charge, which may be the GSSR-1 (volumetric) or the GSSR-2 (volumetric and demand components). The volumetric distribution charge has two blocks, with the first block comprised of 30 kWh times the customer's billed demand for the month. The demand charge is the greater of 1) actual demand for the month based on the highest 15-minute interval and 2) 50% of the maximum billed demand in the previous 11 months. Some GLP-3 customers are also subject to a reservation charges and / or a high voltage discount.

Schedule MBL rates include fixed monthly charges based on the number of meters (installations) and the number of lamp posts, plus the volumetric GSSR charge.

Schedule OL rates are fixed monthly charges per lamp and the volumetric GSSR charge.

All customers are billed monthly.

Q. Is the Company proposing any rate structure changes?

A. No, the Company is not proposing any rate structure changes.

HTY INFORMATION

Q. Please identify and describe the exhibits that show HTY sales and revenue.

A. Schedule B shows total revenue by customer type for HTY 2024, and distribution-only revenue for HTY 2024, FTY 2025 and FPFTY 2026. HTY total revenue is $16,378,000 based on Citizens' financial records. The HTY distribution-only amounts equal the total revenue amounts minus GSSR revenue. The HTY total revenue amounts are from Schedule B1, which is supported by detailed computations on Schedule B1-1, using present rates and HTY billing units. The billing units are sales in kWh, numbers of customer bills and demand in kW.

Q. Please describe the HTY information regarding costs.

A. Schedule C1-1 shows the details of operating expenses for the HTY. This exhibit is described in detail later in my testimony.

Q. Please describe the HTY information regarding rate base and Rate of Return.

A. Schedule C1-5 computes the rate base for the HTY. Schedule C1 shows the return on rate base for the HTY 2024 was 5.27% for distribution-only.

FTY AND FPFTY SALES AND REVENUE

Q. Please identify and describe the exhibits that show FTY 2025 and FPFTY 2026 sales and revenue at present rates.

A. Information on sales and revenue is presented in Schedule B. The computation of revenue on these schedules reflects the rates in effect December 31, 2024. In this testimony, "sales" measures kWh delivered.

Information for HTY 2024 is on Schedule B1, with computations on Schedule B1-1. Sales were approximately 151 million kWh, with approximately 295,000 kW billed demand.

The FTY 2025 and FPFTY 2026 sales forecasts, including number of customers, kWh and kW demand, were developed separately for each rate class.

Schedule RS Residential reflects average kWh per customer over 2020-2024, times average number of customers in 2024, plus expected growth of 25 customers in FTY 2025 and another 25 in FPFTY 2026.

Schedule SH Space Heating reflects the class average kWh per customer over 2020-2024, with no change in number of customers.

Schedule GLP-1 reflect the class average kWh per customer over 2020-2024, with no change in number of customers and no change in billed demand.

Schedule GLP-3 reflects the class average kWh per customer over 2020-2024 for existing customers, plus expected growth of 1 customer in FTY 2025 with associated additions of kWh and billed demand, and no further changes in FPFTY 2026.

Schedules MBL and *OL* reflect the customers and usage in 2024; HPS lamps have been replaced with LED over the years, therefore 2024 usage is more representative of future usage than using the historic average.

Forecast FTY 2025 sales are approximately 161 million kWh (Schedule B2-1, line 51) and distribution revenue at present rates is $6,038,000 (Schedule B2-1, line 29).

Forecast FPFTY 2026 sales are approximately 162 million kWh (Schedule B3-1, line 53), and distribution revenue at present rates is $6,055,000 (Schedule B3-1, line 29).

FTY AND FPFTY COSTS

Q. Please list the types of costs included in FTY and FPFTY costs.

A. FTY and FPFTY costs include Operating and Maintenance costs ("O&M") and Non-operating costs. O&M costs include Purchased Electricity, Distribution expenses, Customer accounting and collection expenses and Administrative & General expenses. Non-operating costs include Depreciation expense, Taxes other than income and Income tax expense.

Q. How did you develop the FTY and FPFTY O&M costs?

A. HTY actual O&M costs, totaling $13,866,000, are summarized on Schedule C1, line 17. Schedule C1-1 shows the detail of O&M costs by account for 2023 and HTY 2024 (actual) and for FTY 2025 and FPFTY 2026 (forecast). The costs are carried forward to Schedule C1. Schedule C1-1, lines 41-46, presents a summary of costs by type (labor, overhead, transportation, materials).

The Labor portion of each O&M account is also shown on Schedule C1-1.

The HTY, FTY and FPFTY costs are summarized and carried forward to Schedule C1.

Q. How was Depreciation expense computed for each year?

A. Schedule C3, page 1, shows the asset values at original cost in PAPUC / FERC account detail as of December 31, 2023, actual additions and retirements in HTY 2024, and planned additions for FTY 2025 and FPFTY 2026.

Schedule C3, page 2, shows the depreciation rate applicable to each account, and depreciation expense for each year. The annual depreciation expense for each asset account was computed by multiplying X) the depreciation rate for the asset account times Y) original cost at prior year end plus one-half of the additions for the year. The total FPFTY depreciation expense, less the amount charged to clearing accounts and recovered in O&M costs, is $1,410,000; this amount is carried forward to Schedule C1.

Schedule C4 shows the Reserve for Depreciation at the ends of the HTY, FTY and FPFTY.

Q. How did you compute Taxes other than income for FTY 2025 and FPFTY 2026?

A. Schedule C1-3 shows the components of Taxes other than income.

The Pennsylvania Use Tax and the PUC Assessment are assumed to be the same in FTY and FPFTY as in HTY. The Public Utility Realty Tax is assumed to change in relation to Net plant. The Pennsylvania Gross Receipts Tax ("GRT") is computed by applying the tax rate of 5.90% to the applicable revenue for each year.[1] The FTY and FPFTY totals are carried forward to Schedule C1.

Q. How did you compute Rate case expense amortization?

A. Rate case expense amortization reflects normalized rate case expense. Expenses for the pending rate case, if fully litigated, are estimated at $327,000 and a three-year normalization period was determined to be reasonable, starting January 1, 2026 (the start of the FPFTY). The computation is shown on Schedule C1-3 and the result is carried forward to Schedule C1-1, Account 928 (line 34), Regulatory Commission Expense.

Q. How did you compute the FTY and FPFTY Income tax expense?

A. Income tax expense for the FTY and FPFTY is computed on Schedule C1-4.

[1] The effective tax rate is calculated using the 59 mills GRT.

Net operating income before income taxes (line 1), is from Schedule C1, line 25.

Synchronized interest expense (lines 3-8) is computed by multiplying rate base (Schedule C1, line 30) by the weighted cost of debt (Schedule C1-2).

Taxable income before depreciation tax adjustments (line 9) is equal to Net operating income before income taxes less Synchronized interest expense.

Regulatory Pennsylvania taxable income and Regulatory Pennsylvania tax expense are computed using the Full flow through method; that is, tax depreciation is used in the computation. The Pennsylvania depreciation adjustment (lines 11-14) reflects the depreciation expense on Citizens' Pennsylvania tax return and is computed using the double declining balance method applied to tax basis and tax life (just as on the tax return). Regulatory Pennsylvania taxable income (line 15) is equal to Taxable income before depreciation tax adjustments as adjusted by the Pennsylvania depreciation adjustment. Regulatory Pennsylvania income tax expense (line 16) is equal to Regulatory Pennsylvania taxable income times the statutory 9.99% rate.

Regulatory Federal taxable income and Regulatory Federal tax expense are computed using a modified Full flow through method; that is, a modified tax depreciation amount is used in the computation. The Federal depreciation adjustment (lines 19-21), reflects straight line depreciation applied to tax basis and tax life. Federal taxable income (line 26) is equal to Taxable income before depreciation tax adjustments as adjusted by the Federal depreciation adjustment and less Regulatory Pennsylvania tax expense. Regulatory Federal income tax (line 27) is equal to Regulatory Federal taxable income times the statutory 21% rate.

Regulatory Total income tax expense (line 29) is equal to Regulatory Pennsylvania income tax expense plus Regulatory Federal income tax expense, and is carried forward to Schedule C1, line 27.

Q. Does the computation of income tax expense included in the revenue requirement comply with Act No. 40 of 2016, which amends the Public Utility Code regarding the treatment of income tax expense for ratemaking purposes?

A. Yes. The computation of income tax expense for ratemaking purposes, presented on Schedule C1-4 (i.e., in the revenue requirement), reflects a tax deduction for each item of expense of investment (i.e., depreciation expense) in the revenue requirement. In addition, there are no items that reduce the income tax expense for ratemaking purposes, or increase the deferred tax liability, other than reflected in the revenue requirement.

Q. Did you compute the Net Utility Operating Income and Return on Rate Base at present rates?

A. Yes. Schedule C1, line 28 and Schedule C5, line 14 show Net Utility Operating Income at Present Rates for the HTY, FTY and FPFTY. Schedule C1, line 31 shows Return on Rate Base for distribution-only at present rates of 5.27% for HTY 2024, 3.48% for FTY 2025 and 1.46% for FPFTY 2026.

RATE BASE FOR THE FTY AND FPFTY

Q. How did you develop the Rate Base?

A. The Rate Base at the end of the HTY, FTY and FPFTY is presented in Schedule C1-5. Schedule C3, page 1, shows the asset values at original cost in PAPUC / FERC account detail at December 31, 2023, actual additions and retirements in HTY 2024, and planned additions for FTY 2025 and FPFTY 2026. Annual depreciation expense is computed as

stated above. Accumulated depreciation at each year-end is computed by adding annual depreciation expense, and subtracting retirements, to the prior year-end balance.

The amounts in Rate Base for Customer Deposits and Materials and Supplies, were taken from the Balance Sheets for the HTY, FTY and FPFTY presented in Schedule C2. The HTY information is from Citizens' financial statements at December 31, 2024. These items were estimated to be the same for the FTY and the FPFTY as for the HTY.

The rate base includes a reduction for Accumulated Deferred Income Taxes ("ADIT"), equal to the difference between Accumulated depreciation based on X) Depreciation used to compute the Federal tax expense borne by ratepayers (i.e., using straight line method discussed above) and Y) Depreciation used to compute Citizens' actual tax Federal tax expense (i.e., based on double declining balance method), times the current Federal income tax rate. The ADIT is computed on Schedule C1-5, lines 27-32 and carried up to line 6.

The rate base includes a reduction for Accrued Pension / OPEB liability, reflecting the excess of amounts charged to expense over amounts paid (Schedule C1-5, lines 42-47, carried up to Schedule C1-5, line 9).

Cash Working Capital was determined by using the widely-accepted formula of 1/8 of non-fuel cash operating costs (Schedule C1-5, lines 15-25, carried up to line 12).

The total Rate Base, Schedule C1-5, line 13, is carried forward to Schedule C1, line 30.

NET UTILITY OPERATING INCOME

Q. What revenue is included in the distribution revenue requirement?

A. The revenue requirement includes:

- Electric operating revenue: Revenue from distribution of electricity, including exchange with other utilities.

- Other Revenue: Other revenue includes Forfeited Discounts (late payment charges), Revenue from rental of electric property and Miscellaneous revenue.

The revenue requirement excludes Unbilled Revenue, because the FPFTY is fully normalized, and GSSR Revenue, because this is a distribution-only rate case.

Q. What is the distribution revenue requirement for the FPFTY?

A. FPFTY forecast revenue at present rates (including Other revenue) is $6,159,000. The FPFTY revenue required to produce Mr. D'Ascendis' and Mr. Kucan's recommended rate of return of 8.49% is $7,953,000. Citizens' is requesting a revenue increase of $1,795,000, to produce total revenue of $7,953,000. See Schedule C1, line 10.

Q. What rate of return on rate base did Mr. D'Ascendis and Mr. Kucan recommend?

A. They recommend a return of 8.49%. The revenue required (including Other income) to produce this return is $7,953,000, and the Company's proposed rates produce this revenue.

ALLOCATED CLASS COST OF SERVICE STUDY

Q. Please briefly describe the purpose of an allocated class cost of service study.

A. The purpose of an allocated class cost of service study ("ACOS") is to assign, on a cost-causation basis, the total distribution revenue requirement of a utility among the rate classes in its Tariff. In performing the ACOS, each of the utility's costs of providing service is analyzed, in order to assign or allocate the costs among the rate classes, so that the utility can establish rates that ensure, subject to assumptions such as delivery volumes and customer counts, that it recovers its costs in full from each class.

Q. What are the guiding principles in performing an ACOS?

A. The essential element in performing an ACOS is the selection of allocators based on causal relationships between customer demands, load profiles and usage characteristics on one hand, and the costs incurred by the Company to meet those requirements on the other hand. The primary goals in selecting allocators are:

1. recognition of **cost causality** as opposed to **value of service**;
2. **stability** of results over time;
3. logical **consistency** and **completeness**; and
4. ease of implementation.

Q. What rate classes are included in Citizens' ACOS?

A. The rate classes included in Citizens' ACOS are Schedule RS- Residential; Schedule GLP1 - General Light and Power Service; Schedule GLP3 - General Light and Power Service; Schedule SH - Space Heating; Schedule MBL - Municipal Boulevard Lighting and Schedule OL – Outdoor Lighting.

Q. Please summarize the approach you followed in preparing Citizens' ACOS.

A. The most critical task in performing an ACOS is establishing relationships between customer demands, load profiles and usage characteristics on one hand, and the costs incurred to meet those requirements on the other hand. This requires an understanding of the utility system design and its relationship to the characteristics of the customers it is designed to serve. Citizens', like most utilities, designs its electric distribution system to meet three primary objectives:

1. To extend distribution services to all customers;

2. To deliver the aggregate peak demand for electricity of all firm delivery customers; and

3. To deliver electricity to customers throughout the year.

The allocation of costs in a class cost of service study must recognize these ***cost-causative*** characteristics of the utility's plant investments and operating expenses. A cost of service study should objectively reflect cost-causation factors and should not be influenced by end-results or other revenue allocation and rate design considerations.

Citizens' ACOS follows the traditional three-step process: 1) *functionalization* of rate base and costs; 2) *classification* of functionalized costs as demand-related, commodity-related or customer-related; and 3) *class allocation* of the functionalized, classified costs among the rate classes.

Q. Are there are changes from the methodology used in Citizens' last rate case, Docket R-2022-3032692?

A. No, the methodology is the same.

Q. What functions are reflected in the ACOS?

A. The Citizens' ACOS includes the following functions:

Primary Distribution - Designed to move power from the transmission system to the Secondary Distribution system; includes substations as well as conductors operating primarily at voltages of over 600V up to and including 12 kV, and related assets.

Secondary Distribution - Designed to move power from the Primary Distribution system to customers' premises; includes services.

Billing - Includes meter as well as assets and activities related to enabling the distribution of electricity to customers, and billing and collecting revenue.

Citizens' does not own any transmission-voltage facilities of over 12 kV.

Q. Please describe the classification step of an ACOS.

A. In the **classification** step, the previously functionalized assets and costs are separated according to the system design or operating characteristics that cause those costs to be incurred in the first instance. Each asset and cost is determined to be incurred to serve **customers**, to deliver the electricity or **commodity** year-round or to meet peak **demand** including coincident and non-coincident peaks ("NCPs").

Customer related costs are the costs incurred to attach a customer to the distribution system, to meter usage and to maintain the customer's account. Customer costs are a function of the number of customers served and continue to be incurred whether or not the particular customer uses any electricity. They include capital costs associated with services and meters, and operating costs such as customer service, field service, billing and accounting expenses.

Commodity related costs are those costs that vary with the quantity of electricity delivered throughput sold to, or transported for, customers. These costs include purchased electricity costs and related costs.

Demand, or **capacity**, related costs are associated with plant that is designed, installed and operated to meet peak usage. Distribution assets are designed to meet the peak loads of the particular customers they serve.

Q. Please describe the class allocation step of an ACOS.

A. In the **class allocation** step, the functionalized, classified costs are allocated among the rate classes, based on causal relationships with the utility's system design and operations, its accounting records and its system and customer usage and load data. Based on the analyses

of cost relationships, each plant and cost item in the rate base and revenue requirement is directly assigned to a rate class, or an allocator is selected to apportion the item.

Q. Please explain the term "direct assignment."

A. The term "direct assignment" means identifying plant investments or costs incurred exclusively to serve a specific customer or group of customers. Direct assignments best reflect the cost-causation of serving individual customers or groups of customers and should be used whenever the data are available.

Q. In a typical ACOS are most costs directly assigned, or are most costs allocated?

A. Most costs must be allocated, because utility operations are characterized by common facilities. In addition, direct assignments require detailed information which may be unavailable or require a great deal of time to prepare. The assets and costs that cannot be directly assigned are distributed among the rate classes using allocation factors.

Q. Please explain how allocators are derived.

A. Two types of allocators are typically used in performing an ACOS: external allocators and internal allocators. *External allocators* are based on special studies derived from the utility's accounting and other records. Examples of external allocators are number of customers and NCPs. Schedule D lists the external allocators used in the ACOS, and Schedules D1 through D6 show the development of the external allocators.

Internal allocators are based on some combination of external allocators, previously directly assigned costs and other internal allocators. For example, the allocator for property insurance costs is based on plant investment amounts assigned to components of the rate base; as a result, it is necessary to compute the rate base before property insurance costs

can be allocated. Both external and internal allocators are used in functionalization, classification and class allocation.

Q. What is the rate base and how is it used in the ACOS?

A. The rate base is the cost, net of accumulated depreciation, of Citizens' investment in plant and other assets used to serve customers. The FPFTY rate base is $17,092,000 (Schedule C1 and Schedule C1-6). Citizens' is requesting an increase of $1,795,000, which will produce a return on rate base of 8.49%, as discussed above. The ACOS allocates the rate base (and return of 8.49%) among rate classes.

Q. What are the major components of Citizens' rate base?

A. The major categories in Citizens' rate base are:

- Distribution plant
- Intangible plant
- General plant
- Depreciation reserve
- Other rate base items

Q. How was distribution plant functionalized, classified and allocated among the rate classes?

A. Distribution plant comprises:

Land and Land Rights and Stations Equipment were functionalized to Primary Distribution, classified as demand and allocated among the rate classes using the NCP-Primary allocator.

Poles, Towers and Fixtures; Overhead Conductors and Devices; Underground Conduit; Underground Conductors & Devices were functionalized between Primary and Secondary based on circuit miles / lines miles (Schedule D1, lines 1-28).

The Primary portion was classified as demand-related and allocated among the rate classes using the NCP- Primary allocator.

The Secondary portion was classified between customer-related and demand-related using a zero-load analysis. The portion of total installation costs that are labor-related (i.e., all costs except material) were classified as customer-related, and the balance as demand-related (Schedule D1, lines 29-34, equal to the averages over the current and four prior rate cases). The zero-load component of the Secondary system represents the cost of extending service to all customers, without regard to peak or average load, and is therefore customer-related. The assets and costs functionally classified to Secondary-customer were allocated among the rate classes based on number of customers served at Secondary voltages. The assets and costs functionally classified to Secondary-demand were allocated using the NCP- Secondary allocator.

Line Transformers were functionalized to Secondary and classified between customer-related and demand-related using a minimum size analysis (Schedule D3). The minimum size was determined to be a 50 kVA transformer serving four customers, or one-fourth of a 50 kVA transformer. The minimum size portion was classified as customer-related and allocated among the rate classes based on number of customers served at Secondary voltages. The balance of costs were classified as demand-related and allocated using the NCP-LTr allocator, which is the NCP-Secondary allocator reduced by the load-carrying capacity of the minimum size transformers (Schedule D2, lines 26-38).

Services connect individual customers to the system, and were functionalized to Secondary, classified as customer-related and allocated based on total replacement cost for each class (Schedule D4). Total replacement cost of Services for a class was computed as X) estimated replacement cost of a typical service for the class times Y) number of customer locations in the class.

Meters were functionalized to Billing, classified as customer-related and allocated based on total replacement cost for each class (Schedule D5). Meter costs include CT (current transformers) and PT (Potential transformers). Total replacement cost of Meters for a class was computed as X) estimated replacement cost of meters for the class times Y) number of customers in the class.

Street Lighting and Signal Systems were functionalized to Secondary Distribution, classified as customer-related and directly assigned to Lighting.

Q. What is the NCP-Primary allocator and how was it developed?

A. The NCP-Primary allocator (or "NCP-Prim") is used in the ACOS to allocate, among the rate classes, the assets and costs that are functionalized to Primary distribution. To compute the NCP-Prim allocator, the NCP was determined for each class, for years 2015 and 2018-2024. In each year, each class' share of the sum of all class NCPs was computed. The NCP-Prim allocator for each class is the average of the class' annual shares.

To compute annual NCP, Citizens' provided hourly data for each class, for 2018-2024, and the NCP's were determined for each year. Information for 2015 is from a prior rate case (Docket R-2016-2531550). For SH and MBL, 2024 shares of NCP were used because 1) SH has had significant changes in number of customers and 2) MBL has had significant changes in kWh due to using energy-efficient LED lights.

NCP-Prim computations are presented on Schedule D2, lines 1-20. In computing the NCP-Prim allocator, metered values were used.

Q. What is the NCP-Secondary allocator and how was it developed?

A. The NCP-Secondary allocator (or "NCP-Sec") is used in the ACOS to allocate, among the rate classes, the assets and costs that are functionalized to Secondary distribution and classified as demand-related, except for Line Transformers (and assets and costs that include Line Transformers).

The NCP-Secondary allocator value for each rate class was computed by removing from the NCP-Prim allocator, customers served at Primary voltages. The computations are shown on Schedule D2, lines 22-24.

Q. What is the NCP-Line-Transformer allocator and how was it developed?

A. The NCP-Line-Transformer allocator (or "NCP-LTr") is used in the ACOS to allocate among the rate classes the cost of Line Transformers that are functionalized to Secondary distribution and classified as demand-related. It represents the demands on the Secondary distribution system in excess of the minimum system and is equal to the NCP-Secondary allocator values, minus the load-carrying capacity of the minimum size transformers (Schedule D2, lines 26-38).

Q. How was General plant functionalized, classified and allocated among rate classes?

A. General plant includes primarily Structures and improvements, Office furniture and equipment, Computers and Communications equipment, as well as other assets. These assets were functionalized, classified and allocated among rate classes based on direct labor content of operating expenses, reflecting the nature of the assets and common cost of service practice.

Q. How was Accumulated Depreciation functionalized, classified and allocated among rate classes?

A. Each component of the Depreciation reserve was functionalized, classified and allocated among rate classes in the same ratio as the related assets.

Q. How were other Rate Base Items functionalized, classified and allocated among rate classes?

A. Other Rate Base Items were functionalized, classified and allocated as follows:

Cash Working Capital represents Citizens' need for cash to keep the business running until revenues are collected to pay costs. This item was functionalized, classified and allocated in proportion to operating expenses.

Materials and Supplies was functionalized, classified and allocated in proportion to operating expenses.

Customer Deposits were directly assigned between Residential and Non-residential, then allocated based on revenues (Schedule D6).

ADIT was functionalized, classified and allocated in proportion to plant in service.

Accrued Pension/OPEB Liability was functionalized, classified and allocated in proportion to labor content of O&M expense accounts.

Q. What are the major categories of Citizens' costs?

A. The major cost categories in Citizens' cost of service are:

- Distribution operating and maintenance expenses
- Customer accounts and service expenses
- Administrative and general expenses
- Depreciation expense

- Tax expense, other than on income
- Income tax expense

Q. In determining how to treat these costs in the ACOS, was any other important category of costs considered?

A. Yes, labor costs affect most of the cost categories because many costs are assigned based on the direct labor content of other costs. For example, Administrative & General Salaries, Account 920, is allocated among rate classes based on the direct labor content of operating expense accounts. To perform these allocations, the direct labor content of each cost account was provided by Citizens', and appropriate allocators were developed.

Q. What costs are included in distribution operating and maintenance costs and how were they functionalized, classified and allocated among the rate classes?

A. Citizens' distribution operating and maintenance costs includes operating and maintenance costs for its distribution system including stations; poles, towers and fixtures; overhead and underground conductors and related equipment; meters; line transformers; lighting; and other assets. Each cost was analyzed to determine which assets it was incurred to operate or maintain, and the cost was functionalized, classified and allocated among rate classes in the same manner as those assets. For example, Miscellaneous distribution expenses, Account 588, relates to the Overhead and Underground assets, and was functionalized, classified and allocated in the same manner as Overheard Conductors and Devices, and Underground Conduits and Conductors.

Q. What costs are included in customer accounts and service expenses and how were they functionalized, classified and allocated among the rate classes?

A. Customer-accounts costs includes primarily meter-reading expenses, customer records and collection expenses and uncollectible-accounts expense. These costs were functionalized to Billing and classified as customer-related.

Meter Reading Expenses were allocated among the rate classes in proportion to Meter costs.

Customer Records and Collection Expenses includes activities for billing, call center, payment processing, recoveries and service initiation / termination, and were allocated based on the number of customers.

Uncollectible Accounts Expense was directly assigned between Residential and Non-residential based on Citizens' historic data, then allocated among the specific rate classes based on revenues (Schedule D6).

Q. How were Administrative and General expenses functionalized, classified and allocated among rate classes?

A. Administrative and General ("A&G") expenses comprises the following:

A&G salaries, Office supplies and expense, and Employee benefits were functionalized, classified and allocated among rate classes based on labor content of the operating and maintenance and customer accounting costs. Most Employee benefits costs are included in the O&M and customer accounting accounts, and not in A&G costs.

Property Insurance, Injuries and Damages and Maintenance of General Property were functionalized, classified and allocated based on plant costs.

Outside Services and Miscellaneous General Expenses were functionalized, classified and allocated based on a 50/50 weighting of labor and plant costs.

Regulatory Commission Expenses were functionalized to Billing, classified as customer-related and allocated among rate classes in proportion to rate base. As discussed above, this account include amortization of rate case expense, and recovery of extraordinary costs associated with the Coronavirus pandemic.

Q. How was depreciation expense functionalized, classified and allocated among rate classes?

A. Depreciation expense was computed for each asset account (Schedule C3); each component was functionalized, classified and allocated among rate classes in proportion to the related assets.

Q. How were taxes other than GRT and income taxes functionalized, classified, and allocated among the rate classes?

A. These taxes are PURTA and PA Use taxes, which were functionalized, classified and allocated among rate classes in proportion to plant, and PUC Assessment which was functionalized, classified and allocated among rate classes in proportion to rate base.

Q. How was GRT functionalized, classified, and allocated among the rate classes?

A. GRT is based on revenue, and GRT at present rates was computed for each function, classification and rate class on that basis. In computing the revenue requirement, the GRT expense for each class was computed based on class revenue requirements.

Q. How was income tax expense functionalized, classified and allocated among rate classes?

A. Income tax expense in the FPFTY was functionalized, classified and allocated in proportion to pretax income. For the FPFTY revenue requirement, Income tax expense for each class equals pretax income, grossed up.

Q. How was revenue at present rates computed for each rate class?

A. Distribution Revenue at Present Rates is shown on Schedule B1. The total was functionalized and classified based on pro forma revenue requirements and was assigned to each rate class based on forecast revenue at present rates for each rate class.

Forfeited Discounts was functionalized to Billing and allocated based on historical experience for write-offs.

Rent for Electric Property represents pole rental revenue and was functionalized, classified and allocated in proportion to Poles, Towers and Fixtures.

Other Electric Revenue was allocated in proportion to Distribution revenue.

Q. How was the revenue requirement for each rate class developed?

A. The revenue requirements for each rate class are computed in the same manner as for the total Company, as shown on Schedule C1. The revenue requirement for each rate class is the sum of allocated operating expenses, depreciation expense, general taxes, return on rate base and income tax expense. Return on rate base was computed by multiplying the class' rate base by the proposed rate of return, 8.49%. Income tax expense for each class was computed by grossing up the required return on rate base for the class at the income tax rate related to the overall revenue requirement. GRT for each class was computed by grossing up the required revenue for the class including income tax. Schedule E-1A, line 179 and Schedule E-1, line

13, show the total rate class revenue requirements based on fully allocated distribution cost of service at the proposed Rate of Return.

Q. Please summarize the results of the ACOS.

A. Schedule E-1, shows Net income at present rates for each rate class (line 7) and Return on rate base at present rates (line 11). It also shows the revenue requirement for each class to produce the proposed system return of 8.49% (line 13) and the increase or decrease this represents over revenue at present rates (line 28).

PROPOSED REVENUE ALLOCATION

Q. What were the considerations in the proposed revenue allocation for each class?

A. The following objectives were established for the proposed revenue allocation:

- To move each class closer to cost of service, computed in the ACOS (Schedule E-1).
- To mitigate extreme rate impacts on rate classes and on customer subgroups.

Q. Have you prepared a schedule that presents the proposed revenue allocation?

A. Yes. Schedule B6-4 presents the proposed revenue allocation and related information. Lines 1-8 present the results of the ACOS, including revenue, net income and return on rate base at present rates. Lines 10-21 present the revenue requirement for each class to provide a return of 8.49%, to produce an increase in revenue of $1,794,000. This information is from Schedule E-1.

Schedule B6-4 shows, for each rate class:

- Proposed revenue target for each class (line 24);
- Proposed increase in dollars (line 36), as a percent of present rate distribution revenue (line 37) and present rate total bill (using the presently effective GSSR rate

of $0.08695 per kWh) (line 38) and distribution increase relative to the average increase of 29.6% (line 40);

- Return on rate base at the proposed revenue allocation (line 32) and relative to the average of 8.49% (line 33) and progress toward unity (line 34) (how much of the gap between x) relative return at present rates and y) relative return at proposed revenue allocation, is closed based on the proposed revenue allocation); and
- Change in subsidy paid (received) (lines 42-45), where the subsidy is the difference between xx) rate of return produced by the rate class and yy) average rate of return, applied to the rate base allocated to the class.

Q. Have you prepared a schedule that presents the proposed rates?

Yes. The Company's proposed rates are presented on Schedule B6-3, lines 12-21, and also on Schedule B7. Schedule B6-3 demonstrates that the proposed rates produce the class revenue targets (compare lines 29 and 30; differences due to rounding).

Q. Why do you believe the proposed revenue allocation presented at Schedule B6-4 is fair and reasonable?

A. The revenue allocation is fair and reasonable because all classes make significant progress toward the system average return (Schedule B6-4, line 34), meeting the goal of moving each class closer to cost of service; and no class receives an increase greater than 75% (Schedule B6-4, line 37), meeting the goal of mitigating extreme impacts. In addition, all classes have reductions in the subsidy paid or received (Schedule B6-4, line 45).

PROPOSED RATES

Q. Please identify exhibits that show FPFTY sales and revenue at proposed rates.

A. Schedule B6 shows the same information as Schedule B, with an additional column showing distribution revenue at "PROPOSED Rates" for FPFTY 2026. The information in this column is from Schedule B6-1, carried forward from Schedule B6-2. Schedule B6-2 summarizes the computations of billing units times proposed rates, on Schedule B6-3.

Q. Did you prepare a schedule that summarizes the present and proposed rates?

A. Yes. Schedule B6-3 presents the proposed rates for each rate class. Schedule B7 presents the present and proposed rates for each rate class in a table.

Q. Did you compare the amounts that typical customers in each rate class would pay under the present and proposed rates?

A. Yes. Schedule B8 compares the amounts customers in each rate class, with a range of usage levels, would pay in the FPFTY, at present rates and proposed rates, on a total bill basis (including the present GSSR rate). Schedule B8-1 compares the amounts distribution-only (excluding GSSR). Schedule B8-2 compares total bills, reflecting the proposed GSSR rate that Citizens' filed in mid-April with a proposed effective date of June 1, 2025 for both 'the 'present rate' and 'proposed rate' calculations.

Q. Did you prepare a schedule showing the number of customers whose bills would increase under the proposed rates?

A. Yes. Schedule B5 presents that information.

Q. What were the goals for rate design?

A. The goals of rate design for each class were to produce the target revenue, to align the rates more closely with costs, to stabilize revenue for the utility and costs for customers and to mitigate extreme impacts on most customers.

Q. How did you compute the proposed rates for Residential?

A. For Residential, the proposed monthly charge is $16.50, less than the customer-related costs typically included based on the ACOS ($17.94, Schedule E1-C, line 27). The balance of the class revenue target is proposed to be recovered in the volumetric kWh charge.

Q. How did you compute the proposed rates for Space Heating?

A. For Space Heating, the proposed monthly charge is $24.00, less than the customer-related costs typically included based on the ACOS ($29.35, Schedule E1-C, line 27). The balance of the class revenue target is proposed to be recovered in the volumetric kWh charge.

Q. How did you compute the proposed rates for GLP-1?

A. For GLP-1, the proposed monthly charge is $21.00, less than the customer-related costs typically included based on the ACOS ($21.47, Schedule E1-C, line 27). The demand charge and the volumetric kWh-based rates were each increased by the same proportion (29.1%) to produce the balance of the class revenue target.

Q. How did you compute the proposed rates for GLP-3?

A. For GLP-3, the proposed monthly charge is $100.00, less than the customer-related costs typically included based on the ACOS ($128.65, Schedule E1-C, line 27). Each other rate component (demand charge, reservation charge, both blocks of the volumetric rate and the voltage discount) was increased by the same proportion (28.7%) to produce the balance of the class revenue target.

Q. How did you compute the proposed rates for MBL?

A. The two components of MBL rates, Meter and Post, were each increased by the same percentage, 75%, to produce the class revenue target.

Q. How did you compute the proposed rates for OL (Public Lighting)?

A. The rates for each lamp OL were changed by the same percentage, 28.8%, to produce the class revenue target.

Q. Do the proposed rates produce the required revenue?

A. Yes. Schedule B6-3, line 29, shows the proposed rates produce FPFTY total distribution revenue of $7,849,000 (excluding Other revenue), equal to Schedule C1, line 6. This revenue is an increase of $1,795,000, and produces a return of 8.49%,

Q. Does this conclude your Direct Testimony?

A. Yes.

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

EXHIBITS

OF

HOWARD S. GORMAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 29, 2022

RESUME OF
HOWARD S. GORMAN

SUMMARY

Mr. Gorman has more than 35 years of experience in the energy industry, including 25 years in rate and regulatory proceedings. His areas of expertise include embedded class cost of service studies, marginal cost studies, revenue allocation, rate design and revenue requirements, for both electric and gas utilities. He has testified as an expert witness before the Massachusetts Department of Public Utilities, New Hampshire Public Utilities Commission, New Jersey Board of Public Utilities, New York State Public Service Commission, Ontario Energy Board, Pennsylvania Public Utility Commission and Rhode Island Public Utilities Commission. Mr. Gorman also has experience in financial modeling, financial analysis and forecasting and treasury and financial management.

PROFESSIONAL EMPLOYMENT

2010 - Present	HSG Group, Inc. • *President*
1997 - 2010	Black & Veatch Corporation (R.J. Rudden Associates, Inc. before 2005) • *Principal Consultant*
1995 - 1997	Independent Consultant
1987 – 1995	Trigen Energy Corporation • 1987-1993- *Corporate Controller; Trigen was formed in 1987* • 1993-1995- *Treasurer; Trigen had IPO with NYSE listing in 1994*
1982 - 1987	Coleco Industries, Inc. • *Director, Treasury*
1976 - 1979	Touche Ross & Co. • *Staff Accountant*

PROFESSIONAL EXPERIENCE

Utility Accounting and Costing

Mr. Gorman has performed numerous class cost of service studies, and has developed and supported revenue requirements, revenue allocation, rate designs and marginal cost studies, in rate cases before regulatory commissions in several jurisdictions, for electric and gas utilities. These assignments included developing test year data and rate year forecasts, establishing cost causality, selecting and developing allocators and analyzing customer impacts and policy considerations

Energy Project Analysis and Financing

Mr. Gorman has negotiated and completed transactions including construction and term loans, tax-exempt bonds, taxable bonds, subordinated debt and asset-backed (receivables and inventory) revolving credit facilities. He has worked successfully with lenders and borrowers to source and structure transactions, and was instrumental in negotiating loan documents and in designing power sale and supply procurement contracts to be financed. Mr. Gorman has performed financial analyses of energy-related assets, including electric and gas distribution companies, power plants and transmission operators. These analyses included development of cash flows and financial statements based on both regulatory and accounting presentations, and included review of assumptions, analysis of data, modeling and forecasting, sensitivity testing and stress testing.

Accounting and Financial Management

As controller of Trigen Energy Corporation, Mr. Gorman built the finance and accounting function; developed reports, procedures and management tools; and managed subsidiary controllers across North America, including an IPO with NYSE listing. He managed the corporate insurance portfolios and the benefit plans for Trigen Energy Corporation and for Coleco Industries, and has managed interest rate and currency forward contracts for the purpose of managing risk.

Publications And Presentations

"What Wall Street Needs From FERC," published in R. J. Rudden Financial, LLC's *Energy Capital Markets Report*, September 2002

"A Balanced Look at Balance Sheets," published in R.J. Rudden Financial, LLC's *Energy Capital Markets Report,* June 2002

"Assessment of Retail Choice Programs," presented at the American Gas Association Rate and Strategic Issues Committee Conference, March 2002

"The Remarkable Story on Enron," published in Scudder's *Annual End of Year Issue*, 2001

Education

New York University, B.S., Accounting, 1976
Harvard Business School, MBA, 1981

Relevant Projects			
Jurisdiction	**Docket**	**Client**	**Subject Matter**
Federal Energy Regulatory Commission 2024	ER24-2795-000, ER24-2796-000	Massachusetts / Nantucket Electric	Electric revenue requirement and rate design for Energy Storage Systems
New York 2024	24-E-0322	Niagara Mohawk (Gas)	Gas class cost of service; revenue allocation; rate design; marginal cost
New York 2024	24-G-0323	Niagara Mohawk (Electric)	Electric class cost of service; revenue allocation; rate design; marginal cost
Pennsylvania 2024	R-2024-3046523	Duquesne Light	Electric class cost of service; revenue allocation; rate design; special study
Massachusetts 2023	DPU 23-150	Massachusetts / Nantucket Electric	Electric class cost of service; revenue allocation; rate design
New Jersey 2024	GR24020158	Elizabethtown Gas.	Gas class cost of service; revenue allocation; rate design
Massachusetts 2023	DPU 23-150	Massachusetts / Nantucket Electric	Electric class cost of service; revenue allocation; rate design
New York 2023	23-G-0227	Valley Energy, Inc.	Gas revenue requirements, rate design
New York 2023	23-G-0225 /02260	Brooklyn Union Gas / KeySpan Gas East	Gas class cost of service; revenue allocation; rate design; marginal cost
Pennsylvania 2022	R-2022-3032369	Citizens' Electric of Lewisburg, PA	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2022	R-2022-3032300	Valley Energy, Inc.	Gas revenue requirements, rate design
Pennsylvania 2021	R-2021-3024060	Vicinity Energy Philadelphia	Steam system revenue requirements; sales forecast (formerly Veolia)
Pennsylvania 2021	R-2021-3024750	Duquesne Light	Electric class cost of service; revenue allocation; rate design
New York 2020	20-G-0381	Niagara Mohawk (Gas)	Gas class cost of service; revenue allocation; rate design; marginal cost
New York 2020	20-E-0380	Niagara Mohawk (Electric)	Electric class cost of service; revenue allocation; rate design; marginal cost
Pennsylvania 2019	R-2019-3008212	Citizens' Electric of Lewisburg, PA	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2019	R-2019-3008208	Wellsboro Electric Company	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2019	R-2019-3008209	Valley Energy, Inc.	Gas revenue requirements, rate design
New York 2019	19-G-0309 /0310	Brooklyn Union Gas / KeySpan Gas East	Gas class cost of service; revenue allocation; rate design; marginal cost
Massachusetts 2018	DPU 18-150	Massachusetts / Nantucket Electric	Electric class cost of service; revenue allocation; rate design; marginal cost Monthly Minimum Reliability Contribution
Pennsylvania 2018	R-2018-30000124	Duquesne Light	Electric class cost of service; revenue allocation; rate design

Relevant Projects			
Rhode Island 2017	RIPUC 4770	Narragansett Electric	Electric class cost of service; revenue allocation; rate design
Pennsylvania 2017	R-2017-2593142	Veolia Energy Philadelphia	Steam system revenue requirements; sales forecast
New York 2017	17-G-0239	Niagara Mohawk (Gas)	Gas class cost of service; revenue allocation; rate design; marginal cost
New York 2017	17-E-0238	Niagara Mohawk (Electric)	Electric class cost of service; revenue allocation; rate design; marginal cost
Pennsylvania 2016	R-2016-2531550	Citizens' Electric of Lewisburg, PA	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2016	R-2016-2531551	Wellsboro Electric Company	Electric revenue requirements, class cost of service, revenue allocation, rate design
New Hampshire 2016	DE 16-383	Granite State Electric	Electric revenue requirement
New York 2016	16-G-0058 /0059	Brooklyn Union Gas / KeySpan Gas East	Gas class cost of service; revenue allocation; rate design; marginal cost
Massachusetts 2015	DPU 15-155	Massachusetts / Nantucket Electric	Marginal cost
New York 2015	15-E-0184	Jamestown Board of Public Utilities	Electric revenue requirements
New Hampshire 2015	DE14-180	Energy North Natural Gas	Gas revenue requirements
New York 2014	14-E-0035	Village of Freeport	Electric revenue requirements; sales forecast; rate design
Pennsylvania 2014	R-2013-2386293	Veolia Energy Philadelphia	Steam system revenue requirements and sales forecast
Pennsylvania 2014	R-2013-2372129	Duquesne Light	Electric class cost of service; revenue allocation; rate design
New Hampshire 2013	DE13-063	Granite State Electric	Electric class cost of service (marginal cost); revenue allocation; rate design
Ontario 2013, 2012, 2010, 2009, 2008, 2006, 2005	EB-2005-0378 et al	Hydro One Networks Inc.	Electric Transmission and Distribution cost allocation; OH capitalization rates
Ontario 2006-2013	EB-2007-0905 et al	Ontario Power Generation	Electric cost allocation methodology (2013, 2010, 2006)
New York 2012	12-E-0201	Niagara Mohawk (Electric)	Electric class cost of service; revenue allocation
Rhode Island 2012	RIPUC 4323	Narragansett Electric	Electric class cost of service
New York 2011	11-E-0590	Village of Rockville Centre	Electric revenue requirements; rate design; sales forecast
New York 2011	11-G-0142	Chautauqua Utilities, Inc.	Gas revenue requirements, rate design
Pennsylvania 2010	R-2010-2179522	Duquesne Light	Electric class cost of service; revenue allocation; rate design

Relevant Projects			
Pennsylvania 2010	R-2010-2172662	Wellsboro Electric	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2010	R-2010-2172665	Citizens' Electric of Lewisburg, PA	Electric revenue requirements, class cost of service, revenue allocation, rate design
Pennsylvania 2010	R-2010-2174470	Valley Energy, Inc.	Gas revenue requirements, rate design
Pennsylvania 2010	R-2010-2161592	PECO Energy (Gas)	Gas class cost of service; revenue allocation; rate design
Pennsylvania 2010	R-2010-2161575	PECO Energy (Electric)	Electric class cost of service; revenue allocation; rate design
New York 2010	10-E-0050	Niagara Mohawk (Electric)	Electric class cost of service
New York 2009	09-E-0862	Jamestown Board of Public Utilities	Electric revenue requirements
Pennsylvania 2009, 2006, 2002, 2001	R-2139884 R-00061931 M-00021612 R- 00017034 R- 00006042	Philadelphia Gas Works	Gas class cost of service; revenue allocation; rate design; unbundling; fixed costs recovery
Rhode Island 2009	RIPUC 4065	Narragansett Electric	Electric class cost of service; revenue allocation; rate design
Massachusetts 2009	DPU 09-39	Massachusetts / Nantucket Electric	Electric revenue requirements; class cost of service; revenue allocation; rate design
Pennsylvania 2008	R-2008-2028394	PECO Energy (Gas)	Gas class cost of service; revenue allocation; rate design
Pennsylvania 2007	R-00072350	Wellsboro Electric	Electric revenue requirements; rate design
Pennsylvania 2007	R-00072348	Citizens' Electric of Lewisburg, PA	Electric revenue requirements; rate design
Pennsylvania 2007	R-00072349	Valley Energy, Inc.	Gas revenue requirements; rate design
New York 2006	06-E-0911	Village of Freeport	Electric revenue requirements; rate design
Pennsylvania 2006	R-00061346	Duquesne Light	Electric class cost of service; revenue allocation; rate design
New York 2003	03-E-1568	Village of Rockville Centre	Electric revenue requirements; rate design; sales forecast
New Jersey 2002	ER02080506, ER02050303 et al	AmeriSteel (intervenor)	Electric cost allocation and rate design; industrial rates

A

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
INDEX TO SCHEDULES

Line		DESCRIPTION	PERIOD
1	A	Index To Schedules	
2			
3		**RATES AND REVENUE**	
4	B	Operating Revenues at Present Rates	12/31/2024, 12/31/2025 and 12/31/2026
5	B1	Summary Of Electric Sales, Customers And Revenue At Present Rates	Historic Year 2024
6	B1-1	Billing Units, Rates And Revenue At Present Rates	Historic Year 2024
7	B2	Summary Of Electric Sales, Customers And Revenue At Present Rates	Future Test Year 2025
8	B2-1	Billing Units, Rates And Revenue At Present Rates	Future Test Year 2025
9	B3	Summary Of Electric Sales, Customers And Revenue At Present Rates	Fully Projected Future Test Year 2026
10	B3-1	Billing Units, Rates And Revenue At Present Rates	Fully Projected Future Test Year 2026
11	B4	Distribution Revenue at Present Rates- Bill Analysis and Financial Statements	Historic Year 2024
12	B5	Number of Customers Served Whose Bills Will be Increased	12/31/2024, 12/31/2025 and 12/31/2026
13			
14	B6	Operating Revenue Under Present Rates and Proposed Rates	12/31/2024, 12/31/2025 and 12/31/2026
15	B6-1	Summary Of Proposed Increase to Distribution Revenue	Fully Projected Future Test Year 2026
16	B6-2	Summary Of Electric Sales, Customers And Revenue At Proposed Rates	Fully Projected Future Test Year 2026
17	B6-3	Billing Units, Rates And Revenue At Proposed Rates	Fully Projected Future Test Year 2026
18	B6-4	Proposed Revenue Allocation	FPFTY 2026
19			
20		**TARIFF RATES**	
21	B7	Summary Of Present And Proposed Rates	Fully Projected Future Test Year 2026
22	B8	Bill Comparisons (including GSSR present rate)	Fully Projected Future Test Year 2026
23	B8-1	Bill Comparisons (excluding GSSR)	Fully Projected Future Test Year 2026
24	B8-2	Bill Comparisons (including GSSR effective June 1, 2025)	Fully Projected Future Test Year 2026
25			

A

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
INDEX TO SCHEDULES

Line		DESCRIPTION	PERIOD
26		**NET OPERATING INCOME AND RATES OF RETURN**	
27	C1	Net Operating Income And Rates of Return	HY 2024, FTY 2025 and FPFTY 2026
28	C1-1	Net Operating Income And Rates of Return- Support Sheet No. 1- Operating Expense and Going-Level Adjustments	HY 2024, FTY 2025 and FPFTY 2026
29	C1-2	Net Operating Income And Rates of Return- Support Sheet No. 2- Cost of Capital and Fair Rate of Return Based upon Hypothetical Ratemaking Capital Structure	12/31/2025 and 12/31/2026
30	C1-3	Net Operating Income And Rates of Return- Support Sheet No. 3- Taxes Other Than Income	HY 2024, FTY 2025 and FPFTY 2026
31	C1-4	Net Operating Income And Rates of Return- Support Sheet No. 4- Income Tax Calculations	HY 2024, FTY 2025 and FPFTY 2026
32	C1-5	Net Operating Income And Rates of Return- Support Sheet No. 5- Computation of Rate Base	HY 2024, FTY 2025 and FPFTY 2026
33			
34	C2	Balance Sheets	12/31/2024, 12/31/2025 and 12/31/2026
35	C3	Original Cost of Utility Plant in Service	12/31/2024, 12/31/2025 and 12/31/2026
36	C4	Reserve for Depreciation of Utility Plant	12/31/2024, 12/31/2025 and 12/31/2026
37			
38	C5	Operating Income Setting Forth the Operating Revenues and Expenses at Present Rates	HY 2024, FTY 2025 and FPFTY 2026
39	C5-1	Comparison to Prior Rate Case	Prior Rate Case and FPFTY 2026
40			
41		**DEVELOPMENT OF ALLOCATORS FOR CLASS COST OF SERVICE**	
42	D	Summary of Allocator Values	
43	D1	Distribution System Functionalizaton and Classification	
44	D2	NCP- Sum of Customers' Usage	
45	D3	Transformers Classification	
46	D4	Service Costs	
47	D5	Meter Costs	
48	D6	Customer Deposits and Advances; Uncollectible Accounts	
49			
50		**CLASS COST OF SERVICE**	
51	E	Class Cost of Service Study	See separate index
52			
53		**WORKPAPERS**	
54	WP	Workpapers	See separate index

B

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Operating Revenues at Present Rates
12/31/2024, 12/31/2025 and 12/31/2026

Answer to 52 Pa. Code 53.52 b[2]

					Present Rates	Present Rates
		HY 2024 Revenue Per Bill Analysis	HY 2024 GSSR and other eliminations	HY 2024 Distribution Only	FTY 2025 Distribution Only	FPFTY 2026 Distribution Only
1	**Customer Type**	B1	B1		B2-1	B3-1
2	Residential	$3,689,870		$3,689,870	$3,887,618	$3,903,746
3	Commercial and Industrial	1,981,976		1,981,976	2,009,146	2,010,022
4	Lighting	141,375		141,375	141,375	141,375
5		5,813,222	0	5,813,222	6,038,139	6,055,143
6						
7	Forfeited Discounts	28,404		28,404	29,503	29,586
8	Rent from Electric Property	56,782		56,782	58,485	60,240
9	Other electric revenue	14,038		14,038	14,038	14,038
10	GSSR billed	10,504,818	(10,504,818)	0		
11	GSSR over/ under		0	0		
12	Unbilled revenue		0	0		
13	STAS billed	(2,023)	2,023	0		
14	Rounding	(36,828)	36,828	0		
15	**Total Operating Revenues**	$16,378,412	($10,465,966)	$5,912,446	$6,140,165	$6,159,007
16						
17	kWh Delivered					
18	Residential	81,722,334		81,722,334	87,301,973	87,664,162
19	Commercial and Industrial	68,888,126		68,888,126	73,709,507	73,990,507
20	Lighting	289,412		289,412	289,412	289,412
21		150,899,872		150,899,872	161,300,892	161,944,081

B1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Electric Sales, Customers And Revenue At Present Rates
Historic Year 2024

Line	Description	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	Residential Customers						
2	RS	81,722,334	5,964	$937,462	$2,752,408	$0	$3,689,870
3		81,722,334	5,964	937,462	2,752,408	0	3,689,870
4							
5	Commercial and Industrial Customers						
6	GLP 1	25,503,850	1,130	216,992	245,602	611,814	1,074,408
7	GLP 3	43,289,086	40	26,235	76,378	799,927	902,540
8	SH	95,190	3	828	4,201	0	5,029
9		68,888,126	1,173	244,055	326,181	1,411,741	1,981,976
10							
11	MBL	75,543	13	26,151	0	0	26,151
12	OL	213,869	26	115,224	0	0	115,224
13	Lighting	289,412	39	141,375	0	0	141,375
14							
15	TOTAL	150,899,872	7,176	$1,322,892	$3,078,589	$1,411,741	$5,813,222

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Historic Year 2024

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard	Outdoor Lighting	Total
1					**BILLING UNITS**			
2	kWh Sales	81,722,334	95,190	25,503,850	43,289,086	75,543	213,869	150,899,872
3								
4	Number of Bills	71,562	41	13,562	477	155	312	86,109
5	Average Monthly Bills	5,964	3	1,130	40	13	26	7,176
6								
7					**Annual Billing Units- Public Lighting and Street Lighting HY 2024**			
8	Rate 1				MBL- Meter	13		
9	Rate 2				MBL- Post	535		
10	Rate 3				Monthly revenue	2,179	9,602	
11	Rate 4							
12					**RATES AND CHARGES**			
13					**Tariff Rates**			
14	Customer Charge	$13.10	$20.19	$16.00	$55.00	$3.84		
15						$3.98	Average	
16	Energy Block 1	$0.033680	$0.044130	$0.009630	$0.009490		$14.66	
17	Energy Block 2				$0.001030			
18	Reservation Chge				$2.51		Count	
19	Voltage Discount				($0.234420)		655	
20	Block 1 kWh = Demand X				30			
21	Demand Block 1			$3.74	$5.37			
22								
23					**COMPUTATION OF REVENUE**			
24	Customer Charge Revenue	937,462	828	216,992	26,235	26,151	115,224	1,322,892
25								
26	Distribution kWh Revenue	2,752,408	4,201	245,602	76,378			3,078,589
27	Distribution Demand Revenue	0	0	611,814	799,927			1,411,741
28	*Total Distribution Revenue*	2,752,408	4,201	857,416	876,305	0	0	4,490,330
29	**Total Distribution Revenue**	$3,689,870	$5,029	$1,074,408	$902,540	$26,151	$115,224	$5,813,222
30								
31					**BILLING UNITS- DETAIL**			
32	Block 1 kWh Sales	81,722,334	95,190	25,503,850	3,757,740	75,543	213,869	111,368,526
33	Block 2 kWh Sales				39,531,346			39,531,346
34								
35	Billed Demand kW			163,587	131,225			294,812
36	Reservation Charge- annual				150,600			150,600
37	Reservation (CR-kW)- annual				(41,529)			
38	Voltage Discount kW				58,964			58,964
39	Block 1 kWh				3,500			3,500

B2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Electric Sales, Customers And Revenue At Present Rates
Future Test Year 2025

Line	Description	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	Residential Customers						
2	RS	87,301,973	6,026	$947,287	$2,940,330	$0	$3,887,618
3		87,301,973	6,026	947,287	2,940,330	0	3,887,618
4							
5	Commercial and Industrial Customers						
6	GLP 1	27,208,762	1,137	218,304	262,020	611,814	1,092,138
7	GLP 3	46,319,138	42	27,720	79,499	801,048	908,267
8	SH	181,607	3	727	8,014	0	8,741
9		73,709,507	1,182	246,751	349,534	1,412,862	2,009,146
10							
11	MBL	75,543	13	26,151	0	0	26,151
12	OL	213,869	26	115,224	0	0	115,224
13	Lighting	289,412	39	141,375	0	0	141,375
14							
15	TOTAL	161,300,892	7,247	$1,335,413	$3,289,864	$1,412,862	$6,038,139

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Future Test Year 2025

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
1				**BILLING UNITS**				
2	kWh Sales	87,301,973	181,607	27,208,762	46,319,138	75,543	213,869	161,300,892
3								
4	Number of Bills	72,312	36	13,644	504	156	312	86,964
5	Average Monthly Bills	6,026	3	1,137	42	13	26	7,247
6								
7				**Annual Billing Units- Public Lighting and Street Lighting HY 2024**				
8	Rate 1				MBL- Meter	13		
9	Rate 2				MBL- Post	535		
10	Rate 3				Monthly revenue	2,179	9,602	
11	Rate 4							
12				**RATES AND CHARGES**				
13				**Tariff Rates**				
14	Customer Charge	$13.10	$20.19	$16.00	$55.00	$3.84	Average	
15						$3.98	$14.66	
16	Energy Block 1	$0.03368	$0.04413	$0.00963	$0.009490		Count	
17	Energy Block 2				$0.001030		655	
18	Reservation Chge				$2.51			
19	Voltage Discount				($0.234420)			
20	Block 1 kWh = Demand X				30			
21	Demand Block 1			$3.74	$5.37			
22								
23				**COMPUTATION OF REVENUE**				
24	Customer Charge Revenue	947,287	727	218,304	27,720	26,151	115,224	1,335,413
25								
26	Distribution kWh Revenue	2,940,330	8,014	262,020	79,499			3,289,864
27	Distribution Demand Revenue	0	0	611,814	801,048			1,412,862
28	*Total Distribution Revenue*	2,940,330	8,014	873,834	880,547	0	0	4,702,726
29	**Total Distribution Revenue**	$3,887,618	$8,741	$1,092,138	$908,267	$26,151	$115,224	$6,038,139
30	*HTY 2024 Actual*	*3,689,870*	*5,029*	*1,074,408*	*902,540*	*26,151*	*115,224*	*5,813,222*
31								
32	Block 1 kWh 2022				3,757,740			
33	Block 2 kWh 2022				42,561,398			
34								
35	Demand kW 2024			163,587	131,225			
36	New Customers, Load Factor	29.4%			209			
37	Demand kW			163,587	131,434			295,020

B2-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Future Test Year 2025

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
38								
39	Reservation kW- monthly				150,600			150,600
40	Reservation (CR-kW)- annual				(41,529)			(41,529)
41	Voltage Discount- kW				58,964			58,964
42	Block 1 kWh				3,500			3,500
43								
44	Customers December 2024	6,001	3	1,137	40	13	26	7,220
45	Customers added (lost)	25			2			
46	Forecast Customers 2025	6,026	3	1,137	42	13	26	7,220
47	Average Annual UPC, 2020-2024	14,488	60,536	23,930	1,144,553			
48	Existing Customers	6,001	3	1,137	40			
49	Forecast kWh 2025, Existing	86,939,784	181,607	27,208,762	45,782,138	75,543	213,869	160,401,703
50	Projected New Customers 2025	362,189			537,000			899,189
51	Forecast kWh 2025	87,301,973	181,607	27,208,762	46,319,138	75,543	213,869	161,300,892
52								
53		**Residential**	**Space Heating**	**GLP-1**	**GLP-3**	**Municipal Boulevard**	**Outdoor Lighting**	**Total**
54	kWh 2024	81,722,334	95,190	25,503,850	43,289,086	75,543	213,869	150,899,872
55	kWh 2025	87,301,973	181,607	27,208,762	46,319,138	75,543	213,869	161,300,892
56	kWh 2026	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869	161,944,081

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Future Test Year 2025

			Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
57	**How Were Annual Deliveries Calculated**								
58	Future Test Year 2025 Forecast	kWh	14488 kWh avg per customer 2020-24 X 6001 customers plus 25 net new customers	60536 kWh avg per customer 2020-24 X 3 customers plus 0 net new customers	23930 kWh avg per customer 2020-24 X 1137 customers plus 0 net new customers	1144553 kWh avg per customer 2020-24 X 40 customers plus 2 net new customers	Same as 2024	Same as 2024	
59		Demand			Actual 2024	Actual 2024			
60									
61	Fully Projected Future Test Year 2026 Forecast	kWh	Add another 25 new customers	Same as Forecast 2025	Same as Forecast 2025	Same as Forecast 2025	Same as Forecast 2025	Same as Forecast 2025	
62		Demand			Same as Forecast 2025	Same as Forecast 2025			
63									
64	Demand kW 2024				163,587	131,225			294,812
65	Demand kW added (lost) annual					(10,591)			(10,591)
66									
67	Average Annual UPC								
68	Annual 2020		14,723	57,627	24,544	1,175,513	8,035	13,175	
69	Annual 2021		14,911	59,560	25,044	1,263,563	7,944	11,189	
70	Annual 2022		15,193	65,453	24,951	1,146,006	7,396	9,642	
71	Annual 2023		13,906	92,178	22,546	1,048,651	6,775	9,100	
72	Annual 2024		13,704	27,860	22,566	1,089,034	5,848	8,226	
73									
74	Class kWh								
75	Annual 2020		86,340,011	547,457	26,904,157	46,726,658	96,422	315,099	160,929,804
76	Annual 2021		87,771,999	536,037	27,656,853	50,226,631	95,322	268,542	166,555,384
77	Annual 2022		89,685,593	545,440	27,805,681	45,553,749	88,750	231,408	163,910,621
78	Annual 2023		82,450,327	353,349	25,261,385	42,994,690	81,300	218,410	151,359,461
79	Annual 2024		81,722,334	95,190	25,503,850	43,289,086	75,543	213,869	150,899,872
80									
81	Average Customers								
82	Annual 2020		5,864	10	1,096	40	12	24	7,045
83	Annual 2021		5,886	9	1,104	40	12	24	7,076
84	Annual 2022		5,903	8	1,114	40	12	24	7,103
85	Annual 2023		5,929	4	1,120	41	12	24	7,130
86	Annual 2024		5,964	3	1,130	40	13	26	7,176

B3

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Electric Sales, Customers And Revenue At Present Rates
Fully Projected Future Test Year 2026

Line	Description	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	Residential Customers						
2	RS	87,664,162	6,051	$951,217	$2,952,529	$0	$3,903,746
3		87,664,162	6,051	951,217	2,952,529	0	3,903,746
4							
5	Commercial and Industrial Customers						
6	GLP 1	27,208,762	1,137	218,304	262,020	611,814	1,092,138
7	GLP 3	46,600,138	42	27,720	79,789	801,634	909,143
8	SH	181,607	3	727	8,014	0	8,741
9		73,990,507	1,182	246,751	349,823	1,413,448	2,010,022
10							
11	MBL	75,543	13	26,151	0	0	26,151
12	OL	213,869	26	115,224	0	0	115,224
13	Lighting	289,412	39	141,375	0	0	141,375
14							
15	TOTAL	161,944,081	7,272	$1,339,343	$3,302,352	$1,413,448	$6,055,143

B3-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2026

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard	Outdoor Lighting	Total
1					**BILLING UNITS**			
2	kWh Sales	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869	161,944,081
3								
4	Number of Bills	72,612	36	13,644	504	156	312	87,264
5	Average Monthly Bills	6,051	3	1,137	42	13	26	7,272
6								
7					**Annual Billing Units- Public Lighting and Street Lighting HY 2024**			
8	Rate 1				MBL- Meter	13		
9	Rate 2				MBL- Post	535		
10	Rate 3				Monthly revenue	2,179	9,602	
11	Rate 4							
12					**RATES AND CHARGES**			
13					**Tariff Rates**			
14	Customer Charge	$13.10	$20.19	$16.00	$55.00	$3.84		
15						$3.98	Average	
16	Energy Block 1	$0.03368	$0.04413	$0.00963	$0.009490		$14.66	
17	Energy Block 2				$0.001030		Count	
18	Reservation Chge				$2.51		655	
19	Voltage Discount				($0.234420)			
20	Block 1 kWh = Demand X				30			
21	Demand Block 1			$3.74	$5.37			
22								
23					**COMPUTATION OF REVENUE**			
24	Customer Charge Revenue	951,217	727	218,304	27,720	26,151	115,224	1,339,343
25								
26	Distribution kWh Revenue	2,952,529	8,014	262,020	79,789			3,302,352
27	Distribution Demand Revenue	0	0	611,814	801,634			1,413,448
28	*Total Distribution Revenue*	2,952,529	8,014	873,834	881,423	0	0	4,715,801
29	**Total Distribution Revenue**	$3,903,746	$8,741	$1,092,138	$909,143	$26,151	$115,224	$6,055,143
30	*FTY 2025*	*3,887,618*	*8,741*	*1,092,138*	*908,267*	*26,151*	*115,224*	*6,038,139*
31								

B3-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2026

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard	Outdoor Lighting	Total
32	Block 1 kWh 2024				3,757,740			
33	Block 2 kWh 2024				42,842,398			
34								
35	Demand kW 2024			163,587	131,225			
36	New Customers, Load Factor	29.4%			318			
37	Demand kW			163,587	131,543			295,130
38								
39	Reservation kW- annaul				150,600			150,600
40	Reservation (CR-kW)- annual				(41,529)			
41	Voltage Discount- kW				58,964			58,964
42	Block 1 kWh				3,500			3,500
43								
44	Customers December 2024	6,001	3	1,137	40	13	26	7,220
45	Customers added (lost) 2025	25	0	0	2	0	0	27
46	Customers added (lost) 2026	25						25
47	Forecast Customers 2026	6,051	3	1,137	42	13	26	7,247
48	Average Annual UPC, 2020-202	14,488	60,536	23,930	1,144,553			
49	Existing Customers	6,001	3	1,137	40	13	26	7,220
50	Forecast kWh 2026, Existing	86,939,784	181,607	27,208,762	45,782,138	75,543	213,869	160,401,703
51	Projected New Customers 2025	362,189			537,000			899,189
52	Projected New Customers 2026	362,189			281,000			643,189
53	Forecast kWh 2026	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869	161,944,081
54								

B4

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Distribution Revenue at Present Rates- Bill Analysis and Financial Statements
Historic Year 2024

B1

	Customer Type	Bill Analysis Revenue	GSSR	STAS	Unbilled and GSSR Over/ (Under)	Other	Revenue Computed	Revenue per 2024 Financial Statements
1	Residential	$3,689,870	$7,610,831	($1,402)	($12,933)		$11,286,366	$11,286,366
2	Commercial and Industrial	1,981,976	2,866,835	(605)	(22,570)		4,825,636	4,825,636
3	Lighting	141,375	27,151	(15)	(1,325)		167,186	167,186
4	Distribution Revenue	5,813,222	10,504,818	(2,023)	(36,828)	0	16,279,188	16,279,188
5								
6	Forfeited Discounts					28,404	28,404	28,404
7	Rent from Electric Property					56,782	56,782	56,782
8	Other electric revenue					14,038	14,038	14,038
9								
10		$5,813,222	$10,504,818	-$2,023	-$36,828	$99,224	$16,378,412	$16,378,412
11								

B5

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Number of Customers Served Whose Bills Will be Increased
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 b[3]

		Average Number of Customers During the Year Ended		
1	**Customer Type**	**12/31/2024**	**12/31/2025**	**12/31/2026**
2	Residential	5,964	6,026	6,051
3	Commercial and Industrial (GLP-1, SH)	1,134	1,140	1,140
4	Commercial and Industrial (GLP-3)	40	42	42
5	Lighting	39	39	39
6	Total Customers Served	7,176	7,247	7,272
7				

B6

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Operating Revenue Under Present Rates and Proposed Rates
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 b[4]

Line	Description	Total	Distribution Only			
		HY 2024 Total Revenue	HY 2024	FTY 2025 PRESENT Rates	FPFTY 2026 PRESENT Rates	FPFTY 2026 PROPOSED Rates
1	**Operating Revenues**	B	B	B	B	B6-1
2	Residential	$3,689,870	$3,689,870	$3,887,618	$3,903,746	$5,148,245
3	Commercial and Industrial	1,981,976	1,981,976	2,009,146	2,010,022	2,506,978
4	Lighting	141,375	141,375	141,375	141,375	194,201
5	Subtotal	5,813,222	5,813,222	6,038,139	6,055,143	7,849,424
6						
7	Forfeited Discounts	28,404	28,404	29,503	29,586	29,586
8	Rent from Electric Property	56,782	56,782	58,485	60,240	60,240
9	Other electric revenue	14,038	14,038	14,038	14,038	14,038
10	GSSR billed	10,504,818				
11	GSSR over/ under	0				
12	Unbilled revenue	0				
13	TCJA/ STAS	(2,023)				
14	Rounding	(36,828)				
15	Total Operating Revenues	$16,378,412	$5,912,446	$6,140,165	$6,159,007	$7,953,288
16						
17	kWh					
18	Residential	81,722,334		87,301,973	87,664,162	
19	Commercial and Industrial	68,888,126		73,709,507	73,990,507	
20	Lighting	289,412		289,412	289,412	
21		150,899,872		161,300,892	161,944,081	

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Proposed Increase to Distribution Revenue
Fully Projected Future Test Year 2026

Line	Description	Sales (kWh)	Average Customers	Distribution Total-Present Rates	Distribution - Proposed Increase	Distribution Total-Proposed Rates	% Increase Proposed
1	Residential Customers	B3	B3	B3		B6-3	
2	RS	87,664,162	6,051	3,903,746	1,244,499	5,148,245	31.9%
3		87,664,162	6,051	3,903,746	1,244,499	5,148,245	31.9%
4							
5	Commercial and Industrial Customers						
6	GLP 1	27,208,762	1,137	1,092,138	250,507	1,342,645	22.9%
7	GLP 3	46,600,138	42	909,143	244,369	1,153,513	26.9%
8	SH	181,607	3	8,741	2,079	10,820	23.8%
9		73,990,507	1,182	2,010,022	496,955	2,506,978	24.7%
10							
11	MBL	75,543	13	26,151	19,645	45,796	75.1%
12	OL	213,869	26	115,224	33,181	148,405	28.8%
13	Lighting	289,412	39	141,375	52,826	194,201	37.4%
14							
15	TOTAL	161,944,081	7,272	$6,055,143	$1,794,281	$7,849,424	29.63%

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Electric Sales, Customers And Revenue At Proposed Rates
Fully Projected Future Test Year 2026

Line	Description	Sales (kWh)	Average Customers	Revenue - Proposed Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	Residential Customers						
2	RS	87,664,162	6,051	$1,198,098	$3,950,147	$0	$5,148,245
3		87,664,162	6,051	1,198,098	3,950,147	0	5,148,245
4							
5	Commercial and Industrial Customers						
6	GLP 1	27,208,762	1,137	286,524	316,710	739,411	1,342,645
7	GLP 3	46,600,138	42	50,400	102,862	1,000,250	1,153,513
8	SH	181,607	3	864	9,956	0	10,820
9		73,990,507	1,182	337,788	429,528	1,739,661	2,506,978
10							
11	MBL	75,543	13	45,796	0	0	45,796
12	OL	213,869	26	148,405	0	0	148,405
13	Lighting	289,412	39	194,201	0	0	194,201
14							
15	TOTAL	161,944,081	7,272	$1,730,087	$4,379,675	$1,739,661	$7,849,424

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Proposed Rates
Fully Projected Future Test Year 2026

		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
1					**BILLING UNITS**			
2	kWh Sales	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869	161,944,081
3								
4	Number of Bills	72,612	36	13,644	504	156	312	87,264
5	Average Monthly Bills	6,051	3	1,137	42	13	26	7,272
6								
7					**Annual Billing Units- Public Lighting and Street Lighting HY 2024**			
8	Rate 1				MBL- Meter	13		
9	Rate 2				MBL- Post	535		
10	Rate 3				Monthly revenue	3,816	12,367	
11	Rate 4							
12					**PROPOSED RATES AND CHARGES**			
13					**Tariff Rates**			
14	Customer Charge	$16.50	$24.00	$21.00	$100.00	$6.72		
15						$6.97	Average	
16	Energy Block 1	$0.04506	$0.05482	$0.01164	$0.01221		$18.88	
17	Energy Block 2				$0.00133		Count	
18	Reservation Chge				$3.23		655	
19	Voltage Discount				($0.30159)			
20	Block 1 kWh = Demand X				30			
21	Demand Block 1			$4.52	$6.91			
22								
23					**COMPUTATION OF REVENUE**			
24	Customer Charge Revenue	1,198,098	864	286,524	50,400	45,796	148,405	1,730,087
25								
26	Distribution kWh Revenue	3,950,147	9,956	316,710	102,862			4,379,675
27	Distribution Demand Revenue	0	0	739,411	1,000,250			1,739,661
28	*Total Distribution Revenue*	3,950,147	9,956	1,056,121	1,103,113	0	0	6,119,337
29	**Total Distribution Revenue**	$5,148,245	$10,820	$1,342,645	$1,153,513	$45,796	$148,405	$7,849,424
30	Target Revenue Target	5,148,608	10,819	1,342,931	1,153,123	45,764	148,423	7,849,668
31					**BILLING UNITS- DETAIL**			
32	Block 1 kWh	87,664,162	181,607	27,208,762	3,757,740	75,543	213,869	119,101,682
33	Block 2 kWh				42,842,398			42,842,398
34								
35	Demand kW			163,587	131,543			295,130
36	Reservation kW- monthly				150,600	No change		150,600
37	Reservation (CR-kW)- annual				(41,529)	No change		
38	Voltage Discount- kW				58,964			58,964
39	Block 1 kWh				3,500			3,500

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Proposed Revenue Allocation
FPFTY 2026

Line	Account	Balance	Residential	Space Heating	GLP-1	GLP-3	MBL	OL
	PRESENT RATES							
1	Distribution Revenue	6,055,143	3,903,746	8,741	1,092,138	909,143	26,151	115,224
2	Forfeited Disc / Other Rev	103,864	67,828	148	16,815	17,881	232	960
3	**Total Revenue**	6,159,007	3,971,574	8,889	1,108,954	927,024	26,383	116,184
4	Expenses	5,908,629	3,997,072	7,448	912,930	840,465	55,471	95,242
5	Net income	250,378	(25,498)	1,441	196,023	86,559	(29,088)	20,942
6	Rate Base	17,092,345	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
7	Return on Rate Base	1.46%	(0.22%)	6.84%	7.64%	3.72%	(10.29%)	4.72%
8	Relative Return	1.00 x	(0.15) x	4.67 x	5.22 x	2.54 x	(7.02) x	3.22 x
9								
10	**FULLY ALLOCATED COST OF SERVICE**							
11	Distribution Revenue	7,849,668	5,310,587	9,762	1,193,334	1,098,996	90,872	146,117
12	Forfeited Disc / Other Revenue	103,864	67,828	148	16,815	17,881	232	960
13	Revenue Requirement	7,953,532	5,378,415	9,910	1,210,150	1,116,877	91,104	147,076
14								
15	Operating expenses	5,597,763	3,797,144	7,000	855,681	794,218	54,446	89,274
16	GRT	463,130	313,269	576	70,456	64,858	5,349	8,622
17	Income taxes	441,499	295,789	545	66,252	60,138	7,303	11,472
18	Net income	1,451,140	972,213	1,790	217,761	197,663	24,005	37,708
19	Return on Rate Base	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%
20	Revenue Increase Required	1,794,524	1,406,841	1,021	101,196	189,853	64,721	30,892
21	Revenue Increase %	29.64%	36.04%	11.68%	9.27%	20.88%	247.49%	26.81%
22								
23	**PROPOSED REVENUE ALLOCATION**							
24	**Distribution Revenue**	**7,849,668**	**5,148,608**	**10,819**	**1,342,931**	**1,153,123**	**45,764**	**148,423**
25	Other Revenue	103,864	67,828	148	16,815	17,881	232	960
26	Revenue Requirement	7,953,532	5,216,436	10,967	1,359,746	1,171,004	45,996	149,383
27								
28	Operating expenses	5,597,763	3,797,144	7,000	855,681	794,218	54,446	89,274
29	GRT	463,130	303,768	638	79,233	68,034	2,700	8,757
30	Income taxes	441,499	260,220	777	99,101	72,023	(2,601)	11,979
31	Net income	1,451,140	855,304	2,552	325,731	236,729	(8,549)	39,373
32	**Return on Rate Base**	**8.49%**	**7.47%**	**12.11%**	**12.70%**	**10.17%**	**(3.02%)**	**8.86%**
33	**Relative Return**	**1.00 x**	**0.88 x**	**1.43 x**	**1.50 x**	**1.20 x**	**(0.36) x**	**1.04 x**
34	**Progress toward unity**		**90%**	**88%**	**88%**	**87%**	**83%**	**98%**
35								
36	**Proposed Distribution Increase**	**1,794,524**	**1,244,862**	**2,078**	**250,793**	**243,980**	**19,613**	**33,199**
37	**Distribution Revenue Increase %**	**29.6%**	**31.9%**	**23.8%**	**23.0%**	**26.8%**	**75.0%**	**28.8%**
38	Total Bill Increase (100% GSSR)	8.9%	10.8%	8.5%	7.3%	4.9%	59.9%	24.8%
39	Proposed Increase		31.89%	23.77%	22.96%	26.84%	75.00%	28.81%
40	**Relative Increase**	**1.00 x**	**1.08 x**	**0.80 x**	**0.77 x**	**0.91 x**	**2.53 x**	**0.97 x**
41								
42	**Subsidy given (received)**							
43	Present rates	(0)	(193,243)	1,132	158,451	52,454	(33,230)	14,435
44	Proposed revene allocation	(0)	(116,909)	763	107,970	39,066	(32,555)	1,665
45	**Reduction in subsidy**		**40%**	**33%**	**32%**	**26%**	**2%**	**88%**

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2026

Line	Description	Present Rates (excl GSSR)	GSSR	Present Rates (incl GSSR)	Proposed Rates (excl GSSR)	GSSR	Proposed Rates (incl GSSR present)	Proposed Increase (excl GSSR)	Proposed Increase (incl GSSR present)
1	**Schedule RS- Residential Service**								
2	Customer Charge per Bill	$13.10		$13.10	$16.50		$16.50	26.0%	
3									
4	Energy Charge, per kWh- All	$0.03368	$0.086950	$0.12063	$0.04506	$0.086950	$0.13201	33.8%	9.4%
5	**Schedule SH- Space Heating**								
6	Customer Charge per Bill	$20.19		$20.19	$24.00		$24.00	18.9%	
7	Energy Charge, per kWh- All	$0.04413	$0.08695	$0.13108	$0.05482	$0.08695	$0.14177	24.2%	8.2%
8	**Schedule GLP-1**								
9	Customer Charge per Bill	$16.00		$16.00	$21.00		$21.00	31.3%	
10									
11	Energy Charge, All kWh	$0.009630	$0.086950	$0.09658	$0.011640	$0.086950	$0.09859	20.9%	2.1%
12									
13	Demand Charge, per kW-Mth	$3.74		$3.74	$4.52		$4.52	20.9%	20.9%
14	**Schedule GLP-3**								
15	Customer Charge per Bill	$55.00		$55.00	$100.00		$100.00	81.8%	
16									
17	Energy Charge, per kWh								
18	First 30 kWh X Billed Demand kW	$0.009490	$0.086950	$0.0964	$0.012210	$0.086950	$0.09916	28.7%	2.8%
19	Additional kWh	$0.001030	$0.086950	$0.0880	$0.001330	$0.086950	$0.08828	29.1%	0.3%
20	Reservation Charge per kW-Mth	$2.51		$2.51	$3.23		$3.23	28.7%	28.7%
21	Voltage Discount per kWh	($0.234420)		($0.234420)	($0.301590)		($0.301590)	28.7%	28.7%
22	Demand Charge, per kW-Mth	$5.37		$5.37	$6.91		$6.91	28.7%	28.7%
23	**Schedule MBL**								
24	MBL- Meter	$3.84			$6.72				
25	MBL- Post	$3.98			$6.97				
26	**Schedule OL**								
27	OL 175W MV OH Open	$7.27	49		$9.36				
28	OL 175W MV UG Cobra	$14.77	7		$19.03				
29	OL 100W HPS OH	$9.09	24		$11.71				
30	OL 100W HPS UG	$14.77	13		$19.03				
31	OL 100W HPS Colonial	$21.88	0		$28.18				
32	OL 400W HPS OH Cobra	$14.20	3		$18.29				
33	LED 15K Lum OH Cobra	$16.25	23		$20.93				
34	LED 5K Lum OH Cobra	$12.92	409		$16.64				
35	LED 5K Lum UG Colonial	$26.60	76		$34.26				
36	LED 5K Lum UG Cobra	$18.84	29		$24.27				
37	LED 20K Lum OH Cobra	$20.51	17		$26.42				
38	LED 20K Lum UG Cobra	$26.40	1		$34.01				
39	LED 15K Lum UG Cobra	$22.14	4		$28.52				
40	Average	$14.66	655		$18.88				
	Monthly $	$115,224			$148,405				

B8

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule RS- Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
1		Minimum	$13.10		$16.50		$3.40	26.0%
2		1	13.22	$13.22063	16.63	$16.63201	3.41	25.8%
3		100	25.16	$0.25163	29.70	0.29701	4.54	18.0%
4		250	43.26	$0.17303	49.50	0.19801	6.25	14.4%
5		500	73.42	$0.14683	82.51	0.16501	9.09	12.4%
6		700	97.54	$0.13934	108.91	0.15558	11.37	11.7%
7		1,000	133.73	$0.13373	148.51	0.14851	14.78	11.1%
8	All Residential, annual	1,250	163.89	$0.13111	181.51	0.14521	17.63	10.8%
9		1,500	194.05	$0.12936	214.52	0.14301	20.47	10.6%
10		2,000	254.36	$0.12718	280.52	0.14026	26.16	10.3%
11		3,000	374.99	$0.12500	412.53	0.13751	37.54	10.0%
12								

Schedule SH- Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
14								
15	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
16		Minimum	$20.19		$24.00		$3.81	18.9%
17		1	20.32	$20.32108	24.14	$24.14177	3.82	18.8%
18		100	33.30	0.33298	38.18	0.38177	4.88	14.7%
19		250	52.96	0.21184	59.44	0.23777	6.48	12.2%
20		500	85.73	0.17146	94.89	0.18977	9.16	10.7%
21		1,000	151.27	0.15127	165.77	0.16577	14.50	9.6%
22		1,500	216.81	0.14454	236.66	0.15777	19.85	9.2%
23		2,500	347.89	0.13916	378.43	0.15137	30.54	8.8%
24		3,400	465.86	0.13702	506.02	0.14883	40.16	8.6%
25	All SH, annual	5,000	675.59	0.13512	732.85	0.14657	57.26	8.5%
26		7,000	937.75	0.13396	1,016.39	0.14520	78.64	8.4%
27								

B8

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule GLP-1

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
7 kW	0	42.18		52.64		10.46	24.8%
Load factor 10%	511	91.53	0.17912	103.02	0.20160	11.49	12.6%
Load factor 20%	1,022	140.88	0.13785	153.40	0.15010	12.51	8.9%
Load factor 35%	1,789	214.91	0.12016	228.97	0.12802	14.05	6.5%
Load factor 50%	2,555	288.94	0.11309	304.54	0.11919	15.60	5.4%
Load factor 60%	3,066	338.29	0.11034	354.92	0.11576	16.62	4.9%
Load factor 75%	3,833	412.32	0.10759	430.49	0.11233	18.16	4.4%
10 kW Demand	0	53.40		66.20		12.80	24.0%
Load factor 10%	730	123.90	0.16973	138.17	0.18927	14.27	11.5%
Load factor 20%	1,460	194.41	0.13316	210.14	0.14393	15.73	8.1%
Load factor 35%	2,555	300.16	0.11748	318.10	0.12450	17.94	6.0%
Load factor 50%	3,650	405.92	0.11121	426.05	0.11673	20.14	5.0%
Load factor 60%	4,380	476.42	0.10877	498.02	0.11370	21.60	4.5%
Load factor 75%	5,475	582.18	0.10633	605.98	0.11068	23.80	4.1%
25 kW Demand	0	109.50		134.00		24.50	22.4%
Load factor 10%	1,825	285.76	0.15658	313.93	0.17201	28.17	9.9%
Load factor 20%	3,650	462.02	0.12658	493.85	0.13530	31.84	6.9%
Load factor 35%	6,388	726.40	0.11372	763.74	0.11957	37.34	5.1%
Load factor 50%	9,125	990.79	0.10858	1,033.63	0.11327	42.84	4.3%
Load factor 60%	10,950	1,167.05	0.10658	1,213.56	0.11083	46.51	4.0%
Load factor 75%	13,688	1,431.44	0.10458	1,483.45	0.10838	52.01	3.6%
40 kW Demand	0	165.60		201.80		$36.20	21.9%
Load factor 10%	2,920	447.61	0.15329	489.68	0.16770	42.07	9.4%
Load factor 20%	5,840	729.63	0.12494	777.57	0.13314	47.94	6.6%
Load factor 35%	10,220	1,152.65	0.11278	1,209.39	0.11834	56.74	4.9%
Load factor 50%	14,600	1,575.67	0.10792	1,641.21	0.11241	65.55	4.2%
Load factor 60%	17,520	1,857.68	0.10603	1,929.10	0.11011	71.42	3.8%
Load factor 75%	21,900	2,280.70	0.10414	2,360.92	0.10780	80.22	3.5%

B8

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule GLP-3

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
Monthly Minimum			$860.50		$1,136.50		276.00	32.1%
		150 kW Demand						
Load Factors		Minimum	$860.50		$1,136.50		276.00	32.1%
	30%	32,850	3,788.71	0.11533	4,085.46	0.12437	296.74	7.8%
	40%	43,800	4,752.09	0.10850	5,052.12	0.11535	300.03	6.3%
	50%	54,750	5,715.48	0.10439	6,018.79	0.10993	303.32	5.3%
	60%	65,700	6,678.86	0.10166	6,985.46	0.10632	306.60	4.6%
	75%	82,125	8,123.93	0.09892	8,435.46	0.10271	311.53	3.8%
		400 kW Demand						
Load Factors		Minimum	$2,203.00		$2,864.00		661.00	30.0%
	30%	87,600	10,011.57	0.11429	10,727.89	0.12246	716.32	7.2%
	40%	116,800	12,580.58	0.10771	13,305.66	0.11392	725.08	5.8%
	50%	146,000	15,149.60	0.10376	15,883.44	0.10879	733.84	4.8%
	60%	175,200	17,718.62	0.10113	18,461.22	0.10537	742.60	4.2%
	75%	219,000	21,572.14	0.09850	22,327.88	0.10195	755.74	3.5%
		750 kW Demand						
Load Factors		Minimum	$4,082.50		$5,282.50		1,200.00	29.4%
	30%	164,250	18,723.57	0.11399	20,027.29	0.12193	1,303.73	7.0%
	40%	219,000	23,540.47	0.10749	24,860.62	0.11352	1,320.15	5.6%
	50%	273,750	28,357.38	0.10359	29,693.95	0.10847	1,336.58	4.7%
	60%	328,500	33,174.28	0.10099	34,527.28	0.10511	1,353.00	4.1%
	75%	410,625	40,399.64	0.09839	41,777.28	0.10174	1,377.64	3.4%
		1500 kW Demand						
Load Factors		Minimum	$8,110.00		$10,465.00		2,355.00	29.0%
	30%	328,500	37,392.13	0.11383	39,954.58	0.12163	2,562.45	6.9%
	40%	438,000	47,025.94	0.10737	49,621.24	0.11329	2,595.30	5.5%
	50%	547,500	56,659.75	0.10349	59,287.90	0.10829	2,628.15	4.6%
	60%	657,000	66,293.56	0.10090	68,954.56	0.10495	2,661.00	4.0%
	75%	821,250	80,744.28	0.09832	83,454.55	0.10162	2,710.27	3.4%

B8-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026

Schedule RS- Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
1		Minimum	$13.10		$16.50		$3.40	26.0%
2		1	13.13	$13.13368	16.55	$16.54506	3.41	26.0%
3		100	16.47	$0.16468	21.01	0.21006	4.54	27.6%
4		250	21.52	$0.08608	27.77	0.11106	6.25	29.0%
5		500	29.94	$0.05988	39.03	0.07806	9.09	30.4%
6		700	36.68	$0.05239	48.04	0.06863	11.37	31.0%
7		1,000	46.78	$0.04678	61.56	0.06156	14.78	31.6%
8	All Residential, annual	1,250	55.20	$0.04416	72.83	0.05826	17.63	31.9%
9		1,500	63.62	$0.04241	84.09	0.05606	20.47	32.2%
10		2,000	80.46	$0.04023	106.62	0.05331	26.16	32.5%
11		3,000	114.14	$0.03805	151.68	0.05056	37.54	32.9%
12								

Schedule SH- Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
14								
15	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
16		Minimum	$20.19		$24.00		$3.81	18.9%
17		1	20.23	$20.23413	24.05	$24.05482	3.82	18.9%
18		100	24.60	0.24603	29.48	0.29482	4.88	19.8%
19		250	31.22	0.12489	37.71	0.15082	6.48	20.8%
20		500	42.26	0.08451	51.41	0.10282	9.15	21.7%
21		1,000	64.32	0.06432	78.82	0.07882	14.50	22.5%
22		1,500	86.39	0.05759	106.23	0.07082	19.85	23.0%
23		2,500	130.52	0.05221	161.05	0.06442	30.54	23.4%
24		3,400	170.23	0.05007	210.39	0.06188	40.16	23.6%
25	All SH, annual	5,000	240.84	0.04817	298.10	0.05962	57.26	23.8%
26		7,000	329.10	0.04701	407.74	0.05825	78.64	23.9%
27								

B8-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026

Schedule GLP-1

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
7 kW	0	42.18		52.64		10.46	24.8%
Load factor 10%	511	47.10	0.09217	58.59	0.11465	11.49	24.4%
Load factor 20%	1,022	52.02	0.05090	64.54	0.06315	12.51	24.1%
Load factor 35%	1,789	59.40	0.03321	73.46	0.04107	14.05	23.7%
Load factor 50%	2,555	66.78	0.02614	82.38	0.03224	15.60	23.4%
Load factor 60%	3,066	71.71	0.02339	88.33	0.02881	16.62	23.2%
Load factor 75%	3,833	79.09	0.02064	97.25	0.02538	18.16	23.0%
10 kW Demand	0	53.40		66.20		12.80	24.0%
Load factor 10%	730	60.43	0.08278	74.70	0.10232	14.27	23.6%
Load factor 20%	1,460	67.46	0.04621	83.19	0.05698	15.73	23.3%
Load factor 35%	2,555	78.00	0.03053	95.94	0.03755	17.94	23.0%
Load factor 50%	3,650	88.55	0.02426	108.69	0.02978	20.14	22.7%
Load factor 60%	4,380	95.58	0.02182	117.18	0.02675	21.60	22.6%
Load factor 75%	5,475	106.12	0.01938	129.93	0.02373	23.80	22.4%
25 kW Demand	0	109.50		134.00		24.50	22.4%
Load factor 10%	1,825	127.07	0.06963	155.24	0.08506	28.17	22.2%
Load factor 20%	3,650	144.65	0.03963	176.49	0.04835	31.84	22.0%
Load factor 35%	6,388	171.01	0.02677	208.35	0.03262	37.34	21.8%
Load factor 50%	9,125	197.37	0.02163	240.22	0.02632	42.84	21.7%
Load factor 60%	10,950	214.95	0.01963	261.46	0.02388	46.51	21.6%
Load factor 75%	13,688	241.31	0.01763	293.32	0.02143	52.01	21.6%
40 kW Demand	0	165.60		201.80		$36.20	21.9%
Load factor 10%	2,920	193.72	0.06634	235.79	0.08075	42.07	21.7%
Load factor 20%	5,840	221.84	0.03799	269.78	0.04619	47.94	21.6%
Load factor 35%	10,220	264.02	0.02583	320.76	0.03139	56.74	21.5%
Load factor 50%	14,600	306.20	0.02097	371.74	0.02546	65.55	21.4%
Load factor 60%	17,520	334.32	0.01908	405.73	0.02316	71.42	21.4%
Load factor 75%	21,900	376.50	0.01719	456.72	0.02085	80.22	21.3%

B8-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026

Schedule GLP-3

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
Monthly Minimum			$860.50		$1,136.50		276.00	32.1%
	150 kW Demand							
Load Factors		Minimum	$860.50		$1,136.50		276.00	32.1%
	30%	32,850	932.41	0.02838	1,229.15	0.03742	296.75	31.8%
	40%	43,800	943.68	0.02155	1,243.71	0.02840	300.03	31.8%
	50%	54,750	954.96	0.01744	1,258.28	0.02298	303.32	31.8%
	60%	65,700	966.24	0.01471	1,272.84	0.01937	306.60	31.7%
	75%	82,125	983.16	0.01197	1,294.69	0.01576	311.53	31.7%
	400 kW Demand							
Load Factors		Minimum	$2,203.00		$2,864.00		661.00	30.0%
	30%	87,600	2,394.75	0.02734	3,111.07	0.03551	716.32	29.9%
	40%	116,800	2,424.82	0.02076	3,149.90	0.02697	725.08	29.9%
	50%	146,000	2,454.90	0.01681	3,188.74	0.02184	733.84	29.9%
	60%	175,200	2,484.98	0.01418	3,227.58	0.01842	742.60	29.9%
	75%	219,000	2,530.09	0.01155	3,285.83	0.01500	755.74	29.9%
	750 kW Demand							
Load Factors		Minimum	$4,082.50		$5,282.50		1,200.00	29.4%
	30%	164,250	4,442.03	0.02704	5,745.75	0.03498	1,303.73	29.4%
	40%	219,000	4,498.42	0.02054	5,818.57	0.02657	1,320.15	29.4%
	50%	273,750	4,554.81	0.01664	5,891.39	0.02152	1,336.58	29.3%
	60%	328,500	4,611.21	0.01404	5,964.21	0.01816	1,353.00	29.3%
	75%	410,625	4,695.79	0.01144	6,073.43	0.01479	1,377.64	29.3%
	1500 kW Demand							
Load Factors		Minimum	$8,110.00		$10,465.00		2,355.00	29.0%
	30%	328,500	8,829.06	0.02688	11,391.51	0.03468	2,562.45	29.0%
	40%	438,000	8,941.84	0.02042	11,537.14	0.02634	2,595.30	29.0%
	50%	547,500	9,054.63	0.01654	11,682.78	0.02134	2,628.15	29.0%
	60%	657,000	9,167.41	0.01395	11,828.41	0.01800	2,661.00	29.0%
	75%	821,250	9,336.59	0.01137	12,046.86	0.01467	2,710.28	29.0%

B8-2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule RS- Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
1		Minimum	$13.10		$16.50		$3.40	26.0%
2		1	13.25	$13.24787	16.66	$16.65925	3.41	25.8%
3		100	27.89	$0.27887	32.43	0.32425	4.54	16.3%
4		250	50.07	$0.20027	56.31	0.22525	6.25	12.5%
5		500	87.04	$0.17407	96.13	0.19225	9.09	10.4%
6		700	116.61	$0.16658	127.98	0.18282	11.37	9.8%
7		1,000	160.97	$0.16097	175.75	0.17575	14.78	9.2%
8	All Residential, annual	1,250	197.94	$0.15835	215.56	0.17245	17.63	8.9%
9		1,500	234.91	$0.15660	255.38	0.17025	20.47	8.7%
10		2,000	308.84	$0.15442	335.00	0.16750	26.16	8.5%
11		3,000	456.71	$0.15224	494.25	0.16475	37.54	8.2%
12								

Schedule SH- Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
14								
15	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
16		Minimum	$20.19		$24.00		$3.81	18.9%
17		1	20.35	$20.34832	24.17	$24.16901	3.82	18.8%
18		100	36.02	0.36022	40.90	0.40901	4.88	13.5%
19		250	59.77	0.23908	66.25	0.26501	6.48	10.9%
20		500	99.35	0.19870	108.51	0.21701	9.15	9.2%
21		1,000	178.51	0.17851	193.01	0.19301	14.50	8.1%
22		1,500	257.67	0.17178	277.52	0.18501	19.85	7.7%
23		2,500	415.99	0.16640	446.53	0.17861	30.53	7.3%
24		3,400	558.48	0.16426	598.63	0.17607	40.16	7.2%
25	All SH, annual	5,000	811.79	0.16236	869.05	0.17381	57.26	7.1%
26		7,000	1,128.43	0.16120	1,207.07	0.17244	78.64	7.0%
27								

B8-2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule GLP-1

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
7 kW		0	42.18		52.64		10.46	24.8%
	Load factor 10%	511	105.45	0.20636	116.94	0.22884	11.49	10.9%
	Load factor 20%	1,022	168.72	0.16509	181.24	0.17734	12.51	7.4%
	Load factor 35%	1,789	263.63	0.14740	277.69	0.15526	14.05	5.3%
	Load factor 50%	2,555	358.54	0.14033	374.14	0.14643	15.60	4.4%
	Load factor 60%	3,066	421.81	0.13758	438.43	0.14300	16.62	3.9%
	Load factor 75%	3,833	516.72	0.13483	534.88	0.13957	18.16	3.5%
10 kW Demand		0	53.40		66.20		12.80	24.0%
	Load factor 10%	730	143.79	0.19697	158.06	0.21651	14.27	9.9%
	Load factor 20%	1,460	234.18	0.16040	249.91	0.17117	15.73	6.7%
	Load factor 35%	2,555	369.76	0.14472	387.70	0.15174	17.94	4.9%
	Load factor 50%	3,650	505.34	0.13845	525.48	0.14397	20.14	4.0%
	Load factor 60%	4,380	595.73	0.13601	617.34	0.14094	21.60	3.6%
	Load factor 75%	5,475	731.31	0.13357	755.12	0.13792	23.80	3.3%
25 kW Demand		0	109.50		134.00		24.50	22.4%
	Load factor 10%	1,825	335.47	0.18382	363.64	0.19925	28.17	8.4%
	Load factor 20%	3,650	561.44	0.15382	593.28	0.16254	31.84	5.7%
	Load factor 35%	6,388	900.40	0.14096	937.74	0.14681	37.34	4.2%
	Load factor 50%	9,125	1,239.36	0.13582	1,282.20	0.14051	42.84	3.5%
	Load factor 60%	10,950	1,465.33	0.13382	1,511.84	0.13807	46.51	3.2%
	Load factor 75%	13,688	1,804.29	0.13182	1,856.30	0.13562	52.01	2.9%
40 kW Demand		0	165.60		201.80		$36.20	21.9%
	Load factor 10%	2,920	527.15	0.18053	569.22	0.19494	42.07	8.0%
	Load factor 20%	5,840	888.71	0.15218	936.65	0.16038	47.94	5.4%
	Load factor 35%	10,220	1,431.04	0.14002	1,487.78	0.14558	56.74	4.0%
	Load factor 50%	14,600	1,973.37	0.13516	2,038.92	0.13965	65.55	3.3%
	Load factor 60%	17,520	2,334.93	0.13327	2,406.34	0.13735	71.42	3.1%
	Load factor 75%	21,900	2,877.26	0.13138	2,957.48	0.13504	80.22	2.8%

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule GLP-3

		Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
			Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Monthly Bill	%
Monthly Minimum			$860.50		$1,136.50		276.00	32.1%
	150 kW Demand							
Load Factors		Minimum	$860.50		$1,136.50		276.00	32.1%
	30%	32,850	4,683.55	0.14257	4,980.29	0.15161	296.74	6.3%
	40%	43,800	5,945.21	0.13574	6,245.24	0.14259	300.03	5.1%
	50%	54,750	7,206.87	0.13163	7,510.18	0.13717	303.32	4.2%
	60%	65,700	8,468.52	0.12890	8,775.12	0.13356	306.60	3.6%
	75%	82,125	10,361.01	0.12616	10,672.54	0.12995	311.53	3.0%
	400 kW Demand							
Load Factors		Minimum	$2,203.00		$2,864.00		661.00	30.0%
	30%	87,600	12,397.79	0.14153	13,114.11	0.14970	716.32	5.8%
	40%	116,800	15,762.22	0.13495	16,487.30	0.14116	725.08	4.6%
	50%	146,000	19,126.64	0.13100	19,860.48	0.13603	733.84	3.8%
	60%	175,200	22,491.06	0.12837	23,233.66	0.13261	742.60	3.3%
	75%	219,000	27,537.70	0.12574	28,293.44	0.12919	755.74	2.7%
	750 kW Demand							
Load Factors		Minimum	$4,082.50		$5,282.50		1,200.00	29.4%
	30%	164,250	23,197.74	0.14123	24,501.46	0.14917	1,303.73	5.6%
	40%	219,000	29,506.03	0.13473	30,826.18	0.14076	1,320.15	4.5%
	50%	273,750	35,814.33	0.13083	37,150.90	0.13571	1,336.57	3.7%
	60%	328,500	42,122.62	0.12823	43,475.62	0.13235	1,353.00	3.2%
	75%	410,625	51,585.06	0.12563	52,962.70	0.12898	1,377.64	2.7%
	1500 kW Demand							
Load Factors		Minimum	$8,110.00		$10,465.00		2,355.00	29.0%
	30%	328,500	46,340.47	0.14107	48,902.92	0.14887	2,562.45	5.5%
	40%	438,000	58,957.06	0.13461	61,552.36	0.14053	2,595.30	4.4%
	50%	547,500	71,573.65	0.13073	74,201.80	0.13553	2,628.15	3.7%
	60%	657,000	84,190.24	0.12814	86,851.24	0.13219	2,661.00	3.2%
	75%	821,250	103,115.13	0.12556	105,825.40	0.12886	2,710.27	2.6%

C1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1]

Line	Description	Present Rates HY 12/31/2024		Present Rates FTY 12/31/2025	Present Rates FPFTY 12/31/2026	Full Revenue Requirement FPFTY 12/31/2026	Proposed Rates FPFTY 12/31/2026
		(A)					
		Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	**REVENUE**						
2	Residential	$3,689,870	$3,689,870	$3,887,618	$3,903,746		$5,148,245
3	Comm and indus	1,981,976	1,981,976	2,009,146	2,010,022		2,506,978
4	Lighting	141,375	141,375	141,375	141,375		194,201
5	Rounding	0					
6	Electric operating revenue	5,813,222	5,813,222	6,038,139	6,055,143	7,849,668	7,849,424
7	Other revenue, net	99,224	99,224	102,026	103,864	103,864	103,864
8	GSSR	10,504,818					
9	Other, net	(38,851)	(38,851)				
10	Total Revenue	16,378,412	5,873,594	6,140,165	6,159,007	7,953,532	7,953,288
11	*Annual kWH*	*150,899,872*	*150,899,872*	*161,300,892*	*161,944,081*	*161,944,081*	*161,944,081*
12	**EXPENSES**				Increase	1,794,525	0.29636
13	Purchased electricity	10,504,818					
14	Distribution	1,556,654	1,556,654	1,743,703	1,929,647	1,929,647	1,929,647
15	Customer acct & coll	536,669	536,669	542,259	549,379	549,379	549,379
16	Admin & general	1,268,350	1,268,350	1,429,095	1,623,036	1,623,036	1,623,036
17	Total Operating expense	13,866,491	3,361,673	3,715,057	4,102,061	4,102,061	4,102,061
18							
19	Depreciation expense	1,126,159	1,126,159	1,323,181	1,409,998	1,409,998	1,409,998
20							
21	Taxes other than income	978,426	427,276	441,195	442,957	548,834	548,834
22							
23	Total Expenses	15,971,075	4,915,108	5,479,433	5,955,016	6,060,893	6,060,893
24							
25	Net operating income before income taxes	407,337	958,487	660,732	203,991	1,892,639	1,892,395
26							
27	Income tax expense	124,998	162,212	95,749	(46,387)	441,499	441,428
28	NET UTILITY OPERATING INCOME	$282,338	$796,274	$564,984	$250,378	$1,451,140	$1,450,967
29							0.084890
30	RATE BASE (B)		$15,121,720	$16,244,489	$17,092,345	$17,092,345	$17,092,345
31	RATE OF RETURN ON RATE BASE (A / B)		5.27%	3.48%	1.46%	8.49%	8.49%

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1] - Support Sheet No. 1
Support Sheet No. 1- Operating Expense and Going-Level Adjustments

Line	Acct.	Account Description	Year 2023	Year 2024	Year 2024 to Year 2025	Year 2025	Year 2025 to Year 2026	Year 2026	Labor			
									Year 2023	HY 2024	FTY 2025	FPFTY 2026
			Actual	Actual	Changes	Forecast	Changes	Forecast	Actual	Actual	Forecast	Forecast
1	Distribution Expenses											
2	580	Operations Supv & Eng	139,449	147,492	3,650	151,142	3,816	154,958	65,639	69,376	70,506	73,380
3	582	Station Expense	20,968	5,258	8,721	13,979	67	14,046	8,446	1,974	5,821	5,941
4	583	Overhead Line	242,610	226,033	8,894	234,927	7,145	242,072	106,207	80,793	99,056	101,098
5	585	Street Lighting	8,095	12,169	(7,144)	5,025	112	5,137	2,438	4,820	2,195	2,240
6	586	Meter Expense	25,262	24,042	24,916	48,958	1,754	50,712	18,234	(7,401)	22,504	22,968
7	587	Customer Installation	39,845	41,115	12,650	53,765	2,652	56,416	16,746	19,074	21,945	22,397
8	588	Miscellaneous Distribution	395,055	455,104	31,311	486,415	8,839	495,254	116,645	121,176	127,162	129,784
9	589	Rents	520	530	(5)	525	0	525	0	0	0	0
10		*Total Operating & Maintenanc*	871,804	911,743	82,992	994,735	24,385	1,019,120	334,356	289,812	349,187	357,808
11												
12	592	Maintenance of Station Equipment	2,202	25,133	(8,301)	16,832	377	17,209	1,134	11,213	7,461	7,615
13	593	Maintenance of Overhead Lines	563,525	558,565	108,646	667,211	159,625	826,836	142,193	139,744	163,850	167,068
14	594	Maintenance of Underground Line	16,532	13,331	1,030	14,361	466	14,827	6,923	5,237	6,159	6,286
15	595	Maintain Line Transformers	85,912	31,968	(5,001)	26,967	500	27,468	9,440	7,462	7,377	7,529
16	596	Maint. Street Light & Signal	22,847	15,914	7,682	23,596	591	24,187	10,192	6,283	9,176	9,365
17	597	Maintenance of Misc. Distrib Plan	0	0	0	0	0	0	0	0	0	0
18		*Total Maintenance*	691,018	644,911	104,057	748,968	161,559	910,527	169,882	169,939	194,023	197,863
19		*Total Operating & Maintenanc*	1,562,822	1,556,654	187,049	1,743,703	185,944	1,929,647	504,238	459,751	543,210	555,671
20												

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1] - Support Sheet No. 1
Support Sheet No. 1- Operating Expense and Going-Level Adjustments

Line	Acct.	Account Description	Year 2023	Year 2024	Year 2024 to Year 2025	Year 2025	Year 2025 to Year 2026	Year 2026	Labor Year 2023	Labor HY 2024	Labor FTY 2025	Labor FPFTY 2026
21	Customer Accounting & Collection Expenses:											
22	902	Meter Reading Expense	25,085	26,338	(338)	26,000	0	26,000	0	0	0	0
23	903	Customer Records & Collection	474,976	483,001	3,258	486,259	6,220	492,479	176,064	174,418	174,043	179,475
24	904	Uncollectible Accounts	31,906	27,330	2,670	30,000	900	30,900	0	0	0	0
25		*Total Customer Accting & Coll*	531,968	536,669	5,590	542,259	7,120	549,379	176,064	174,418	174,043	179,475
26												
27	Administrative & General Expenses:											
28	920	Administrative & General Salaries	742,994	700,832	31,998	732,830	152,118	884,948	351,801	323,420	341,855	419,064
29	921	Office Supplies & Expenses	243,492	145,653	101,335	246,988	7,410	254,397	0	0	0	0
30	923	Outside Services Employed	47,103	40,008	(3,008)	37,000	1,110	38,110	0	0	0	0
31	924	Property Insurance	11,431	11,190	(131)	11,059	0	11,059	0	0	0	0
32	925	Injuires & Damages	27,561	27,341	1,566	28,907	0	28,907	0	0	0	0
33	926	Employee Pensions & Benefits	6,204	7,497	1,003	8,500	255	8,755	0	0	0	0
34	928	Regulatory Commission	105,515	70,128	18,080	88,208	28,979	117,187	0	0	0	0
35	930	Miscellaneous General	105,300	110,600	291	110,891	3,327	114,218	0	0	0	0
36	932	Maintenance of General Property	121,914	155,101	9,612	164,713	743	165,455	47,569	62,272	64,116	65,438
37		*Total Administrative & General*	1,411,514	1,268,350	160,745	1,429,095	193,941	1,623,036	399,370	385,692	405,971	484,503
38												
39		**Total O&M Expense**	**$3,506,304**	**$3,361,673**	**$353,384**	**$3,715,057**	**$387,004**	**$4,102,061**	**$1,079,671**	**$1,019,861**	**$1,123,224**	**$1,219,649**
40												

41			Year 2023	Year 2024	Year 2024 to Year 2025	Year 2025	Year 2025 to Year 2026	Year 2026
42		Labor	1,079,671	1,019,861	103,363	1,123,224	96,425	1,219,649
43		Overhead	1,197,394	1,239,081	45,537	1,284,618	71,296	1,355,914
44		Transportation	101,038	87,328	1,310	88,638	31,871	120,509
45		Materials	1,128,201	1,015,403	203,174	1,218,577	187,413	1,405,990
46			3,506,304	3,361,673	353,384	3,715,057	387,004	4,102,061

C1-2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Net Operating Income And Rates of Return
Support Sheet No. 2- Cost of Capital and Fair Rate of Return Based upon Hypothetical Ratemaking Capital Structure
12/31/2025 and 12/31/2026

Line	Type of Capital		Ratios (1)	12/31/26 Cost Rate	12/31/26 Weighted Cost
1	Long-Term Debt	(B)	51.06%	5.470%	2.79%
2	Preferred Stock				
3	Common Equity	(A)	48.94%	11.65%	5.70%
4	Total		100.00%		8.49%
5				Using	8.49000%
6					
7	(A) Recommended hypothetical capital structure ratios as discussed in direct testimony.				

C1-3

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 3- Taxes Other Than Income

Line	Description		HY 2024		Present Rates FTY 12/31/2025	Present Rates FPFTY 12/31/2026	Full Revenue Requirement FPFTY 12/31/2026	Proposed Rates FPFTY 12/31/2026
			Per Books	Distribution Only	Distribution Only	Distribution Only		Distribution Only
1	Taxes other than income:							
2	Pennsylvania Use Tax		$7,604	$7,604	$7,604	$7,604	$7,604	$7,604
3	PUC Assessment		63,038	63,038	63,038	63,038	63,038	63,038
4	Public Utility Realty Tax (including surcharge)		13,654	13,654	14,302	15,062	15,062	15,062
5	Pennsylvania Gross Receipts Tax		894,130	342,980	356,250	357,253	463,130	463,130
6			$978,426	$427,276	$441,195	$442,957	$548,834	$548,834
7								
8	**Gross Receipts Tax**							
9	Distruibution revenue		$5,813,222	$5,813,222	$6,038,139	$6,055,143	$7,849,668	$7,849,668
10	GSSR, including over/under		10,504,818					
11	Gross Receipts Taxable		$16,318,039	$5,813,222	$6,038,139	$6,055,143	$7,849,668	$7,849,668
12	Gross Receipts Tax at Present Rate	5.90%	$962,764	$342,980	$356,250	$357,253	$463,130	$463,130
13	Prior Year adjustment		(68,634)					
14	Gross Receipts Tax expense		$894,130	$342,980	$356,250	$357,253	$463,130	$463,130
15								
16	**Normalized Rate case expense**							
17	Estimated expenses					$326,667		
18	Amortization period (years)					3.0		
19	Normalized Rate case expense					108,889		
20			12/31/2023	12/31/2024	12/31/2025			
21	Rate Case 2022		147,203	80,155	80,155		Amortized by 12/31/2025	
22	POLR/PJM 2021		25,614	7,533	7,533		Amortized by 12/31/2025	
23	POLR/PJM 2024			24,893	8,298	8,298		
24	Normalized Rate case expense		172,817	112,581	95,986	117,187		

C1-4

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 4- Income Tax Calculations

Line	Description	Rate	HY 2024		Present Rates FTY 12/31/2025	Present Rates FPFTY 12/31/2026	Full Revenue Requirement FPFTY 12/31/2026	Proposed Rates FPFTY 12/31/2026
			Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	Net Operating Income Excluding Income Taxes		$407,337	$958,487	$660,732	$203,991	$1,892,639	$1,892,395
2								
3	Synchronized interest expense:							
4	Rate base		0	15,121,720	16,244,489	17,092,345	17,092,345	17,092,345
5								
6	Rate base for interest compuation		0	15,121,720	16,244,489	17,092,345	17,092,345	17,092,345
7	Weighted Cost of debt		2.793%	2.793%	2.793%	2.793%	2.793%	2.793%
8	Synchronized interest expense		0	422,347	453,705	477,386	477,386	477,386
9	Taxable income before depreciation tax adjustments		407,337	536,140	207,027	(273,395)	1,415,253	1,415,009
10								
11	Pennsylvania depreciation adjustment:							
12	Tax depreciation (using DDB method)		(1,255,863)	(1,255,863)	(1,277,811)	(1,399,256)	(1,399,256)	(1,399,256)
13	Book depreciation		1,126,159	1,126,159	1,323,181	1,409,998	1,409,998	1,409,998
14	Pennsylvania depreciation adjustment		(129,705)	(129,705)	45,370	10,742	10,742	10,742
15	Pennsylvania taxable income		277,632	406,436	252,397	(262,653)	1,425,995	1,425,751
16	Regulatory Pennsylvania income tax expense	9.99%	27,735	40,603	25,214	(26,239)	142,457	142,432
17								
18	Federal depreciation adjustment:							
19	Tax depreciation (using SL method with bonus depreciation		(1,042,603)	(1,042,603)	(1,169,116)	(1,258,785)	(1,258,785)	(1,258,785)
20	Book depreciation		1,126,159	1,126,159	1,323,181	1,409,998	1,409,998	1,409,998
21	Federal depreciation adjustment		83,555	83,555	154,065	151,212	151,212	151,212
22								
23	Taxable income before depreciation tax adjustments		407,337	536,140	207,027	(273,395)	1,415,253	1,415,009
24	Federal depreciation adjustment		83,555	83,555	154,065	151,212	151,212	151,212
25	Pennsylvania income tax expense		(27,735)	(40,603)	(25,214)	26,239	(142,457)	(142,432)
26	Federal taxable income (loss)		463,157	579,093	335,877	(95,943)	1,424,009	1,423,789
27	Regulatory Federal income tax expense (benefit)	21.00%	97,263	121,609	70,534	(20,148)	299,042	298,996
28								
29	Regulatory Total income tax expense (benefit)		$124,998	$162,212	$95,749	($46,387)	$441,499	$441,428
30								
31	Combined statutory tax rate	28.89%						
32								

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Net Operating Income And Rates of Return
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[1]
Support Sheet No. 5- Computation of Rate Base

Line	Description	Ref.	HY 2024 Distribution Only	FTY 2025	FPFTY 2026
1	**Utility Plant in Service**				
2	Assets	Sch. C3, line 28	$ 30,802,761	$ 32,979,090	$ 35,369,114
3	Less: Accumulated Depreciation	Sch. C3, line 28	(15,229,320)	(16,666,142)	(18,189,781)
4			15,573,441	16,312,948	17,179,333
5					
6	Less: Accumulated deferred income taxes (ADIT)	Line 32	(348,561)	(337,325)	(336,658)
7					
8	Less: Customer deposits	Sch. C2, line 52	(299,385)	(299,385)	(299,385)
9	Accrued Pension / OPEB Liability	Line 47	(522,514)	(195,847)	(250,291)
10	Materials & Supplies	Sch. C2, line 23	303,686	303,686	303,686
11			14,706,667	15,784,077	16,596,684
12	Cash Working Capital Allowance	Line 25	415,053	460,412	495,661
13	RATE BASE		$ 15,121,720	$ 16,244,489	$ 17,092,345
14					
15	**Cash Working Capital Allowance:**				
16	Operating Expenses	Sch. C1, line 23	$ 4,915,108	$ 5,479,433	$ 5,955,016
17					
18	Deductions:				
19	Taxes Other Than Income	Sch. C1-3, line 6	441,195	442,957	548,834
20	Uncollectible accounts	Sch. C1-1, line 24	27,330	30,000	30,900
21	Depreciation Expense	Sch. C1, line 19	1,126,159	1,323,181	1,409,998
22	Total Deductions		1,594,683	1,796,139	1,989,732
23	Cash Operating Expenses		3,320,425	3,683,294	3,965,284
24	Cash Operating Expenses Ratio		1/8	1/8	1/8
25	Cash Working Capital Allowance (A plus B)		$ 415,053	$ 460,412	$ 495,661
26					
27	Regulatory Accumluated deferred income tax:				
28	Accumulated depreciation based on tax expense borne by ratepayers		21,209,863	22,378,980	23,637,765
29	Accumulated depreciation based on taxes paid by company		22,869,678	23,985,289	25,240,900
30	(Excess) depreciation taken by company		(1,659,815)	(1,606,310)	(1,603,135)
31	Federal tax rate		21.00%	21.00%	21.00%
32	Regulatory Accumluated deferred income tax (liability)		(348,561)	(337,325)	(336,658)
33					
34					
35					
36					
37					
38					
39					
40					
41					
42	Regulatoy (Liabilities) and Assets				
43	Accrued postretirement cost (Liability)		(555,864)	(555,864)	(555,864)
44	Regulatoy (Liability)		(178,954)	(178,954)	(178,954)
45	Regulatory Assets			326,667	272,222
46	Deferred tax asset related to Regulatory Liabiliti	Line 43 X 28.9%	212,304	212,304	212,304
47			(522,514)	(195,847)	(250,291)

C2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Balance Sheets
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 c[2]

Line	Account Title	Per Books 12/31/2024	Pro Forma 12/31/2025	Pro Forma 12/31/2026
1	**Assets and Other Debits**			
2	Utility Plant			
3	Electric plant in service	$30,802,761	$32,979,090	$35,369,114
4	Construction work in progress	119,314	119,314	119,314
5				
6	Accumulated depreciation	(15,229,320)	(16,666,142)	(18,189,781)
7	*Total utility plant*	15,692,755	16,432,262	17,298,647
8				
9	Other Property and Investments:			
10	Non-utility property, SV Life nsurance, other	21,704	21,704	21,704
11	Regulatory asset	112,581	112,581	112,581
12	Regulatory asset- RS Plan, Other	246,271	246,271	246,271
13	Goodwill, net	3,978,203	3,978,203	3,978,203
14	*Total other property and investments*	4,358,759	4,358,759	4,358,759
15				
16	Current Assets:			
17	Cash	553,348	553,348	553,348
18	Customer accounts receivable	1,173,451	1,173,451	1,173,451
19	Provison for uncollectible accounts		0	0
20	Accrued utility revenues	1,100,909	1,100,909	1,100,909
21	Other accounts receivable	101,732	101,732	101,732
22	Advances to affiliates	90,700	90,700	90,700
23	Inventories	303,686	303,686	303,686
24	Prepayments	31,769	31,769	31,769
25	Under collected power costs	263,044	263,044	263,044
26	Deferred income taxes		0	0
27	*Total current assets*	3,618,639	3,618,639	3,618,639
28				
29	**Total Assets and Other Debits**	**$23,670,153**	**$24,409,660**	**$25,276,045**
30				

C2

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Balance Sheets
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 c[2]

Line	Account Title	Per Books 12/31/2024	Pro Forma 12/31/2025	Pro Forma 12/31/2026
31	**Liabilities and Other Credits**			
32	Proprietary Capital:			
33	Preferred stock		$0	$0
34	Common stock Issued	1,394,720	1,394,720	1,394,720
35	Retained earnings	11,728,535	12,293,519	11,501,528
36	Paid-in Capital, less Treasury Stock	859,338	859,338	859,338
37	*Total proprietary capital*	13,982,593	14,547,577	13,755,586
38				
39	Long-Term Debt:			
40	Long term debt	1,540,746	1,112,538	1,922,926
41	Capitalized Lease Obligations	432,598	89,194	0
42	*Total long-term debt*	1,973,344	1,201,732	1,922,926
43				
44	Current and Accrued Liabilities:			
45	Line of Credit	$3,300,000	$4,246,430	$5,183,613
46	Current maturities of long-term debt	108,359	108,359	108,359
47	Current maturities of capitalized leases	90,626	90,626	90,626
48	Accounts payable	366,102	366,102	366,102
49	Due for purchased electricity	839,832	839,832	839,832
50	Accrued expenses	291,139	291,139	291,139
51	Accrued taxes	38,360	38,360	38,360
52	Customer deposits	299,385	299,385	299,385
53	*Total current and accrued liabilities*	5,333,803	6,280,233	7,217,416
54				
55	Deferred Credits and Other Liabilities:			
56	Deferred income taxes	1,645,300	1,645,300	1,645,300
57	Accrued postretirement cost	555,864	555,864	555,864
58	Regulatory Liability	178,954	178,954	178,954
59	*Total deferred credits*	2,380,118	2,380,118	2,380,118
60				
61	**Total Liabilities and Other Credits**	**$23,669,858**	**$24,409,660**	**$25,276,045**

C3 **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test
Original Cost of Utility Plant in Service
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 c[3]

Line	Acct No.	Account Title	Original Cost Balance 12/31/2023	Original Cost Year 2024 Additions	Year 2024 Retire	Original Cost Balance 12/31/2024	Original Cost FTY 2025 Additions	FTY 2025 Retire	Original Cost Balance 12/31/2025	Original Cost FPFTY 2026 Additions	FPFTY 2026 Retire	Original Cost Balance 12/31/2026
1	**Depreciable Plant:**											
2	*Distribution Plant.*											
3	360	Land & Land Rights	17,040	1,254		18,294	1,066		19,360	1,098		20,458
4	361	Organization	995			995			995			995
5	362	Station Equipment	657,380		(15,868)	641,512			641,512			641,512
6	362.01	Station Equipment- Fully depr.	134,900			134,900			134,900			134,900
7	364	Poles, Tower & Fixtures	4,317,240	160,455	(31,694)	4,446,001	166,431		4,612,432	321,804		4,934,235
8	365	Overhead Conductors & Devices	8,043,524	462,968	(66,108)	8,440,384	702,430		9,142,814	723,503		9,866,317
9	366	Underground Conduit	3,485,764	180,115	(2,624)	3,663,255	197,081		3,860,336	202,993		4,063,329
10	368	Line Transformers	2,950,070	140,154	(32,422)	3,057,802	183,783		3,241,585	189,296		3,430,881
11	369	Services	4,130,180	239,595	(23,910)	4,345,865	297,378		4,643,243	306,299		4,949,542
12	370	Meters	1,478,201	260,127	(53,519)	1,684,809	56,132		1,740,941	57,816		1,798,757
13	373	Street Lighting & Signal Systems	680,950	20,177	(11,509)	689,618	64,286		753,904	66,215		820,118
14	Total Distribution Plant		25,896,244	1,464,845	(237,654)	27,123,435	1,668,586	0	28,792,021	1,869,024	0	30,661,045
15												
16	*General Plant*											
17	390.1	Structures & Improvements, office	721,358	57,058		778,416	35,465		813,881	60,942		874,823
18	391	Office Furniture & Equipment	595,278	20,301	(170,748)	444,831	37,278		482,109	64,058		546,167
19	390X	General- Fully depreciated	319,218			319,218			319,218			319,218
20	392	Transportation Equipment	1,294,630	278,419	(151,118)	1,421,931	425,000		1,846,931	386,000		2,232,931
21	394	Tools, Shop & Garage Equipment	128,054	9,237		137,291	6,525		143,816	6,525		150,340
22	395	Laboratory & Stores Equipment	105,987			105,987			105,987			105,987
23	397	Communication Equipment	405,497	23,742	(1,202)	428,037			428,037			428,037
24	398	Miscellaneous Equipment	43,615			43,615	3,475		47,090	3,475		50,566
25	301	Intangible plant, EDI	0			0			0			0
26		Total General Plant	3,613,637	388,757	(323,068)	3,679,326	507,743	0	4,187,069	521,000	0	4,708,069
27												
28		Total Plant in Service	$29,509,881	$1,853,602	($560,722)	$30,802,761	$2,176,329	$0	$32,979,090	$2,390,024	$0	$35,369,114

C3 **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test
Original Cost of Utility Plant in Service
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 c[3]

Line	Acct No.	Account Title	Depreciation Rate	Accumulated Depreciation Balance 12/31/2023	Accumulated Depreciation Year 2024 Additions	Year 2024 Remove	Accumulated Depreciation Balance 12/31/2024	Accumulated Depreciation FTY 2025 Additions	Balance 12/31/2025	Accumulated Depreciation FPFTY 2026 Additions	Balance 12/31/2026	Net Book Value 12/31/2026 Pro Forma
1	**Depreciable Plant:**											
2	*Distribution Plant.*											
3	360	Land & Land Rights	0.00%	0	0		0	0	0	0	0	20,458
4	361	Organization	0.00%	0	0		0	0	0	0	0	995
5	362	Station Equipment	4.00%	626,750	2,969	(18,064)	611,655	13,030	624,685	4,197	628,882	12,630
6	362.01	Station Equipment- Fully depr.		134,900	0		134,900	0	134,900	0	134,900	0
7	364	Poles, Tower & Fixtures	4.125%	3,128,994	184,752	(84,731)	3,229,015	186,830	3,415,845	196,900	3,612,745	1,321,490
8	365	Overhead Conductors & Devices	4.00%	1,985,151	328,730	(156,901)	2,156,980	351,664	2,508,644	380,183	2,888,827	6,977,490
9	366	Underground Conduit	4.00%	2,142,257	141,732	(5,168)	2,278,821	150,472	2,429,293	158,473	2,587,766	1,475,563
10	368	Line Transformers	4.00%	2,251,693	120,120	(32,422)	2,339,391	125,988	2,465,379	133,449	2,598,828	832,053
11	369	Services	4.00%	1,776,639	167,472	(53,827)	1,890,284	179,782	2,070,066	191,856	2,261,922	2,687,620
12	370	Meters	4.00%	(46,144)	63,056	(53,519)	(36,607)	68,515	31,908	70,794	102,702	1,696,055
13	373	Street Lighting & Signal Systems	4.00%	59,572	46,482	(22,873)	83,182	42,598	125,780	45,208	170,989	649,130
14	Total Distribution Plant			12,059,812	1,055,314	(427,505)	12,687,621	1,118,880	13,806,501	1,181,060	14,987,561	15,673,484
15												
16	*General Plant*											
17	390.1	Structures & Improvements, office	3.00%	584,566	5,379		589,945	23,884	613,829	25,331	639,160	235,663
18	391	Office Furniture & Equipment	8.00%	428,049	41,164	(170,748)	298,465	37,078	335,543	35,273	370,816	175,351
19	390X	General- Fully depreciated		319,215			319,215		319,215		319,215	3
20	392	Transportation Equipment	12.50%	890,038	113,641	(151,117)	852,562	204,304	1,056,866	240,786	1,297,653	935,278
21	394	Tools, Shop & Garage Equipment	10.00%	77,162	8,375		85,538	14,055	99,593	14,708	114,301	36,039
22	395	Laboratory & Stores Equipment	6.666%	76,319	4,915		81,234	7,065	88,300	7,065	95,365	10,622
23	397	Communication Equipment	6.666%	282,702	9,256	(1,203)	290,755	28,533	319,288	16,161	335,449	92,588
24	398	Miscellaneous Equipment	6.666%	21,994	1,990		23,985	3,023	27,008	3,255	30,263	20,303
25	301	Intangible plant, EDI	14.28%	235	(235)		0	0	0	0	0	0
26		Total General Plant		2,680,282	184,485	(323,068)	2,541,699	317,943	2,859,641	342,579	3,202,220	1,505,849
27												
28		Total Plant in Service		$14,740,094	$1,239,800	($750,573)	$15,229,320	$1,436,822	$16,666,142	$1,523,639	$18,189,781	$17,179,333

C4

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Reserve for Depreciation of Utility Plant
12/31/2024, 12/31/2025 and 12/31/2026
Answer to 52 Pa. Code 53.52 c[4]

	Account Title	Per Books 12/31/2024	Pro Forma 12/31/2025	Pro Forma 12/31/2026
1	Reserve for Depreciation	$15,229,320	$16,666,142	$18,189,781

C5

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Operating Income Setting Forth the Operating Revenues and Expenses at Present Rates
HY 2024, FTY 2025 and FPFTY 2026
Answer to 52 Pa. Code 53.52 c[5]

	Account Title	Year Ended 12/31/2024 [Per Books]	Year Ended 12/31/2024 Distribution Only	Year Ended 12/31/2025 Distribution Only	Year Ended 12/31/2026 Distribution Only
1	Operating revenue	$16,378,412	$5,873,594	$6,140,165	$6,159,007
2					
3	Operating revenue deductions:				
4	Operating expenses	13,866,491	3,361,673	3,715,057	4,102,061
5	Depreciation expense	1,126,159	1,126,159	1,323,181	1,409,998
6	Taxes other than income tax	978,426	427,276	441,195	442,957
7	Rate case expense amortization	0	0	0	0
8	Total Operating revenue deductions	15,971,075	4,915,108	5,479,433	5,955,016
9					
10	Net operating income before income taxes	407,337	958,487	660,732	203,991
11					
12	Income tax expense	124,998	162,212	95,749	(46,387)
13					
14	Net utility operating income	$282,338	$796,274	$564,984	$250,378

C5-1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026

Comparison to Prior Rate Case
Prior Rate Case and FPFTY 2026

	Description	FPFTY 2026	R-2022-3032692, Order	Difference- Needs Higher (Lower) Revenue
1	Revenue	6,159,007	5,398,587	(760,420)
2				
3	*kWh*	*161,944,081*	*166,467,451*	
4				
5	O&M	4,102,061	2,613,736	1,488,325
6	Taxes other than income, Rate Case	442,957	497,242	(54,285)
7	Depreciation	1,409,998	1,029,328	380,670
8	Income tax	441,499	330,855	110,643
9				
10	Rate Base	$17,092,345	12,825,060	
11	Required Return	8.49%	7.23%	
12	Target Return	1,451,140	927,252	523,888
13				
14	Income Tax Expense			
15	Subtotal			1,688,822
16	Gross-Up for GRT			1.0627
17				1,794,710
18	Rounding difference			(185)
19	Revenue Increase Required at Recommended Return			1,794,525
20	Per Schedule C1			1,794,525

D

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Summary of Allocator Values

	Units	Allocator Names	Total	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting
		Class Allocators							
1	**InputAlloc**	**ALLOCATION VALUES**							
2	MWh	MWh-Meter	161,944,081	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869
3	MW	NCP-Prim	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
4	MW	NCP-Sec	100.00%	69.64%	0.19%	16.57%	13.35%	0.05%	0.20%
5	MW	NCP-Ltr	13,959	5,947	64	2,509	5,337	21	81
6	MW								
7	#	AVG-CUST	7,272	6,051	3	1,137	42	13	26
8	#	Services_Cost	6,753,684	5,612,820	2,656	1,078,485	46,616	13,107	
9	#	Meters	7,272	6,051	3	1,137	42	13	26
10	$	Meter_Cost	2,563,965	1,821,021	871	601,252	140,821		
11	$	Dist_Rev	6,055,143	3,903,746	8,741	1,092,138	909,143	26,151	115,224
12	$	CustDeposits	206,700	34,216	47	93,714	78,723		
13	$	Write-Offs	110,432	103,050	140	3,935	3,306		
14	$	StLgt-Cost	617,453					242,410	375,043
15									
16	**InputFunc**	**FUNCTIONAL ALLOCATORS**	**Total**				**Primary Dist**	**Secondary Dist**	**Billing**
17		OH_Cond	100.00%				75.37%	24.63%	
18		UG_Cond	100.00%				49.19%	50.81%	
19		Trans	100.00%				0.00%	100.00%	
20									
21									
22	**InputClass**	**CLASSIFICATIONS**	**Total**	**Demand**	**Commodity**	**Customer**			
23		PTF-Sec-Z	100.00%	19.31%		80.69%			
24		OH-Sec-Z	100.00%	22.60%		77.40%			
25		UG-Sec-Z	100.00%	42.89%		57.11%			
26		Trans-Min	100.00%	64.15%		35.85%			
27									

D1

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Distribution System Functionalizaton and Classification

Primary / Secondary Split for OH ad UG Conductors

Line	Conductor Type	Circuit Miles	Line Miles (Circuit Miles X # of conductors)	Description
1	OH Primary (1 Ph)	87.71	175.79	1 phase wire, 1 neutral wire
2	OH Primary (2Ph)	4.84	14.53	2 phase wires, 1 neutral wire
3	OH Primary (3 Ph)	67.60	270.41	3 phase wires, 1 neutral wire
4	OH Secondary	82.70	82.70	1 triplexed conductor
5	UG Primary (1 Ph)	56.22	56.22	1 cable with concentric neutral
6	UG Primary (2 Ph)	0.39	0.98	2 cables with concentric neutral
7	UG Primary (3 Ph)	4.87	14.61	3 cables with concentric neutral
8	UG Secondary	68.63	68.63	1 multiplexed (UG SL, MBL)
9		372.96	683.86	
10				
11	**Totals**			
12	OH Primary	160.16	460.72	
13	OH Secondary	82.70	82.70	
14	OH Total	242.85	543.42	
15				
16	UG Primary	61.48	71.81	
17	UG Secondary	68.63	68.63	
18	UG Total	130.11	140.44	
19				
20	**Totals**			**Average**
21	OH Primary	65.95%	84.78%	75.37%
22	OH Secondary	34.05%	15.22%	24.63%
23	OH Total	100.00%	100.00%	100.00%
24				
25	UG Primary	47.25%	51.13%	49.19%
26	UG Secondary	52.75%	48.87%	50.81%
27	UG Total	100.00%	100.00%	100.00%
28				

D1

Citizens' Electric Company of Lewisburg

Rate Case with Fully Projected Future Test Year 2026

Distribution System Functionalizaton and Classification

Zero-Load Components for Secondary

Average %	Poles	Overhead Conductors	Underground Conductors
Zero-Load Component	**80.7%**	**77.4%**	**57.1%**
Material	21.4%	23.2%	41.6%
Total Cost	102.1%	100.6%	98.7%
	1,321,490	6,977,490	1,475,563

2025 Rate Case	Poles	Overhead Conductors	Underground Conductors
Labor	36.3%	32.4%	21.6%
Overhead	44.2%	37.6%	25.9%
Vehicle	8.5%	10.0%	4.4%
Zero-Load Component	**89.0%**	**79.9%**	**51.8%**
Material	11.0%	20.1%	48.2%
Total Cost	100.0%	100.0%	100.0%

2022 Rate Case	Poles	Overhead Conductors	Underground Conductors
Labor	35.4%	34.0%	20.0%
Overhead	38.4%	39.4%	21.6%
Vehicle	17.1%	9.1%	4.0%
Zero-Load Component	**90.8%**	**82.5%**	**45.6%**
Material	9.2%	17.5%	54.4%
Total Cost	100.0%	100.0%	100.0%

2019 Rate Case	Poles	Overhead Conductors	Underground Conductors
Labor	34.3%	30.6%	23.8%
Overhead	38.5%	33.0%	24.6%
Vehicle	11.9%	10.3%	3.8%
Zero-Load Component	**84.7%**	**73.9%**	**52.2%**
Material	15.3%	26.1%	47.8%
Total Cost	100.0%	100.0%	100.0%

2016 Rate Case	Poles	Overhead Conductors	Underground Conductors
Labor	36.9%	24.6%	40.0%
Overhead	14.9%	19.7%	5.3%
Vehicle	10.5%	30.9%	22.6%
Zero-Load Component	**62.3%**	**75.2%**	**67.9%**
Material	37.7%	24.8%	32.1%
Total Cost	100.0%	100.0%	100.0%

D1

Citizens' Electric Company of Lewisburg

Rate Case with Fully Projected Future Test Year 2026

Distribution System Functionalizaton and Classification

	2010 Rate Case	Poles	Overhead Conductors	Underground Conductors
68				
69	Labor	27.7%	30.8%	25.3%
70	Overhead	32.3%	32.3%	32.3%
71	Vehicle	16.7%	12.4%	10.5%
72	**Zero-Load Component**	**76.7%**	**75.5%**	**68.1%**
73	Material	23.3%	24.5%	31.9%
74	Total Cost	100.0%	100.0%	100.0%

Citizens' Electric Company of Lewisburg

Rate Case with Fully Projected Future Test Year 2026

CLASS NON-COINCIDENT PEAK (NCP) DEMANDS

Line	Description	Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
1	**NCP- Primary**							
2	NCP-2015	29,388	404	6,654	15,238	27	108	51,820
3	NCP-2018	26,775	245	6,364	10,303	28	70	43,785
4	NCP-2019	28,933	386	6,726	10,054	25	70	46,194
5	NCP-2020	22,573	248	5,235	8,973	21	70	37,120
6	NCP-2021	22,969	245	6,364	10,303	28	70	39,979
7	NCP-2022	29,102	386	6,726	10,054	25	70	46,363
8	NCP-2023	23,679	248	5,235	8,973	21	70	38,227
9	NCP-2024	25,788	67	6,374	8,579	19	82	40,909
10								
11	NCP shares- 2015	56.71%	0.78%	12.84%	29.41%	0.05%	0.21%	100.00%
12	NCP shares- 2018	61.15%	0.56%	14.53%	23.53%	0.06%	0.16%	100.00%
13	NCP shares- 2019	62.63%	0.84%	14.56%	21.76%	0.05%	0.15%	100.00%
14	NCP shares- 2020	60.81%	0.67%	14.10%	24.17%	0.06%	0.19%	100.00%
15	NCP shares- 2021	57.45%	0.61%	15.92%	25.77%	0.07%	0.18%	100.00%
16	NCP shares- 2022	62.77%	0.83%	14.51%	21.69%	0.05%	0.15%	100.00%
17	NCP shares- 2023	61.94%	0.65%	13.69%	23.47%	0.06%	0.18%	100.00%
18	NCP shares- 2024	63.04%	0.16%	15.58%	20.97%	0.05%	0.20%	100.00%
19	**NCP Primary- SimpleAverage**	**60.81%**	**0.64%**	**14.47%**	**23.85%**	**0.06%**	**0.18%**	**100.00%**
20	**NCP Primary- Adjusted Avera**	**61.11%**	**0.16%**	**14.54%**	**23.96%**	**0.05%**	**0.18%**	**100.00%**
21					% Primary			
22	**NCP- Secondary**				**51.11%**			
23	Shares of Class peaks	61.11%	0.16%	14.54%	11.71%	0.05%	0.18%	87.75%
24	**Shares of Total**	**69.64%**	**0.19%**	**16.57%**	**13.35%**	**0.05%**	**0.20%**	**100.00%**
25								
26	**NCP-LTr**							
27	Secondary Class peaks	27,842	75	6,623	5,337	21	81	39,979
28	(line 23 X line 6 total)							
29	Capacity of Minimum system	21,895	11	4,114	-	-	-	26,020
30	Class peaks less Capacity of minimum system	5,947	64	2,509	5,337	21	81	13,959
31	**Shares of Total**	**42.60%**	**0.46%**	**17.98%**	**38.23%**	**0.15%**	**0.58%**	**100.00%**
32								
33	Total number of transformers on system							2,602
34	Transfomer capacity- kVa							12.5
35	Assumed power factor							80%
36	Total Capacity of Transformer minimum system							26,020
37	Number of customers on Mimin	6,051	3	1,137				7,191
38	Capacity per Customer of Transformer minimum system- kW							3.62

D3

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Transformers Classification

Transformers Minimum Size Component

	Transformers	Minimum Size	Cost for Minimum Size	Number	Total Cost Minimum Size	Replacement Cost	Minimum Size Component
1	Line	TPD50 X 1/4	$911	1,933	1,760,151	3,587,483	49.1%
2	Pad-Mount	TPD50 X 1/4	$911	669	609,178	2,858,370	21.3%
3				2,602	2,369,329	6,445,853	**36.8%**
4							

Transformers Unit Costs

	Part #	Description	Total Cost	Count	Extended
7	TPM15	Transformer, 15KVA, Pole	$1,164	703	$817,963
8	TPM25	Transformer, 25KVA, Pole	$1,740	602	1,047,198
9	TPM50	Transformer, 50KVA, Pole	$2,385	499	1,189,882
10	TPM100	Transformer, 100KVA, Pole	$4,040	115	464,546
11	TPM167/480	Transformer, 167KVA/480, Pole	$4,850	14	67,893
12				1,933	3,587,483
13					
14	TPD25	Transformer, 25KVA, Pad	$2,964	247	732,187
15	TPD50	Transformer, 50KVA, Pad	$3,642	351	1,278,454
16	TPD50 X 1/4	Transformer, 50KVA, Pad X 1/4	$911		
17	TPD100	Transformer, 100KVA, Pad	$4,822	35	168,781
18	TPD150/208	Transformer, 150KVA/208, Pad	$12,422	9	111,801
19	TPD300	Transformer, 300KVA,Pad	$16,622	10	166,223
20	TPD500/480	Transformer, 500KVA/480, Pad	$17,289	8	138,315
21	TPD1000/480	Transformer, 1000KVA/480, Pad	$28,734	8	229,875
22	TPD1500/480	Transformer, 1500KVA/480, Pad	$32,734	1	32,734
23				669	2,858,370
24				2,602	6,445,853
25					
26	Total				6,445,853
27	Average				$2,477
28	Minimum Component- 2025				36.8%

D4

Citizens' Electric Company of Lewisburg

Rate Case with Fully Projected Future Test Year 2026

Service Costs

Line	Rate Class	Type	Replacement Cost	Services	Services Cost
1	Residential Overhead	Sec-OH-1Ph	$840	3,404	2,860,177
2	Residential Overhead	Sec-OH-3Ph	$976	17	16,587
3	Residential Underground	Sec-UG-1Ph	$1,039	2,420	2,513,751
4	Residential Underground	Sec-UG-3Ph	$1,185	107	126,764
5	Residential Total			5,948	5,517,278
6	**Residential in FPFTY**	**Average**	**$928**	**6,051**	**5,612,820**
7					
8	SH Overhead	Sec-OH-1Ph	$840	2	1,680
9	SH Overhead	Sec-OH-3Ph	$976	1	976
10	SH Underground	Sec-UG-1Ph	$1,039	0	0
11	SH Underground	Sec-UG-3Ph	$1,185	0	0
12	SH Total	Average		3	2,656
13	**SH in FPFTY**		**$885**	**3**	**2,656**
14					
15	GLP1 Overhead	Sec-OH-1Ph	$840	583	489,860
16	GLP1 Overhead	Sec-OH-3Ph	$976	103	100,495
17	GLP1 Underground	Sec-UG-1Ph	$1,039	305	316,816
18	GLP1 Underground	Sec-UG-3Ph	$1,185	139	164,675
19	GLP1 Total	Average		1,130	1,071,845
20	**GLP1 in FPFTY**		**$949**	**1,137**	**1,078,485**
21					
22	GLP3 Overhead	Sec-OH-1Ph	$840	5	4,201
23	GLP3 Overhead	Sec-OH-3Ph	$976	5	4,878
24	GLP3 Underground	Sec-UG-1Ph	$1,039	0	0
25	GLP3 Underground	Sec-UG-3Ph	$1,185	27	31,987
26	GLP3 Total	Average		37	41,067
27	**GLP3 in FPFTY**		**$1,110**	**42**	**46,616**
28					
29	MBL Overhead	Sec-OH-1Ph	$840	2	1,680
30	MBL Overhead	Sec-OH-3Ph	$976	0	0
31	MBL Underground	Sec-UG-1Ph	$1,039	11	11,426
32	MBL Underground	Sec-UG-3Ph	$1,185	0	0
33	MBL Total	Average		13	13,107
34	**MBL in FPFTY**		**$1,008**	**13**	**13,107**
35	**Total Service Cost**			**7,246**	**6,753,684**

D5

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Meter Costs

Line	Meter Types	Description	Total Cost Per Meter	Number Installed						Material	Labor / OH	Truck
				RS	SH	GLP1	GLP3	MBL	Total			
1	M2S200T	Meter 2s, Cl 200, 240V, 1 Ph	$ 290.33	5,540	2	797		13	6,352	$ 227.00	$ 47.99	$ 15.34
2	M2S200T-RD	Meter 2s, Cl 200, 240V, 1 Ph	$ 368.33	25		5			30	$ 305.00	$ 47.99	$ 15.34
3	M2S320T	Meter 2s, Cl 320, 240V, 1 Ph	$ 408.33	307		70			377	$ 345.00	$ 47.99	$ 15.34
4	M3S20T	Meter, 3S Cl 20, 240V, 1 Ph	$ 408.33	8		8			16	$ 345.00	$ 47.99	$ 15.34
5	M4S20T	Meter, 4S Cl 20, 240V, 1 Ph	$ 408.33	9		19			28	$ 345.00	$ 47.99	$ 15.34
6	M8/9S20T	Meter 8S/9S, Cl 20, AXS4E	$ 795.33	2		120	39		161	$ 732.00	$ 47.99	$ 15.34
7	M12S200T	Meter, Form 12S Class 200	$ 408.33	107		16			123	$ 345.00	$ 47.99	$ 15.34
8	M15/16S20T	Meter, Form 15S/16S Class 20	$ 795.33	1		96			97	$ 732.00	$ 47.99	$ 15.34
9												
10	CT600/5	C.T., Ratio 600:5 (600V)	$ 292.66	32		403	75		510	$ 229.33	$ 47.99	$ 15.34
11	CT1200/5	C.T., Ratio 1200:5 (600V)	$ 253.27				24		24	$ 189.94	$ 47.99	$ 15.34
12	CT2000/5	C.T., Ratio 2000:5 (600V)	$ 253.27				3		3	$ 189.94	$ 47.99	$ 15.34
13	CTHV200/5	C.T., Ratio 200:5 (7200V)	$ 1,497.33				12		12	$1,434.00	$ 47.99	$ 15.34
14	CTHV1000/5	C.T., Ratio 1000:5 (7200V)	$ 1,593.33				3		3	$1,530.00	$ 47.99	$ 15.34
15												
16	PTHV	P.T., H.V. (7200), RATIO 60:1	$ 1,765.33				15		15	$1,702.00	$ 47.99	$ 15.34
17	PT2.4	P.T., L.V. (600), RATIO 2.4:1	$ 402.39			72	54		126	$ 339.06	$ 47.99	$ 15.34
18	PT2.5	P.T., L.V. (600), RATIO 2.5:1	$ 402.39						0	$ 339.06	$ 47.99	$ 15.34
19	VTPack2.4 1.1.1	VTpack 2.4 1.1.1	$ 1,207.16						0	$1,017.18	$ 143.97	$ 46.01
20												
21	**Total Cost**		2,538,568	1,805,371	581	598,080	130,762	3,774		2025 Average Crew Rate:/ hc		
22	Customers above		7,184	5,999	2	1,131	39	13		With Adder For OH		######
23	Average per Customer		353.36	300.95	290.33	528.81	3,352.88	290.33		2025 Truck Rate:/ hour		
24	Customers in Future Year 2023		7,246	6,051	3	1,137	42	13				
25	**Meter Cost for Class**			**1,821,021**	**871**	**601,252**	**140,821**	**3,774**	**2,567,739**			

D6

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Customer Deposits and Advances; Uncollectible Accounts

Line	Class	Revenue	Deposits	Net Write-offs
1	Residential	3,689,870	34,216	103,050
2	Space Heating	5,029	47	140
3	GLP-1	1,074,408	93,714	3,935
4	GLP-3	902,540	78,723	3,306
5		5,671,847	206,700	110,432
6				
7	Residential / Res plus SH)	99.9%		
8	GLP1 / GLP1 plus GLP3)	54.3%		
9				

10		Residential- Net	Non-Residential- Net	Total
11	2024	24,287	645	24,932
12	2023	20,270	0	20,270
13	2022	16,138	2,291	18,429
14	2021	25,496	(6,726)	18,770
15	2020	16,999	11,032	28,030
16		103,191	7,241	110,432
17		93.4%	6.6%	100.0%
18				

19	**Deposits**	
20	Residential	34,263
21	Non-residential	172,438
22		206,700
23		

Index
Index
Inp
Index

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Index to Class Cost of Service Study

Line	SCHEDULE	DESCRIPTION
1	E	Index to Class Cost of Service Study
2	E-1	Summary of Results
3	E-1A	Class Allocations- Total
4	E-1B	Revenue Requirement By Functional Classification
5	E-1C	Customer-Related Costs In Revenue Requirement
6	E-2	Funtionalization
7	E-3	Classification
8	E-4A	Class Allocation- Primary Demand
9	E-4B	Class Allocation- Secondary Demand
10	E-4C	Class Allocation- Secondary Customer
11	E-4D	Class Allocation- Billing Customer
12	E-5A	Allocator Assignments
13	E-5B	Functionalization Factors
14	E-5C	Classification Factors
15	E-5D	Class Allocation Factors

Sum
Summary of Results
Tot
E-1

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Summary of Results

Line	Account	No.	Balance	RS	SH	GLP-1	GLP-3	MBL	OL
1	Distribution Revenue		6,055,143	3,903,746	8,741	1,092,138	909,143	26,151	115,224
2	Forfeited Discounts		29,586	19,074	43	5,336	4,442	128	563
3	Other Revenue	302	74,278	48,754	105	11,479	13,439	104	397
4	**Total Revenue**	303	6,159,007	3,971,574	8,889	1,108,954	927,024	26,383	116,184
5									
6	Expenses		5,908,629	3,997,072	7,448	912,930	840,465	55,471	95,242
7	Net income		250,378	(25,498)	1,441	196,023	86,559	(29,088)	20,942
8									
9	Rate Base		17,092,345	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
10									
11	Return on Rate Base		1.46%	(0.22%)	6.84%	7.64%	3.72%	(10.29%)	4.72%
12	Relative		*1.00*	*(0.15)*	*4.67*	*5.22*	*2.54*	*(7.02)*	*3.22*
13	Revenue Requirement		7,953,532	5,378,415	9,910	1,210,150	1,116,877	91,104	147,076
14									
15	Operating expenses		4,008,123	2,759,857	4,759	611,123	549,775	30,969	51,640
16	Depreciation expense		1,409,998	918,048	2,007	216,554	219,018	21,005	33,364
17	Regulatory Commission Expenses		63,038	42,233	78	9,460	8,587	1,043	1,638
18	General taxes / Other		85,704	57,084	111	12,971	12,198	1,296	2,044
19	Uncollectibles expense		30,900	19,921	45	5,573	4,639	133	588
20	GRT		463,130	313,269	576	70,456	64,858	5,349	8,622
21			6,060,893	4,110,413	7,576	926,137	859,076	59,795	97,896
22	Pre-tax income		1,892,639	1,268,002	2,334	284,013	257,801	31,309	49,180
23	Income taxes		441,499	295,789	545	66,252	60,138	7,303	11,472
24	Net income		1,451,140	972,213	1,790	217,761	197,663	24,005	37,708
25									
26	Return on Rate Base		8.49%	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%
27									
28	Revenue Increase Required		1,794,524	1,406,841	1,021	101,196	189,853	64,721	30,892
29	Revenue Increase %		29.64%	36.04%	11.68%	9.27%	20.88%	247.49%	26.81%

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	Organization	302	0	.	0	0	0	0	0	0
4	EDI Software	303	0	.	0	0	0	0	0	0
5	Total INTANGIBLE Plant		0	.	0	0	0	0	0	0
6										
7	**C. TRANSMISSION PLANT**									
8	Transmission Plant	361	0	.	0	0	0	0	0	0
9	Total TRANSMISSION Plant	350-359	0	.	0	0	0	0	0	0
10										
11	**D. DISTRIBUTION PLANT**									
12	Land and Land Rights	360	21,453	.	13,110	35	3,119	5,141	10	38
13	Station Equipment	362	776,412	.	474,468	1,277	112,873	186,053	358	1,383
14	Poles, Towers and Fixtures	364	4,934,235	.	3,252,103	6,960	732,855	928,114	3,593	10,610
15	OH Conductors and Devices	365	9,866,317	.	6,491,927	14,035	1,466,136	1,866,043	7,084	21,091
16	UG Conduits and Conductors	366	4,063,329	.	2,819,190	5,433	621,625	604,009	3,496	9,575
17	Line Transformers	368	3,430,881	.	1,461,574	15,748	616,716	1,311,723	5,168	19,953
18	Services	369	4,949,542	.	4,113,442	1,947	790,384	34,164	9,605	0
19	Meters	370	1,798,757	.	1,277,542	611	421,810	98,793	0	0
20	Street Lighting	373	820,118	.	0	0	0	0	321,975	498,143
21	Total DISTRIBUTION Plant	360-373	30,661,045	.	19,903,356	46,047	4,765,519	5,034,040	351,290	560,794
22										
23	**E. GENERAL PLANT**									
24	General Plant	389	4,280,032	.	2,973,006	4,823	649,360	547,406	39,793	65,644
25	Communication Equip	398	428,037	.	297,324	482	64,941	54,745	3,980	6,565
26	Total GENERAL Plant	389-399	4,708,069	.	3,270,330	5,305	714,301	602,150	43,772	72,209
27										
28	**TOTAL UTILITY PLANT**		35,369,114	.	23,173,687	51,352	5,479,820	5,636,190	395,062	633,003
29										

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
30	**II. DEPRECIATION RESERVE**									
31	Intangible Plant	108.3	0	.	0	0	0	0	0	0
32	Transmission Plant	108.5	0	.	0	0	0	0	0	0
33	Station Equipment	108.5	763,782	.	466,749	1,256	111,037	183,026	352	1,361
34	Poles, Towers and Fixtures	108.6	3,612,745	.	2,381,123	5,096	536,582	679,546	2,631	7,768
35	OH Conductors and Devices	108.6	2,888,827	.	1,900,816	4,109	429,280	546,372	2,074	6,175
36	UG Conduits and Conductors	108.6	2,587,766	.	1,795,426	3,460	395,887	384,668	2,226	6,098
37	Line Transformers	108.6	2,598,828	.	1,107,115	11,929	467,150	993,605	3,915	15,114
38	Services	108.6	2,261,922	.	1,879,827	890	361,203	15,613	4,390	0
39	Meters	108.6	102,702	.	72,943	35	24,084	5,641	0	0
40	Street Lighting	108.6	170,989	.	0	0	0	0	67,129	103,859
41	General Plant	108.6	3,202,220	.	2,224,334	3,609	485,836	409,556	29,772	49,113
35	Total DEPRECIATION RESERVE	108	18,189,781	.	11,828,333	30,384	2,811,059	3,218,027	112,489	189,489
42										
43	**III. OTHER RATE BASE ITEMS**									
44	Cash Working Capital	131	495,661	.	340,990	590	75,660	68,029	3,884	6,509
45	CWIP	131	0	.	0	0	0	0	0	0
45	Materials & Supplies	255	303,686	.	208,921	361	46,356	41,680	2,380	3,988
46	Customer Deposits		(299,385)	.	(49,558)	(68)	(135,736)	(114,023)	0	0
47	ADIT / EDIT	154	(336,658)	.	(220,577)	(489)	(52,159)	(53,648)	(3,760)	(6,025)
48	Accrued Pension / OPEB	182	(250,291)	.	(173,858)	(282)	(37,974)	(32,012)	(2,327)	(3,839)
49	Total OTHER RATE BASE ITEMS	131-283	(86,988)	.	105,917	113	(103,854)	(89,973)	177	633
50										
51	**TOTAL RATE BASE**		17,092,345	.	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
52										

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
53	**I. OPERATING AND MAINTENANCE EXPENSES**									
54	**B. TRANSMISSION EXPENSE**									
55	Transmission Expense		0	.	0	0	0	0	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0
57										
58	**C. DISTRIBUTION OPER. & MAINT. E**									
59	Ops Supv & Engineering	580	154,958	.	101,051	206	23,608	25,521	1,736	2,836
60	Station Expenses	582	14,046	.	8,584	23	2,042	3,366	6	25
61	OH Line Expenses	583	242,072	.	159,281	344	35,972	45,784	174	517
62	Street Lighting Expenses	585	5,137	.	0	0	0	0	2,017	3,120
63	Meter Expenses	586	50,712	.	36,018	17	11,892	2,785	0	0
64	Customer Installation Expenses	587	56,416	.	46,944	23	8,821	326	101	202
65	Misc. Distribution Expenses	588	495,254	.	332,183	730	75,281	85,633	355	1,072
66	Rents	589	525	.	370	1	82	71	0	1
67	Maint Supv & Engineering	590	0	.	0	0	0	0	0	0
68	Maint of Station Equip	592	17,209	.	10,517	28	2,502	4,124	8	31
69	Maint of OH Lines	593	826,836	.	544,049	1,176	122,868	156,382	594	1,768
70	Maint of UG Lines	594	14,827	.	10,287	20	2,268	2,204	13	35
71	Maint of Line Transformers	595	27,468	.	11,701	126	4,937	10,502	41	160
72	Maint of Lighting	596	24,187	.	0	0	0	0	9,496	14,691
73	Maint of Misc. Plant	599	0	.	0	0	0	0	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	1,929,647	.	1,260,983	2,695	290,273	336,697	14,541	24,458
75	Distribution Expense		1,929,647		1,260,983	2,695	290,273	336,697	14,541	24,458
76	**D. CUSTOMER ACCOUNTS AND SERVICE**									
77	Supervision	901	0	.	0	0	0	0	0	0
78	Meter Reading Exp	902	26,000	.	18,466	9	6,097	1,428	0	0
79	Customer Records & Coll	903	492,479	.	409,789	203	77,001	2,844	880	1,761
80	Uncollectible Accounts	904	30,900	.	19,921	45	5,573	4,639	133	588
81	Subtotal - Customer Accounts Exp.	901-905	549,379	.	448,177	257	88,671	8,912	1,014	2,349
82	Total CUST. ACCT. & SERV. EXP.	901-919	549,379	.	448,177	257	88,671	8,912	1,014	2,349
83										

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
84	**E. ADMINISTRATIVE AND GENERAL**									
85	Administrative & General Salaries	920	884,948	.	614,705	997	134,263	113,183	8,228	13,573
86	Office Supplies & Expenses	921	254,397	.	176,710	287	38,597	32,537	2,365	3,902
87	Outside Services Employed	923	38,110	.	25,582	48	5,907	5,468	421	683
88	Property Insurance	924	11,059	.	7,246	16	1,713	1,762	124	198
89	Injuries and Damages	925	28,907	.	18,940	42	4,479	4,606	323	517
90	Employee Pensions & Benefits	926	8,755	.	6,081	10	1,328	1,120	81	134
91	Regulatory Commission Expense	928	117,187	.	78,511	145	17,585	15,962	1,939	3,045
92	Miscellaneous General Expense	930	114,218	.	76,672	145	17,704	16,388	1,262	2,046
89	Maint General Property	932	165,455	.	108,406	240	25,634	26,366	1,848	2,961
93	Total A&G Expense	920-932	1,623,036	.	1,112,852	1,930	247,211	217,392	16,591	27,059
94										
95	TOTAL OPERATING EXPENSES		4,102,061	.	2,822,012	4,882	626,155	563,001	32,145	53,866
96										
97	**II. DEPRECIATION EXPENSE**									
98	Intangible Plant		0	.	0	0	0	0	0	0
99	Station Equipment	361/362	4,197	.	2,565	7	610	1,006	2	7
100	Poles, Towers and Fixtures	364	196,900	.	129,775	278	29,244	37,036	143	423
101	OH Conductors and Devices	364	380,183	.	250,156	541	56,495	71,905	273	813
102	UG Conduits and Conductors	364	158,473	.	109,951	212	24,244	23,557	136	373
103	Line Transformers	364	133,449	.	56,850	613	23,988	51,021	201	776
104	Services	364	191,856	.	159,447	75	30,637	1,324	372	0
105	Meters	364	70,794	.	50,280	24	16,601	3,888	0	0
106	Street Lighting	364	45,208	.	0	0	0	0	17,749	27,460
107	General Plant	364	228,938	.	159,025	258	34,734	29,281	2,128	3,511
108	Total DEPRECIATION Expense	403	1,409,998	.	918,048	2,007	216,554	219,018	21,005	33,364
109										
110	**III. TAXES and OTHER**									
111	**A. GENERAL TAXES**									
112	Payroll related	408	0	.	0	0	0	0	0	0
113	PURTA, Real estate	408.16	15,062	.	9,869	22	2,334	2,400	168	270
114	PUC Assessment		63,038	.	42,233	78	9,460	8,587	1,043	1,638
115	PA Use Tax	408	7,604	.	4,982	11	1,178	1,212	85	136
116	Subtotal - General Taxes		85,704	.	57,084	111	12,971	12,198	1,296	2,044
117										
118	**B. GROSS RECEIPTS TAX**									
119	Gross Receipts tax		357,253	.	230,321	516	64,436	53,639	1,543	6,798
120	Subtotal- Gross Receipts tax		357,253	.	230,321	516	64,436	53,639	1,543	6,798
121										

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
122	**B. FEDERAL / STATE INCOME TAXES**									
123	State Income Tax Expense		(26,239)	.	(17,192)	(38)	(4,065)	(4,181)	(293)	(470)
124	Federal Income Tax Expense		(20,148)	.	(13,201)	(29)	(3,122)	(3,211)	(225)	(361)
125	Subtotal - Federal / State Income Taxes	409-411	(46,387)	.	(30,393)	(67)	(7,187)	(7,392)	(518)	(830)
126	Total TAXES	408-411	396,570	.	257,012	559	70,221	58,446	2,321	8,012
127										
128	**TOTAL EXPENSES**		5,908,629	.	3,997,072	7,448	912,930	840,465	55,471	95,242
129										
130	**IV. OPERATING REVENUES at Present Rates**									
131	Distribution Revenue		6,055,143	.	3,903,746	8,741	1,092,138	909,143	26,151	115,224
132	Forfeited Discounts		29,586	.	19,074	43	5,336	4,442	128	563
133	Rent For Electric Property		60,240	.	39,704	85	8,947	11,331	44	130
134	Other Electric Revenues		14,038	.	9,050	20	2,532	2,108	61	267
135	Total REVENUES		6,159,007	.	3,971,574	8,889	1,108,954	927,024	26,383	116,184
136										
137	TOTAL EXPENSES		5,908,629	.	3,997,072	7,448	912,930	840,465	55,471	95,242
138	**V. NET INCOME at Present Rates**		250,378	.	(25,498)	1,441	196,023	86,559	(29,088)	20,942
139										
140	**SUMMARY REPORT**									
141	OPERATING REVENUES									
142	Utility Revenues	440-446	6,084,729	.	3,922,820	8,784	1,097,474	913,585	26,278	115,787
143	Other Operating Revenues	450-456	74,278	.	48,754	105	11,479	13,439	104	397
144	Total Operating Revenues		6,159,007	.	3,971,574	8,889	1,108,954	927,024	26,383	116,184
145										
146	OPERATING EXPENSES									
147	Distribution / Transmission	580-599	1,929,647	.	1,260,983	2,695	290,273	336,697	14,541	24,458
148	Customer Acctg & Service	901-919	549,379	.	448,177	257	88,671	8,912	1,014	2,349
149	Admin & General	920-932	1,623,036	.	1,112,852	1,930	247,211	217,392	16,591	27,059
150	Total Operating Expenses		4,102,061	.	2,822,012	4,882	626,155	563,001	32,145	53,866
151										
152	Depreciation Expense	403	1,409,998	.	918,048	2,007	216,554	219,018	21,005	33,364
153	Taxes Other Than Income Tax / Other	408	442,957	.	287,405	626	77,407	65,838	2,839	8,842
154	INCOME BEFORE INCOME TAXES		203,991	.	(55,891)	1,374	188,836	79,167	(29,606)	20,111
155	Income Taxes	409-411	(46,387)	.	(30,393)	(67)	(7,187)	(7,392)	(518)	(830)
156	**NET INCOME**		250,378	.	(25,498)	1,441	196,023	86,559	(29,088)	20,942
157										
158	**RATE BASE**		17,092,345	.	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
159	Return on Rate Base		1.46%							
160										

Total
Class Allocations- Total
Tot
E-1A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance	Check	RS	SH	GLP-1	GLP-3	MBL	OL
161	**REVENUE REQUIREMENTS**									
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%
163										
164	Rate Base		17,092,345	.	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
165										
166	Operating expenses		4,008,123	.	2,759,857	4,759	611,123	549,775	30,969	51,640
167	Uncollectibles expense		30,900	.	19,921	45	5,573	4,639	133	588
168	Depreciation expense		1,409,998	.	918,048	2,007	216,554	219,018	21,005	33,364
169	Regulatory Commission Expenses		63,038	.	42,233	78	9,460	8,587	1,043	1,638
170	General taxes / Other		85,704	.	57,084	111	12,971	12,198	1,296	2,044
171	Subtotal- Operating Costs to recover		5,597,763	.	3,797,144	7,000	855,681	794,218	54,446	89,274
172										
173	Target Return on Rate Base- After taxes		1,451,140		972,213	1,790	217,761	197,663	24,005	37,708
174										
175	Income taxes to recover		441,499	.	295,789	545	66,252	60,138	7,303	11,472
176										
177	Subtotal- Rev Req before GRT		7,490,401	.	5,065,145	9,334	1,139,694	1,052,018	85,755	138,455
178	GRT needed		463,130	.	313,269	576	70,456	64,858	5,349	8,622
179	**TOTAL REVENUE REQUIREMENT**		7,953,532	.	5,378,415	9,910	1,210,150	1,116,877	91,104	147,076
180										
181	Revenue at Present rates		6,159,007		3,971,574	8,889	1,108,954	927,024	26,383	116,184
182	Revenue Excess (Deficiency)		(1,794,524)		(1,406,841)	(1,021)	(101,196)	(189,853)	(64,721)	(30,892)

FuncClass
Reven
Tot
E-1B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026

Revenue Requirement By Functional Classification

	Account Description	Total Dollars	RS	SH	GLP-1	GLP-3	MBL	OL
1	**Demand-related**							
2	Primary	3,643,018	2,228,045	5,979	529,743	869,856	2,171	7,224
3	Secondary	838,756	495,355	2,457	143,464	193,505	871	3,104
4		4,481,774	2,723,400	8,436	673,206	1,063,361	3,042	10,329
5	NCP-Primary	1	1	0	0	0	0	0
6	Per kW / month-Demand	$373,485.01	$371,381.53	$427,472.53	$385,898.93	$369,794.36	$549,277.69	$483,038.64
7								
8	kWh-Meter	161,944,081	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869
9	Per kWh-Meter	$0.02767	$0.03107	$0.04645	$0.02474	$0.02282	$0.04027	$0.04829
10								
11	**Customer-related**							
12	Secondary	1,780,567	1,306,975	657	248,065	12,538	83,698	128,633
13	Billing	1,691,191	1,348,039	817	288,879	40,978	4,364	8,115
14		3,471,758	2,655,015	1,474	536,944	53,516	88,062	136,748
15	Number of Bills	87,264	72,612	36	13,644	504	156	312
16	Per bill	$39.78	$36.56	$40.94	$39.35	$106.18	$564.50	$438.29
17								
18	Total revenue requirement	7,953,532	5,378,415	9,910	1,210,150	1,116,877	91,104	147,076
	Secondary Per kW / month-Demand	$69,897.07	$67,550.07	$124,517.51	$82,236.96	$67,293.26	$157,214.45	$145,175.63

Customer
Custor
Tot
E-1C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026

Customer-Related Costs In Revenue Requirement

	Account Description	FERC	Total Dollars	RS	SH	GLP-1	GLP-3	MBL	OL
1	Services, cost	Acct 369	4,949,542	4,113,442	1,947	790,384	34,164	9,605	0
2	Services, Acc Depr	Portion Acct 108	(2,261,922)	(1,879,827)	(890)	(361,203)	(15,613)	(4,390)	0
3	Meters, cost	Acct 370	1,798,757	1,277,542	611	421,810	98,793	0	0
4	Meters, Acc Depr	Portion Acct 108	(102,702)	(72,943)	(35)	(24,084)	(5,641)	0	0
5	Transformers, cost	Acct 368	3,430,881	1,461,574	15,748	616,716	1,311,723	5,168	19,953
6	Transformers, Acc Depr	Portion Acct 108	(2,598,828)	(1,107,115)	(11,929)	(467,150)	(993,605)	(3,915)	(15,114)
7	ADIT	Portion Acct 154	(74,560)	(59,745)	(27)	(13,268)	(1,417)	(103)	0
8	Service / Meter/ Trnsf Rate Base		5,141,169	3,732,928	5,425	963,206	428,404	6,366	4,839
9	Rate of return on rate base		8.49%	8.49%	8.49%	8.49%	8.49%	8.49%	8.49%
10	Return on Service / Meter rate base		436,485	316,926	461	81,776	36,372	540	411
11	Income tax gross-up		132,797	96,422	140	24,880	11,066	164	125
12	GRT gross-up		35,197	25,565	37	6,593	2,925	44	33
13	Customer-charge return component		604,480	438,913	638	113,249	50,362	749	569
14									
15	Meter expenses	Acct 586	50,712	36,018	17	11,892	2,785	0	0
16	Customer installatins expense	Acct 587	56,416	46,944	23	8,821	326	101	202
17	Meter reading expenses	Acct 902	26,000	18,466	9	6,097	1,428	0	0
18	Customer records and collection	Acct 903	492,479	409,789	203	77,001	2,844	880	1,761
19	Service / Meter / EDI depreciation exp	Portion Acct 403	262,650	209,727	100	47,238	5,212	372	0
20	Labor-related		174,841	143,009	67	28,697	1,884	402	781
21	Customer-charge expense component		1,063,098	863,953	419	179,746	14,480	1,756	2,743
22									
23	Customer-charge expense component		1,667,577	1,302,866	1,056	292,996	64,842	2,505	3,313
24									
25	Number of Bills		87,264	72,612	36	13,644	504	156	312
26									
27	**Customer-charge Components**		**$19.11**	**$17.94**	**$29.35**	**$21.47**	**$128.65**	**$16.06**	**$10.62**
28									
29	Distribution Plant in Service- Cost		30,661,045	19,903,356	46,047	4,765,519	5,034,040	351,290	560,794
30	Services / Meters % of Distribution Plant		22.0%	27.1%	5.6%	25.4%	2.6%	2.7%	0.0%
31	ADIT		(336,658)	(220,577)	(489)	(52,159)	(53,648)	(3,760)	(6,025)
32									
33	Income tax gross-up		30.42%	30.42%	30.42%	30.42%	30.42%	30.42%	30.42%
34	GRT gross-up		6.18%	6.18%	6.17%	6.18%	6.17%	6.24%	6.23%

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply 1	Trans- 2	SubTrans- 3	Primary 4	Secondary 5	Billing 6		Labor	Labor %
1	**I. ELECTRIC PLANT IN SERVICE**												
2	INTANGIBLE PLANT												
3	Organization	302	0	DistPt	0	0	0	0	0	0	-		
4	EDI Software	303	0	Bill	0	0	0	0	0	0	-		
5	Total INTANGIBLE Plant		0		0	0	0	0	0	0	-		
6													
7	**C. TRANSMISSION PLANT**										-		
8	Transmission Plant	361	0	Tran	0	0	0	0	0	0	-		
9	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0	-		
10													
11	**D. DISTRIBUTION PLANT**												
12	Land and Land Rights	360	21,453	Prim	0	0	0	21,453	0	0	-		
13	Station Equipment	362	776,412	Prim	0	0	0	776,412	0	0	-		
14	Poles, Towers and Fixtures	364	4,934,235	OH_Cond	0	0	0	3,718,703	1,215,532	0	-		
15	OH Conductors and Devices	365	9,866,317	OH_Cond	0	0	0	7,435,783	2,430,534	0	-		
16	UG Conduits and Conductors	366	4,063,329	UG_Cond	0	0	0	1,998,888	2,064,441	0	-		
17	Line Transformers	368	3,430,881	Trans	0	0	0	0	3,430,881	0	-		
18	Services	369	4,949,542	Sec	0	0	0	0	4,949,542	0	-		
19	Meters	370	1,798,757	Bill	0	0	0	0	0	1,798,757	-		
20	Street Lighting	373	820,118	Sec	0	0	0	0	820,118	0	-		
21	Total DISTRIBUTION Plant	360-373	30,661,045		0	0	0	13,951,239	14,911,049	1,798,757	-		
22													
23	**E. GENERAL PLANT**												
24	General Plant	389	4,280,032	Labor	0	0	0	1,934,196	964,320	1,381,516	-		
25	Communication Equip	398	428,037	Labor	0	0	0	193,435	96,440	138,163	-		
26	Total GENERAL Plant	389-399	4,708,069		0	0	0	2,127,631	1,060,759	1,519,678	-		
27													
28	**TOTAL UTILITY PLANT**		35,369,114		0	0	0	16,078,870	15,971,808	3,318,436	-		
29													

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply	Trans-	SubTrans-	Primary	Secondary	Billing		Labor	Labor %
					1	2	3	4	5	6			
30	**II. DEPRECIATION RESERVE**												
31	Intangible Plant	108.3	0	IntanPt	0	0	0	0	0	0	-		
32	Transmission Plant	108.5	0	Tran	0	0	0	0	0	0	-		
33	Station Equipment	108.5	763,782	Prim	0	0	0	763,782	0	0	-		
34	Poles, Towers and Fixtures	108.6	3,612,745	OH_Cond	0	0	0	2,722,758	889,988	0	-		
35	OH Conductors and Devices	108.6	2,888,827	OH_Cond	0	0	0	2,177,174	711,653	0	-		
36	UG Conduits and Conductors	108.6	2,587,766	UG_Cond	0	0	0	1,273,009	1,314,757	0	-		
37	Line Transformers	108.6	2,598,828	Trans	0	0	0	0	2,598,828	0	-		
38	Services	108.6	2,261,922	Sec	0	0	0	0	2,261,922	0	-		
39	Meters	108.6	102,702	Bill	0	0	0	0	0	102,702	-		
40	Street Lighting	108.6	170,989	Sec	0	0	0	0	170,989	0	-		
41	General Plant	108.6	3,202,220	GenPtxL	0	0	0	1,447,121	721,481	1,033,618	-		
35	Total DEPRECIATION RESERVE	108	18,189,781		0	0	0	8,383,843	8,669,618	1,136,320	-		
42													
43	**III. OTHER RATE BASE ITEMS**												
44	Cash Working Capital	131	495,661	OpExp_Dist	0	0	0	230,613	118,178	146,870	-		
45	CWIP	131	0	Plant	0	0	0	0	0	0	-		
45	Materials & Supplies	255	303,686	OpExp_Dist	0	0	0	141,294	72,406	89,985	-		
46	Customer Deposits		(299,385)	Bill	0	0	0	0	0	(299,385)	-		
47	ADIT / EDIT	154	(336,658)	Plant	0	0	0	(153,046)	(152,027)	(31,586)	-		
48	Accrued Pension / OPEB	182	(250,291)	Labor	0	0	0	(113,110)	(56,392)	(80,789)	-		
49	Total OTHER RATE BASE ITEMS	131-283	(86,988)		0	0	0	105,752	(17,835)	(174,906)	-		
50													
51	**TOTAL RATE BASE**		17,092,345		0	0	0	7,800,779	7,284,356	2,007,210	-		
52			17,092,345										

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply 1	Trans- 2	SubTrans- 3	Primary 4	Secondary 5	Billing 6		Labor	Labor %
53	**I. OPERATING AND MAINTENANCE EXPENSES**												
54	**B. TRANSMISSION EXPENSE**												
55	Transmission Expense		0	Tran	0	0	0	0	0	0	-	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0			
57													
58	**C. DISTRIBUTION OPER. & MAINT. EXPENSE**												
59	Ops Supv & Engineering	580	154,958	D-Labor-Op	0	0	0	90,712	44,073	20,172	-	65,639	42.36%
60	Station Expenses	582	14,046	Prim	0	0	0	14,046	0	0	-	8,446	60.13%
61	OH Line Expenses	583	242,072	OH_Cond	0	0	0	182,438	59,634	0	-	106,207	43.87%
62	Street Lighting Expenses	585	5,137	Sec	0	0	0	0	5,137	0	-	2,438	47.47%
63	Meter Expenses	586	50,712	Bill	0	0	0	0	0	50,712	-	18,234	35.96%
64	Customer Installation Expenses	587	56,416	Bill	0	0	0	0	0	56,416	-	16,746	29.68%
65	Misc. Distribution Expenses	588	495,254	OH_UG	0	0	0	292,188	203,066	0	-	116,645	23.55%
66	Rents	589	525	DistPt	0	0	0	239	255	31	-	0	0.00%
67	Maint Supv & Engineering	590	0	None	0	0	0	0	0	0	-	0	0.00%
68	Maint of Station Equip	592	17,209	Prim	0	0	0	17,209	0	0	-	1,134	6.59%
69	Maint of OH Lines	593	826,836	OH_Cond	0	0	0	623,148	203,688	0	-	142,193	17.20%
70	Maint of UG Lines	594	14,827	UG_Cond	0	0	0	7,294	7,533	0	-	6,923	46.70%
71	Maint of Line Transformers	595	27,468	Trans	0	0	0	0	27,468	0	-	9,440	34.37%
72	Maint of Lighting	596	24,187	Sec	0	0	0	0	24,187	0	-	10,192	42.14%
73	Maint of Misc. Plant	599	0	DistPt	0	0	0	0	0	0	-	0	0.00%
74	Total DISTR. OPER. & MAINT. EXP.	500-599	1,929,647		0	0	0	1,227,274	575,041	127,331	-	504,238	
75	Distribution Expense		1,929,647		0	0	0	1,227,274	575,041	127,331	-		
76	**D. CUSTOMER ACCOUNTS AND SERVICE**												
77	Supervision	901	0	None	0	0	0	0	0	0	-	0	0.00%
78	Meter Reading Exp	902	26,000	Bill	0	0	0	0	0	26,000	-	0	0.00%
79	Customer Records & Coll	903	492,479	Bill	0	0	0	0	0	492,479	-	176,064	35.75%
80	Uncollectible Accounts	904	30,900	Bill	0	0	0	0	0	30,900	-	0	0.00%
81	Subtotal - Customer Accounts Exp.	901-905	549,379		0	0	0	0	0	549,379	-	176,064	
82	Total CUST. ACCT. & SERV. EXP.	901-919	549,379		0	0	0	0	0	549,379	-	176,064	
83												680,301	

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply	Trans-	SubTrans-	Primary	Secondary	Billing		Labor	Labor %
					1	2	3	4	5	6			
84	**E. ADMINISTRATIVE AND GENERAL**												
85	Administrative & General Salaries	920	884,948	Labor	0	0	0	399,918	199,385	285,645	-		
86	Office Supplies & Expenses	921	254,397	Labor	0	0	0	114,965	57,317	82,115	-		
87	Outside Services Employed	923	38,110	Labor_Pt	0	0	0	17,274	12,898	7,938	-		
88	Property Insurance	924	11,059	Plant	0	0	0	5,027	4,994	1,038	-		
89	Injuries and Damages	925	28,907	Plant	0	0	0	13,141	13,054	2,712	-		
90	Employee Pensions & Benefits	926	8,755	Labor	0	0	0	3,956	1,973	2,826	-		
91	Regulatory Commission Expense	928	117,187	Bill	0	0	0	0	0	117,187	-		
92	Miscellaneous General Expense	930	114,218	Labor_Pt	0	0	0	51,770	38,656	23,792	-		
89	Maint General Property	932	165,455	Plant	0	0	0	75,216	74,716	15,524	-		
93	Total A&G Expense	920-932	1,623,036		0	0	0	681,268	402,992	538,776	-		
94													
95	TOTAL OPERATING EXPENSES		4,102,061		0	0	0	1,908,543	978,033	1,215,485	-		
96													
97	**II. DEPRECIATION EXPENSE**												
98	Intangible Plant	0	0	Bill	0	0	0	0	0	0	-		
99	Station Equipment	361/362	4,197	Prim	0	0	0	4,197	0	0	-		
100	Poles, Towers and Fixtures	364	196,900	OH_Cond	0	0	0	148,394	48,506	0	-		
101	OH Conductors and Devices	364	380,183	OH_Cond	0	0	0	286,526	93,657	0	-		
102	UG Conduits and Conductors	364	158,473	UG_Cond	0	0	0	77,958	80,515	0	-		
103	Line Transformers	364	133,449	Trans	0	0	0	0	133,449	0	-		
104	Services	364	191,856	Sec	0	0	0	0	191,856	0	-		
105	Meters	364	70,794	Bill	0	0	0	0	0	70,794	-		
106	Street Lighting	364	45,208	Sec	0	0	0	0	45,208	0	-		
107	General Plant	364	228,938	GenPtxL	0	0	0	103,460	51,581	73,897	-		
108	Total DEPRECIATION Expense	403	1,409,998		0	0	0	620,535	644,772	144,691	-		
109													
110	**III. TAXES and OTHER**												
111	**A. GENERAL TAXES**												
112	Payroll related	408.3	0	None	0	0	0	0	0	0	-		
113	PURTA, Real estate	408.16	15,062	Plant	0	0	0	6,847	6,802	1,413	-		
114	PUC Assessment		63,038	RateBase	0	0	0	28,770	26,865	7,403	-		
115	PA Use Tax	408.1	7,604	Plant	0	0	0	3,457	3,434	713	-		
116	Subtotal - General Taxes		85,704		0	0	0	39,074	37,101	9,529	-		
117													
118	**B. GROSS RECEIPTS TAX**												
119	Gross Receipts tax		357,253	GRT_RevxT	0	0	0	162,713	115,635	78,905	-		
120	Subtotal- Gross Receipts tax		357,253		0	0	0	162,713	115,635	78,905	-		
121													

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply	Trans-	SubTrans-	Primary	Secondary	Billing		Labor	Labor %
					1	2	3	4	5	6			
122	**B. FEDERAL / STATE INCOME TAXES**												
123	State Income Tax Expense		(26,239)	StaTax	0	0	0	(7,922)	(18,317)	0	-		
124	Federal Income Tax Expense		(20,148)	FedTax	0	0	0	(6,083)	(14,065)	0	-		
125	Subtotal - Federal / State Income Taxes	409-411	(46,387)		0	0	0	(14,006)	(32,381)	0	-		
126	Total TAXES	408-411	396,570		0	0	0	187,781	120,355	88,435	-		
127													
128	**TOTAL EXPENSES**		5,908,629		0	0	0	2,716,859	1,743,160	1,448,611	-		
129													
130	**IV. OPERATING REVENUES at Present Rates**												
131	Distribution Revenue		6,055,143	DistBill_RR-PF	0	0	0	2,771,324	1,969,494	1,314,325	-		
132	Forfeited Discounts		29,586	Bill	0	0	0	0	0	29,586	-		
133	Rent For Electric Property		60,240	OH_Cond	0	0	0	45,400	14,840	0	-		
134	Other Electric Revenues		14,038	DistBill_RR-PF	0	0	0	6,425	4,566	3,047	-		
135	Total REVENUES		6,159,007		0	0	0	2,823,149	1,988,900	1,346,958	-		
136													
137	TOTAL EXPENSES		5,908,629		0	0	0	2,716,859	1,743,160	1,448,611	-		
138	**V. NET INCOME at Present Rates**		250,378		0	0	0	106,291	245,741	(101,653)	-		
139			250,378										
140	**SUMMARY REPORT**												
141	OPERATING REVENUES												
142	Utility Revenues	440-446	6,084,729		0	0	0	2,771,324	1,969,494	1,343,911	-		
143	Other Operating Revenues	450-456	74,278		0	0	0	51,825	19,406	3,047	-		
144	Total Operating Revenues		6,159,007		0	0	0	2,823,149	1,988,900	1,346,958	-		
145													
146	OPERATING EXPENSES												
147	Distribution / Transmission	580-599	1,929,647		0	0	0	1,227,274	575,041	127,331	-		
148	Customer Acctg & Service	901-919	549,379		0	0	0	0	0	549,379	-		
149	Admin & General	920-932	1,623,036		0	0	0	681,268	402,992	538,776	-		
150	Total Operating Expenses		4,102,061		0	0	0	1,908,543	978,033	1,215,485	-		
151													
152	Depreciation Expense	403	1,409,998		0	0	0	620,535	644,772	144,691	-		
153	Taxes Other Than Income Tax / Other	408	442,957		0	0	0	201,787	152,736	88,435	-		
154	INCOME BEFORE INCOME TAXES		203,991		0	0	0	92,285	213,359	(101,653)	-		
155	Income Taxes	409-411	(46,387)		0	0	0	(14,006)	(32,381)	0	-		
156	**NET INCOME**		250,378		0	0	0	106,291	245,741	(101,653)	-		
157													
158	**RATE BASE**		17,092,345		0	0	0	7,800,779	7,284,356	2,007,210	-		
159	Return on Rate Base		1.5%		-	-	-	1.4%	3.4%	(5.1%)			
160													

Functions
Funtionalization
Fnc
E-2

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Supply	Trans-	SubTrans-	Primary	Secondary	Billing		Labor	Labor %
					1	2	3	4	5	6			
161	**REVENUE REQUIREMENTS**												
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%			
163													
164	Rate Base		17,092,345		0	0	0	7,800,779	7,284,356	2,007,210	-		
165											-		
166	Operating expenses		4,008,123		0	0	0	1,879,773	951,168	1,177,183	-		
167	Uncollectibles expense		30,900	BILL	0	0	0	0	0	30,900	-		
168	Depreciation expense		1,409,998		0	0	0	620,535	644,772	144,691	-		
169	Regulatory Commission Expenses		63,038	Plant	0	0	0	28,770	26,865	7,403	-		
170	General taxes / Other		85,704		0	0	0	39,074	37,101	9,529	-		
171	Subtotal- Operating Costs to recover		5,597,763		0	0	0	2,568,151	1,659,906	1,369,706	-		
172													
173	Target Return on Rate Base- After taxes		1,451,140		0	0	0	662,286	618,442	170,412	-		
174													
175	Income taxes to recover		441,499	30.42%	0	0	0	201,496	188,156	51,847	-		
176				23.33%									
177	Subtotal- Rev Req before GRT		7,490,401		0	0	0	3,431,933	2,466,504	1,591,964	-		
178	GRT needed		463,130	6.24%	0	0	0	211,085	152,819	99,226	-		
179	**TOTAL REVENUE REQUIREMENT**		7,953,532		0	0	0	3,643,018	2,619,323	1,691,191	-		
180													
181	Revenue at Present rates		6,159,007		0	0	0	2,823,149	1,988,900	1,346,958	-		
182	Revenue Excess (Deficiency)		(1,794,524)		0	0	0	(819,869)	(630,423)	(344,233)	-		
183													

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
			1		1	3
1	**I. ELECTRIC PLANT IN SERVICE**					
2	INTANGIBLE PLANT					
3	Organization	302	0	Sec-Pt	0	0
4	EDI Software	303	0	Customer	0	0
5	Total INTANGIBLE Plant		0		0	0
6						
7	**C. TRANSMISSION PLANT**					
8	Transmission Plant	361	0	None	0	0
9	Total TRANSMISSION Plant	350-359	0		0	0
10						
11	**D. DISTRIBUTION PLANT**					
12	Land and Land Rights	360	0	None	0	0
13	Station Equipment	362	0	None	0	0
14	Poles, Towers and Fixtures	364	1,215,532	PTF-Sec-Z	234,698	980,835
15	OH Conductors and Devices	365	2,430,534	OH-Sec-Z	549,317	1,881,217
16	UG Conduits and Conductors	366	2,064,441	UG-Sec-Z	885,449	1,178,992
17	Line Transformers	368	3,430,881	Demand	3,430,881	0
18	Services	369	4,949,542	Customer	0	4,949,542
19	Meters	370	0	None	0	0
20	Street Lighting	373	820,118	Customer	0	820,118
21	Total DISTRIBUTION Plant	360-373	14,911,049		5,100,346	9,810,703
22						
23	**E. GENERAL PLANT**					
24	General Plant	389	964,320	Sec-Lab	368,320	596,000
25	Communication Equip	398	96,440	Sec-Lab	36,835	59,605
26	Total GENERAL Plant	389-399	1,060,759		405,155	655,605
27						
28	**TOTAL UTILITY PLANT**		15,971,808		5,505,500	10,466,308
29						

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
			1		1	3
30	**II. DEPRECIATION RESERVE**					
31	Intangible Plant	108.3	0	Sec-Pt	0	0
32	Transmission Plant	108.5	0	None	0	0
33	Station Equipment	108.5	0	None	0	0
34	Poles, Towers and Fixtures	108.6	889,988	PTF-Sec-Z	171,841	718,147
35	OH Conductors and Devices	108.6	711,653	OH-Sec-Z	160,838	550,814
36	UG Conduits and Conductors	108.6	1,314,757	UG-Sec-Z	563,906	750,851
37	Line Transformers	108.6	2,598,828	Demand	2,598,828	0
38	Services	108.6	2,261,922	Customer	0	2,261,922
39	Meters	108.6	0	None	0	0
40	Street Lighting	108.6	170,989	Customer	0	170,989
41	General Plant	108.6	721,481	Sec-GenPt	275,568	445,913
35	Total DEPRECIATION RESERVE	108	8,669,618		3,770,982	4,898,636
42						
43	**III. OTHER RATE BASE ITEMS**					
44	Cash Working Capital	131	118,178	Sec-OpExp	44,674	73,503
45	CWIP	131	0	Sec-Pt	0	0
45	Materials & Supplies	255	72,406	Sec-OpExp	27,372	45,035
46	Customer Deposits		0	None	0	0
47	ADIT / EDIT	154	(152,027)	Sec-Pt	(52,404)	(99,623)
48	Accrued Pension / OPEB	182	(56,392)	Sec-Lab	(21,539)	(34,853)
49	Total OTHER RATE BASE ITEMS	131-283	(17,835)		(1,897)	(15,938)
50						
51	**TOTAL RATE BASE**		7,284,356		1,732,622	5,551,734
52						
53	**I. OPERATING AND MAINTENANCE EXPENSE**					

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
			1		1	1
54	**B. TRANSMISSION EXPENSE**					
55	Transmission Expense		0	None	0	0
56	Total TRANSMISSION Expense		0		0	0
57						
58	**C. DISTRIBUTION OPER. & MAINT. EX**					
59	Ops Supv & Engineering	580	44,073	Sec-Lab	16,834	27,240
60	Station Expenses	582	0	None	0	0
61	OH Line Expenses	583	59,634	OH-Sec-Z	13,478	46,156
62	Street Lighting Expenses	585	5,137	Customer	0	5,137
63	Meter Expenses	586	0	None	0	0
64	Customer Installation Expenses	587	0	None	0	0
65	Misc. Distribution Expenses	588	203,066	Sec-OH_UG	113,084	89,982
66	Rents	589	255	Sec-Pt	88	167
67	Maint Supv & Engineering	590	0	Sec-Lab	0	0
68	Maint of Station Equip	592	0	None	0	0
69	Maint of OH Lines	593	203,688	OH-Sec-Z	46,035	157,653
70	Maint of UG Lines	594	7,533	UG-Sec-Z	3,231	4,302
71	Maint of Line Transformers	595	27,468	Demand	27,468	0
72	Maint of Lighting	596	24,187	Customer	0	24,187
73	Maint of Misc. Plant	599	0	Sec-Pt	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	575,041		220,217	354,824
75	Distribution Expense		575,041		220,217	354,824
76	**D. CUSTOMER ACCOUNTS AND SERVICE**					
77	Supervision	901	0	None	0	0
78	Meter Reading Exp	902	0	None	0	0
79	Customer Records & Coll	903	0	None	0	0
80	Uncollectible Accounts	904	0	None	0	0
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0
82	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0
83						

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
84	**E. ADMINISTRATIVE AND GENERAL**					
85	Administrative & General Salaries	920	199,385	Sec-Lab	76,155	123,230
86	Office Supplies & Expenses	921	57,317	Sec-Lab	21,892	35,425
87	Outside Services Employed	923	12,898	Sec-LabPt	4,686	8,212
88	Property Insurance	924	4,994	Sec-Pt	1,721	3,273
89	Injuries and Damages	925	13,054	Sec-Pt	4,500	8,554
90	Employee Pensions & Benefits	926	1,973	Sec-Lab	753	1,219
91	Regulatory Commission Expense	928	0	Sec-Pt	0	0
92	Miscellaneous General Expense	930	38,656	Sec-LabPt	14,045	24,611
89	Maint General Property	932	74,716	Sec-Pt	25,755	48,961
93	Total A&G Expense	920-932	402,992		149,507	253,485
94						
95	TOTAL OPERATING EXPENSES		978,033		369,724	608,310
96						
97	**II. DEPRECIATION EXPENSE**					
98	Intangible Plant		0	None	0	0
99	Station Equipment	361/362	0	None	0	0
100	Poles, Towers and Fixtures	364	48,506	PTF-Sec-Z	9,366	39,140
101	OH Conductors and Devices	364	93,657	OH-Sec-Z	21,167	72,490
102	UG Conduits and Conductors	364	80,515	UG-Sec-Z	34,533	45,982
103	Line Transformers	364	133,449	Demand	133,449	0
104	Services	364	191,856	Customer	0	191,856
105	Meters	364	0	None	0	0
106	Street Lighting	364	45,208	Customer	0	45,208
107	General Plant	364	51,581	Sec-GenPt	19,701	31,880
108	Total DEPRECIATION Expense	403	644,772		218,217	426,555
109						
110	**III. TAXES and OTHER**					
111	**A. GENERAL TAXES**					
112	Payroll related	408	0	None	0	0
113	PURTA, Real estate	408.16	6,802	Sec-Pt	2,345	4,457
114	PUC Assessment		26,865	Sec-RB	6,390	20,475
115	PA Use Tax	408	3,434	Sec-Pt	1,184	2,250
116	Subtotal - General Taxes		37,101		9,918	27,182
117						
118	**B. GROSS RECEIPTS TAX**					
119	Gross Receipts tax		115,635	Sec-Rev	37,911	77,724
120	Subtotal- Gross Receipts tax		115,635		37,911	77,724
121						

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
			1		1	3
122	**B. FEDERAL / STATE INCOME TAXES**					
123	State Income Tax Expense		(18,317)	Sec-StaTax	(1,227)	(17,090)
124	Federal Income Tax Expense		(14,065)	Sec-FedTax	(942)	(13,122)
125	Subtotal - Federal / State Income Taxes	409-411	(32,381)		(2,169)	(30,212)
126	Total TAXES	408-411	120,355		45,660	74,695
127						
128	**TOTAL EXPENSES**		1,743,160		633,600	1,109,560
129						
130	**IV. OPERATING REVENUES at Present Rates**					
131	Distribution Revenue		1,969,494	Sec-RetRRPF	645,700	1,323,794
132	Forfeited Discounts		0	Sec-RetRRPF	0	0
133	Rent For Electric Property		14,840	PTF-Sec-Z	2,865	11,975
134	Other Electric Revenues		4,566	Sec-RetRRPF	1,497	3,069
135	Total REVENUES		1,988,900		650,062	1,338,838
136						
137	TOTAL EXPENSES		1,743,160		633,600	1,109,560
138	**V. NET INCOME at Present Rates**		245,741		16,462	229,278
139						
140	**SUMMARY REPORT**					
141	OPERATING REVENUES					
142	Utility Revenues	440-446	1,969,494		645,700	1,323,794
143	Other Operating Revenues	450-456	19,406		4,362	15,044
144	Total Operating Revenues		1,988,900		650,062	1,338,838
145						
146	OPERATING EXPENSES					
147	Distribution / Transmission	580-599	575,041		220,217	354,824
148	Customer Acctg & Service	901-919	0		0	0
149	Admin & General	920-932	402,992		149,507	253,485
150	Total Operating Expenses		978,033		369,724	608,310
151						
152	Depreciation Expense	403	644,772		218,217	426,555
153	Taxes Other Than Income Tax / Other	408	152,736		47,829	104,907
154	INCOME BEFORE INCOME TAXES		213,359		14,293	199,066
155	Income Taxes	409-411	(32,381)		(2,169)	(30,212)
156	**NET INCOME**		245,741		16,462	229,278
157						
158	**RATE BASE**		7,284,356		1,732,622	5,551,734
159	Return on Rate Base					

Classify
Classification
Cls
E-3

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Classification

Line	Account	No.	Secondary	Allocator	Demand	Customer
160						
161	**REVENUE REQUIREMENTS**					
162	Target Rate of Return		8.4900%		8.4900%	8.4900%
163						
164	Rate Base		7,284,356		1,732,622	5,551,734
165						
166	Operating expenses		951,168		363,333	587,834
167	Uncollectibles expense		0	None	0	0
168	Depreciation expense		644,772		218,217	426,555
169	Regulatory Commission Expenses		26,865	Sec-Pt	6,390	20,475
170	General taxes / Other		37,101		9,918	27,182
171	Subtotal- Operating Costs to recover		1,659,906		597,858	1,062,047
172						
173	Target Return on Rate Base- After taxes		618,442		147,100	471,342
174						
175	Income taxes to recover	30.42%	188,156		44,754	143,402
176						
177	Subtotal- Rev Req before GRT		2,466,504		789,712	1,676,792
178	GRT needed	6.24%	152,819		49,044	103,775
179	**TOTAL REVENUE REQUIREMENT**		2,619,323		838,756	1,780,567
180						

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	Organization	302	0	PriD-Pt	0	0	0	0	0	0
4	EDI Software	303	0	PriD-Lab	0	0	0	0	0	0
5	Total INTANGIBLE Plant		0		0	0	0	0	0	0
6										
7	**C. TRANSMISSION PLANT**									
8	Transmission Plant	361	0	None	0	0	0	0	0	0
9	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0
10										
11	**D. DISTRIBUTION PLANT**									
12	Land and Land Rights	360	21,453	NCP-Prim	13,110	35	3,119	5,141	10	38
13	Station Equipment	362	776,412	NCP-Prim	474,468	1,277	112,873	186,053	358	1,383
14	Poles, Towers and Fixtures	364	3,718,703	NCP-Prim	2,272,510	6,116	540,616	891,118	1,716	6,626
15	OH Conductors and Devices	365	7,435,783	NCP-Prim	4,544,028	12,229	1,080,997	1,781,847	3,432	13,250
16	UG Conduits and Conductors	366	1,998,888	NCP-Prim	1,221,526	3,287	290,594	478,996	923	3,562
17	Line Transformers	368	0	None	0	0	0	0	0	0
18	Services	369	0	None	0	0	0	0	0	0
19	Meters	370	0	None	0	0	0	0	0	0
20	Street Lighting	373	0	None	0	0	0	0	0	0
21	Total DISTRIBUTION Plant	360-373	13,951,239		8,525,642	22,945	2,028,198	3,343,155	6,439	24,860
22										
23	**E. GENERAL PLANT**									
24	General Plant	389	1,934,196	PriD-Lab	1,181,993	3,181	281,189	463,494	893	3,447
25	Communication Equip	398	193,435	PriD-Lab	118,209	318	28,121	46,353	89	345
26	Total GENERAL Plant	389-399	2,127,631		1,300,202	3,499	309,310	509,847	982	3,791
27										
28	**TOTAL UTILITY PLANT**		16,078,870		9,825,844	26,444	2,337,509	3,853,002	7,421	28,651
29										

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
30	**II. DEPRECIATION RESERVE**									
31	Intangible Plant	108.3	0	NCP-Prim	0	0	0	0	0	0
32	Transmission Plant	108.5	0	None	0	0	0	0	0	0
33	Station Equipment	108.5	763,782	NCP-Prim	466,749	1,256	111,037	183,026	352	1,361
34	Poles, Towers and Fixtures	108.6	2,722,758	NCP-Prim	1,663,885	4,478	395,828	652,458	1,257	4,852
35	OH Conductors and Devices	108.6	2,177,174	NCP-Prim	1,330,477	3,581	316,512	521,719	1,005	3,880
36	UG Conduits and Conductors	108.6	1,273,009	NCP-Prim	777,939	2,094	185,067	305,053	588	2,268
37	Line Transformers	108.6	0	None	0	0	0	0	0	0
38	Services	108.6	0	None	0	0	0	0	0	0
39	Meters	108.6	0	None	0	0	0	0	0	0
40	Street Lighting	108.6	0	None	0	0	0	0	0	0
41	General Plant	108.6	1,447,121	PriD-Lab	884,340	2,380	210,379	346,776	668	2,579
35	Total DEPRECIATION RESERVE	108	8,383,843		5,123,391	13,788	1,218,824	2,009,032	3,869	14,939
42										
43	**III. OTHER RATE BASE ITEMS**									
44	Cash Working Capital	131	230,613	PriD-OpExp	140,928	379	33,526	55,262	106	411
45	CWIP	131	0	PriD-Pt	0	0	0	0	0	0
45	Materials & Supplies	255	141,294	PriD-OpExp	86,345	232	20,541	33,859	65	252
46	Customer Deposits		0	None	0	0	0	0	0	0
47	ADIT / EDIT	154	(153,046)	PriD-Pt	(93,527)	(252)	(22,249)	(36,675)	(71)	(273)
48	Accrued Pension / OPEB	182	(113,110)	PriD-Lab	(69,122)	(186)	(16,444)	(27,105)	(52)	(202)
49	Total OTHER RATE BASE ITEMS	131-283	105,752		64,626	174	15,374	25,342	49	188
50										
51	**TOTAL RATE BASE**		7,800,779		4,767,079	12,830	1,134,059	1,869,312	3,600	13,900
52										

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
53	**I. OPERATING AND MAINTENANCE EXPENSES**									
54	**B. TRANSMISSION EXPENSE**									
55	Transmission Expense		0	None	0	0	0	0	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0
57										
58	**C. DISTRIBUTION OPER. & MAINT. E**									
59	Ops Supv & Engineering	580	90,712	PriD-Lab	55,435	149	13,188	21,738	42	162
60	Station Expenses	582	14,046	NCP-Prim	8,584	23	2,042	3,366	6	25
61	OH Line Expenses	583	182,438	NCP-Prim	111,489	300	26,522	43,718	84	325
62	Street Lighting Expenses	585	0	None	0	0	0	0	0	0
63	Meter Expenses	586	0	None	0	0	0	0	0	0
64	Customer Installation Expenses	587	0	None	0	0	0	0	0	0
65	Misc. Distribution Expenses	588	292,188	NCP-Prim	178,557	481	42,478	70,017	135	521
66	Rents	589	239	NCP-Prim	146	0	35	57	0	0
67	Maint Supv & Engineering	590	0	PriD-Lab	0	0	0	0	0	0
68	Maint of Station Equip	592	17,209	NCP-Prim	10,517	28	2,502	4,124	8	31
69	Maint of OH Lines	593	623,148	NCP-Prim	380,807	1,025	90,592	149,326	288	1,110
70	Maint of UG Lines	594	7,294	NCP-Prim	4,457	12	1,060	1,748	3	13
71	Maint of Line Transformers	595	0	None	0	0	0	0	0	0
72	Maint of Lighting	596	0	None	0	0	0	0	0	0
73	Maint of Misc. Plant	599	0	NCP-Prim	0	0	0	0	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	1,227,274		749,991	2,018	178,418	294,093	566	2,187
75	Distribution Expense		1,227,274		749,991	2,018	178,418	294,093	566	2,187
76	**D. CUSTOMER ACCOUNTS AND SERVICE**									
77	Supervision	901	0	None	0	0	0	0	0	0
78	Meter Reading Exp	902	0	None	0	0	0	0	0	0
79	Customer Records & Coll	903	0	None	0	0	0	0	0	0
80	Uncollectible Accounts	904	0	None	0	0	0	0	0	0
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0	0	0	0	0
82	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0	0	0	0	0
83										

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
84	**E. ADMINISTRATIVE AND GENERAL**									
85	Administrative & General Salaries	920	399,918	PriD-Lab	244,391	658	58,139	95,833	185	713
86	Office Supplies & Expenses	921	114,965	PriD-Lab	70,255	189	16,713	27,549	53	205
87	Outside Services Employed	923	17,274	PriD-LabPt	10,556	28	2,511	4,139	8	31
88	Property Insurance	924	5,027	PriD-Pt	3,072	8	731	1,205	2	9
89	Injuries and Damages	925	13,141	PriD-Pt	8,031	22	1,910	3,149	6	23
90	Employee Pensions & Benefits	926	3,956	PriD-Lab	2,418	7	575	948	2	7
91	Regulatory Commission Expense	928	0	PriD-Pt	0	0	0	0	0	0
92	Miscellaneous General Expense	930	51,770	PriD-LabPt	31,637	85	7,526	12,406	24	92
89	Maint General Property	932	75,216	PriD-Pt	45,965	124	10,935	18,024	35	134
93	Total A&G Expense	920-932	681,268		416,325	1,120	99,041	163,253	314	1,214
94										
95	TOTAL OPERATING EXPENSES		1,908,543		1,166,316	3,139	277,459	457,347	881	3,401
96										
97	**II. DEPRECIATION EXPENSE**									
98	Intangible Plant		0	None	0	0	0	0	0	0
99	Station Equipment	361/362	4,197	NCP-Prim	2,565	7	610	1,006	2	7
100	Poles, Towers and Fixtures	364	148,394	NCP-Prim	90,684	244	21,573	35,560	68	264
101	OH Conductors and Devices	364	286,526	NCP-Prim	175,097	471	41,654	68,661	132	511
102	UG Conduits and Conductors	364	77,958	NCP-Prim	47,641	128	11,333	18,681	36	139
103	Line Transformers	364	0	None	0	0	0	0	0	0
104	Services	364	0	None	0	0	0	0	0	0
105	Meters	364	0	None	0	0	0	0	0	0
106	Street Lighting	364	0	None	0	0	0	0	0	0
107	General Plant	364	103,460	PriD-Lab	63,224	170	15,041	24,792	48	184
108	Total DEPRECIATION Expense	403	620,535		379,211	1,021	90,212	148,700	286	1,106
109										
110	**III. TAXES and OTHER**									
111	**A. GENERAL TAXES**									
112	Payroll related	408	0	None	0	0	0	0	0	0
113	PURTA, Real estate	408.16	6,847	PriD-Pt	4,184	11	995	1,641	3	12
114	PUC Assessment		28,770	RateBase	19,275	35	4,317	3,919	476	748
115	PA Use Tax	408	3,457	PriD-Pt	2,112	6	503	828	2	6
116	Subtotal - General Taxes		39,074		25,572	52	5,815	6,388	481	766
117										
118	**B. GROSS RECEIPTS TAX**									
119	Gross Receipts tax		162,713	Dist_Rev	104,901	235	29,348	24,430	703	3,096
120	Subtotal- Gross Receipts tax		162,713		104,901	235	29,348	24,430	703	3,096
121										

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
122	**B. FEDERAL / STATE INCOME TAXES**									
123	State Income Tax Expense		(7,922)	PreTax-Sta	(5,191)	(12)	(1,227)	(1,262)	(88)	(142)
124	Federal Income Tax Expense		(6,083)	PreTax-Fed	(3,986)	(9)	(943)	(969)	(68)	(109)
125	Subtotal - Federal / State Income Taxes	409-411	(14,006)		(9,177)	(20)	(2,170)	(2,232)	(156)	(251)
126	Total TAXES	408-411	187,781		121,296	267	32,993	28,586	1,027	3,612
127										
128	**TOTAL EXPENSES**		2,716,859		1,666,823	4,426	400,664	634,633	2,194	8,118
129										
130	**IV. OPERATING REVENUES at Present Rates**									
131	Distribution Revenue		2,771,324	Dist_Rev	1,786,671	4,001	499,851	416,098	11,969	52,736
132	Forfeited Discounts		0	Write-Offs	0	0	0	0	0	0
133	Rent For Electric Property		45,400	NCP-Prim	27,744	75	6,600	10,879	21	81
134	Other Electric Revenues		6,425	Dist_Rev	4,142	9	1,159	965	28	122
135	Total REVENUES		2,823,149		1,818,557	4,085	507,610	427,941	12,017	52,939
136										
137	TOTAL EXPENSES		2,716,859		1,666,823	4,426	400,664	634,633	2,194	8,118
138	**V. NET INCOME at Present Rates**		106,291		151,734	(342)	106,945	(206,691)	9,823	44,821
139										
140	**SUMMARY REPORT**									
141	OPERATING REVENUES									
142	Utility Revenues	440-446	2,771,324		1,786,671	4,001	499,851	416,098	11,969	52,736
143	Other Operating Revenues	450-456	51,825		31,886	84	7,759	11,844	49	203
144	Total Operating Revenues		2,823,149		1,818,557	4,085	507,610	427,941	12,017	52,939
145										
146	OPERATING EXPENSES									
147	Distribution / Transmission	580-599	1,227,274		749,991	2,018	178,418	294,093	566	2,187
148	Customer Acctg & Service	901-919	0		0	0	0	0	0	0
149	Admin & General	920-932	681,268		416,325	1,120	99,041	163,253	314	1,214
150	Total Operating Expenses		1,908,543		1,166,316	3,139	277,459	457,347	881	3,401
151										
152	Depreciation Expense	403	620,535		379,211	1,021	90,212	148,700	286	1,106
153	Taxes Other Than Income Tax / Other	408	201,787		130,473	287	35,163	30,818	1,183	3,862
154	INCOME BEFORE INCOME TAXES		92,285		142,558	(362)	104,776	(208,923)	9,667	44,570
155	Income Taxes	409-411	(14,006)		(9,177)	(20)	(2,170)	(2,232)	(156)	(251)
156	**NET INCOME**		106,291		151,734	(342)	106,945	(206,691)	9,823	44,821
157										
158	**RATE BASE**		7,800,779		4,767,079	12,830	1,134,059	1,869,312	3,600	13,900
159	Return on Rate Base		1.36%							
160										

PrimDem
Class Allocation- Primary Demand
CAl
E-4A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
161	**REVENUE REQUIREMENTS**									
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%
163										
164	Rate Base		7,800,779		4,767,079	12,830	1,134,059	1,869,312	3,600	13,900
165										
166	Operating expenses		1,879,773		1,147,041	3,103	273,142	453,428	405	2,653
167	Uncollectibles expense		0	None	0	0	0	0	0	0
168	Depreciation expense		620,535		379,211	1,021	90,212	148,700	286	1,106
169	Regulatory Commission Expenses		28,770	PriD-Pt	19,275	35	4,317	3,919	476	748
170	General taxes / Other		39,074		25,572	52	5,815	6,388	481	766
171	Subtotal- Operating Costs to recover		2,568,151		1,571,098	4,212	373,487	612,434	1,648	5,273
172										
173	Target Return on Rate Base- After taxes		662,286		404,725	1,089	96,282	158,705	306	1,180
174										
175	Income taxes to recover		201,496	30.42%	123,135	331	29,293	48,285	93	359
176										
177	Subtotal- Rev Req before GRT		3,431,933		2,098,958	5,632	499,061	819,424	2,047	6,812
178	GRT needed		211,085	6.24%	129,087	347	30,681	50,433	125	413
179	**TOTAL REVENUE REQUIREMENT**		3,643,018		2,228,045	5,979	529,743	869,856	2,171	7,224
180										
181	Revenue at Present rates		2,823,149		1,818,557	4,085	507,610	427,941	12,017	52,939
182	Revenue Excess (Deficiency)		(819,869)		(409,488)	(1,894)	(22,133)	(441,915)	9,846	45,715

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	Organization	302	0	SecD-Pt	0	0	0	0	0	0
4	EDI Software	303	0	SecD-Lab	0	0	0	0	0	0
5	Total INTANGIBLE Plant		0		0	0	0	0	0	0
6										
7	**C. TRANSMISSION PLANT**									
8	Transmission Plant	361	0	None	0	0	0	0	0	0
9	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0
10										
11	**D. DISTRIBUTION PLANT**									
12	Land and Land Rights	360	0	None	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0
14	Poles, Towers and Fixtures	364	234,698	NCP-Sec	163,444	440	38,882	31,331	123	477
15	OH Conductors and Devices	365	549,317	NCP-Sec	382,547	1,030	91,006	73,331	289	1,115
16	UG Conduits and Conductors	366	885,449	NCP-Sec	616,630	1,660	146,693	118,203	466	1,798
17	Line Transformers	368	3,430,881	NCP-Ltr	1,461,574	15,748	616,716	1,311,723	5,168	19,953
18	Services	369	0	None	0	0	0	0	0	0
19	Meters	370	0	None	0	0	0	0	0	0
20	Street Lighting	373	0	None	0	0	0	0	0	0
21	Total DISTRIBUTION Plant	360-373	5,100,346		2,624,195	18,877	893,296	1,534,589	6,046	23,343
22										
23	**E. GENERAL PLANT**									
24	General Plant	389	368,320	SecD-Lab	238,212	874	61,972	65,997	260	1,004
25	Communication Equip	398	36,835	SecD-Lab	23,823	87	6,198	6,600	26	100
26	Total GENERAL Plant	389-399	405,155		262,036	961	68,170	72,598	286	1,104
27										
28	**TOTAL UTILITY PLANT**		5,505,500		2,886,231	19,838	961,466	1,607,186	6,332	24,447
29										

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
30	**II. DEPRECIATION RESERVE**									
31	Intangible Plant	108.3	0	NCP-Sec	0	0	0	0	0	0
32	Transmission Plant	108.5	0	None	0	0	0	0	0	0
33	Station Equipment	108.5	0	None	0	0	0	0	0	0
34	Poles, Towers and Fixtures	108.6	171,841	NCP-Sec	119,671	322	28,469	22,940	90	349
35	OH Conductors and Devices	108.6	160,838	NCP-Sec	112,008	301	26,646	21,471	85	327
36	UG Conduits and Conductors	108.6	563,906	NCP-Sec	392,706	1,057	93,422	75,279	297	1,145
37	Line Transformers	108.6	2,598,828	NCP-Ltr	1,107,115	11,929	467,150	993,605	3,915	15,114
38	Services	108.6	0	None	0	0	0	0	0	0
39	Meters	108.6	0	None	0	0	0	0	0	0
40	Street Lighting	108.6	0	None	0	0	0	0	0	0
41	General Plant	108.6	275,568	SecD-Lab	178,225	654	46,366	49,378	195	751
35	Total DEPRECIATION RESERVE	108	3,770,982		1,909,725	14,263	662,054	1,162,673	4,581	17,686
42										
43	**III. OTHER RATE BASE ITEMS**									
44	Cash Working Capital	131	44,674	SecD-OpExp	28,604	109	7,532	8,271	33	126
45	CWIP	131	0	SecD-Pt	0	0	0	0	0	0
45	Materials & Supplies	255	27,372	SecD-OpExp	17,525	67	4,615	5,068	20	77
46	Customer Deposits		0	None	0	0	0	0	0	0
47	ADIT / EDIT	154	(52,404)	SecD-Pt	(27,472)	(189)	(9,152)	(15,298)	(60)	(233)
48	Accrued Pension / OPEB	182	(21,539)	SecD-Lab	(13,930)	(51)	(3,624)	(3,859)	(15)	(59)
49	Total OTHER RATE BASE ITEMS	131-283	(1,897)		4,727	(64)	(629)	(5,818)	(23)	(89)
50										
51	**TOTAL RATE BASE**		1,732,622		981,232	5,511	298,783	438,695	1,728	6,673
52										

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
53	**I. OPERATING AND MAINTENANCE EXPENSES**									
54	**B. TRANSMISSION EXPENSE**									
55	Transmission Expense		0	None	0	0	0	0	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0
57										
58	**C. DISTRIBUTION OPER. & MAINT. E**									
59	Ops Supv & Engineering	580	16,834	SecD-Lab	10,887	40	2,832	3,016	12	46
60	Station Expenses	582	0	None	0	0	0	0	0	0
61	OH Line Expenses	583	13,478	NCP-Sec	9,386	25	2,233	1,799	7	27
62	Street Lighting Expenses	585	0	None	0	0	0	0	0	0
63	Meter Expenses	586	0	None	0	0	0	0	0	0
64	Customer Installation Expenses	587	0	None	0	0	0	0	0	0
65	Misc. Distribution Expenses	588	113,084	NCP-Sec	78,752	212	18,735	15,096	59	230
66	Rents	589	88	NCP-Sec	61	0	15	12	0	0
67	Maint Supv & Engineering	590	0	None	0	0	0	0	0	0
68	Maint of Station Equip	592	0	None	0	0	0	0	0	0
69	Maint of OH Lines	593	46,035	NCP-Sec	32,059	86	7,627	6,145	24	93
70	Maint of UG Lines	594	3,231	NCP-Sec	2,250	6	535	431	2	7
71	Maint of Line Transformers	595	27,468	NCP-Ltr	11,701	126	4,937	10,502	41	160
72	Maint of Lighting	596	0	None	0	0	0	0	0	0
73	Maint of Misc. Plant	599	0	NCP-Sec	0	0	0	0	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	220,217		145,097	496	36,914	37,002	146	563
75	Distribution Expense		220,217		145,097	496	36,914	37,002	146	563
76	**D. CUSTOMER ACCOUNTS AND SERVICE**									
77	Supervision	901	0	None	0	0	0	0	0	0
78	Meter Reading Exp	902	0	None	0	0	0	0	0	0
79	Customer Records & Coll	903	0	None	0	0	0	0	0	0
80	Uncollectible Accounts	904	0	None	0	0	0	0	0	0
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0	0	0	0	0
82	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0	0	0	0	0
83										

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
84	**E. ADMINISTRATIVE AND GENERAL**									
85	Administrative & General Salaries	920	76,155	SecD-Lab	49,253	181	12,813	13,646	54	208
86	Office Supplies & Expenses	921	21,892	SecD-Lab	14,159	52	3,684	3,923	15	60
87	Outside Services Employed	923	4,686	SecD-LabPt	2,744	14	803	1,104	4	17
88	Property Insurance	924	1,721	SecD-Pt	902	6	301	503	2	8
89	Injuries and Damages	925	4,500	SecD-Pt	2,359	16	786	1,314	5	20
90	Employee Pensions & Benefits	926	753	SecD-Lab	487	2	127	135	1	2
91	Regulatory Commission Expense	928	0	SecD-Pt	0	0	0	0	0	0
92	Miscellaneous General Expense	930	14,045	SecD-LabPt	8,223	42	2,408	3,308	13	50
89	Maint General Property	932	25,755	SecD-Pt	13,502	93	4,498	7,518	30	114
93	Total A&G Expense	920-932	149,507		91,629	406	25,419	31,450	124	478
94										
95	TOTAL OPERATING EXPENSES		369,724		236,726	901	62,333	68,452	270	1,041
96										
97	**II. DEPRECIATION EXPENSE**									
98	Intangible Plant		0	None	0	0	0	0	0	0
99	Station Equipment	361/362	0	None	0	0	0	0	0	0
100	Poles, Towers and Fixtures	364	9,366	NCP-Sec	6,522	18	1,552	1,250	5	19
101	OH Conductors and Devices	364	21,167	NCP-Sec	14,741	40	3,507	2,826	11	43
102	UG Conduits and Conductors	364	34,533	NCP-Sec	24,049	65	5,721	4,610	18	70
103	Line Transformers	364	133,449	NCP-Ltr	56,850	613	23,988	51,021	201	776
104	Services	364	0	None	0	0	0	0	0	0
105	Meters	364	0	None	0	0	0	0	0	0
106	Street Lighting	364	0	None	0	0	0	0	0	0
107	General Plant	364	19,701	SecD-Lab	12,742	47	3,315	3,530	14	54
108	Total DEPRECIATION Expense	403	218,217		114,904	781	38,082	63,238	249	962
109										
110	**III. TAXES and OTHER**									
111	**A. GENERAL TAXES**									
112	Payroll related	408	0	SecD-Lab	0	0	0	0	0	0
113	PURTA, Real estate	408.16	2,345	SecD-Pt	1,229	8	409	684	3	10
114	PUC Assessment		6,390	RateBase	4,281	8	959	870	106	166
115	PA Use Tax	408	1,184	SecD-Pt	621	4	207	346	1	5
116	Subtotal - General Taxes		9,918		6,131	21	1,575	1,900	110	182
117										
118	**B. GROSS RECEIPTS TAX**									
119	Gross Receipts tax		37,911	Dist_Rev	24,441	55	6,838	5,692	164	721
120	Subtotal- Gross Receipts tax		37,911		24,441	55	6,838	5,692	164	721
121										

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
122	**B. FEDERAL / STATE INCOME TAXES**									
123	State Income Tax Expense		(1,227)	PreTax-Sta	(804)	(2)	(190)	(196)	(14)	(22)
124	Federal Income Tax Expense		(942)	PreTax-Fed	(617)	(1)	(146)	(150)	(11)	(17)
125	Subtotal - Federal / State Income Taxes	409-411	(2,169)		(1,421)	(3)	(336)	(346)	(24)	(39)
126	Total TAXES	408-411	45,660		29,151	72	8,077	7,247	249	864
127										
128	**TOTAL EXPENSES**		633,600		380,781	1,755	108,492	138,936	768	2,867
129										
130	**IV. OPERATING REVENUES at Present Rates**									
131	Distribution Revenue		645,700	Dist_Rev	416,282	932	116,462	96,948	2,789	12,287
132	Forfeited Discounts		0	Write-Offs	0	0	0	0	0	0
133	Rent For Electric Property		2,865	NCP-Sec	1,995	5	475	383	2	6
134	Other Electric Revenues		1,497	Dist_Rev	965	2	270	225	6	28
135	Total REVENUES		650,062		419,243	940	117,207	97,555	2,797	12,321
136										
137	TOTAL EXPENSES		633,600		380,781	1,755	108,492	138,936	768	2,867
138	**V. NET INCOME at Present Rates**		16,462		38,462	(815)	8,714	(41,381)	2,028	9,454
139										
140	**SUMMARY REPORT**									
141	OPERATING REVENUES									
142	Utility Revenues	440-446	645,700		416,282	932	116,462	96,948	2,789	12,287
143	Other Operating Revenues	450-456	4,362		2,961	8	745	607	8	34
144	Total Operating Revenues		650,062		419,243	940	117,207	97,555	2,797	12,321
145										
146	OPERATING EXPENSES									
147	Distribution / Transmission	580-599	220,217		145,097	496	36,914	37,002	146	563
148	Customer Acctg & Service	901-919	0		0	0	0	0	0	0
149	Admin & General	920-932	149,507		91,629	406	25,419	31,450	124	478
150	Total Operating Expenses		369,724		236,726	901	62,333	68,452	270	1,041
151										
152	Depreciation Expense	403	218,217		114,904	781	38,082	63,238	249	962
153	Taxes Other Than Income Tax / Other	408	47,829		30,572	75	8,413	7,592	273	903
154	INCOME BEFORE INCOME TAXES		14,293		37,040	(818)	8,378	(41,727)	2,004	9,415
155	Income Taxes	409-411	(2,169)		(1,421)	(3)	(336)	(346)	(24)	(39)
156	**NET INCOME**		16,462		38,462	(815)	8,714	(41,381)	2,028	9,454
157										
158	**RATE BASE**		1,732,622		981,232	5,511	298,783	438,695	1,728	6,673
159	Return on Rate Base		0.95%							
160										

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
161	**REVENUE REQUIREMENTS**									
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%
163										
164	Rate Base		1,732,622		981,232	5,511	298,783	438,695	1,728	6,673
165										
166	Operating expenses		363,333		232,445	893	61,374	67,582	164	875
167	Uncollectibles expense		0	None	0	0	0	0	0	0
168	Depreciation expense		218,217		114,904	781	38,082	63,238	249	962
169	Regulatory Commission Expenses		6,390	SecD-Pt	4,281	8	959	870	106	166
170	General taxes / Other		9,918		6,131	21	1,575	1,900	110	182
171	Subtotal- Operating Costs to recover		597,858		357,761	1,703	101,990	133,590	629	2,185
172										
173	Target Return on Rate Base- After taxes		147,100		83,307	468	25,367	37,245	147	567
174										
175	Income taxes to recover		44,754	30.42%	25,345	142	7,718	11,332	45	172
176										
177	Subtotal- Rev Req before GRT		789,712		466,413	2,313	135,075	182,167	820	2,924
178	GRT needed		49,044	6.24%	28,942	144	8,389	11,338	51	180
179	**TOTAL REVENUE REQUIREMENT**		838,756		495,355	2,457	143,464	193,505	871	3,104
180										
181	Revenue at Present rates		650,062		419,243	940	117,207	97,555	2,797	12,321
182	Revenue Excess (Deficiency)		(188,694)		(76,113)	(1,518)	(26,257)	(95,950)	1,926	9,217

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	Organization	302	0	SecC-Pt	0	0	0	0	0	0
4	EDI Software	303	0	SecC-Lab	0	0	0	0	0	0
5	Total INTANGIBLE Plant		0		0	0	0	0	0	0
6										
7	**C. TRANSMISSION PLANT**									
8	Transmission Plant	361	0	None	0	0	0	0	0	0
9	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0
10										
11	**D. DISTRIBUTION PLANT**									
12	Land and Land Rights	360	0	None	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0
14	Poles, Towers and Fixtures	364	980,835	Avg-Cust	816,148	405	153,357	5,665	1,753	3,507
15	OH Conductors and Devices	365	1,881,217	Avg-Cust	1,565,352	776	294,134	10,865	3,363	6,726
16	UG Conduits and Conductors	366	1,178,992	Avg-Cust	981,034	486	184,339	6,809	2,108	4,215
17	Line Transformers	368	0	Avg-Cust-Sec	0	0	0	0	0	0
18	Services	369	4,949,542	Services_Cost	4,113,442	1,947	790,384	34,164	9,605	0
19	Meters	370	0	None	0	0	0	0	0	0
20	Street Lighting	373	820,118	StLgt-Cost	0	0	0	0	321,975	498,143
21	Total DISTRIBUTION Plant	360-373	9,810,703		7,475,976	3,614	1,422,214	57,503	338,805	512,591
22										
23	**E. GENERAL PLANT**									
24	General Plant	389	596,000	SecC-Lab	420,642	209	79,040	2,920	36,425	56,765
25	Communication Equip	398	59,605	SecC-Lab	42,067	21	7,905	292	3,643	5,677
26	Total GENERAL Plant	389-399	655,605		462,709	229	86,944	3,212	40,068	62,442
27										
28	**TOTAL UTILITY PLANT**		10,466,308		7,938,686	3,843	1,509,159	60,715	378,873	575,033
29										

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
30	**II. DEPRECIATION RESERVE**									
31	Intangible Plant	108.3	0	SecC-IntPt	0	0	0	0	0	0
32	Transmission Plant	108.5	0	None	0	0	0	0	0	0
33	Station Equipment	108.5	0	None	0	0	0	0	0	0
34	Poles, Towers and Fixtures	108.6	718,147	Avg-Cust	597,567	296	112,285	4,148	1,284	2,568
35	OH Conductors and Devices	108.6	550,814	Avg-Cust	458,330	227	86,122	3,181	985	1,969
36	UG Conduits and Conductors	108.6	750,851	Avg-Cust	624,780	310	117,398	4,337	1,342	2,685
37	Line Transformers	108.6	0	Avg-Cust-Sec	0	0	0	0	0	0
38	Services	108.6	2,261,922	Services_Cost	1,879,827	890	361,203	15,613	4,390	0
39	Meters	108.6	0	None	0	0	0	0	0	0
40	Street Lighting	108.6	170,989	StLgt-Cost	0	0	0	0	67,129	103,859
41	General Plant	108.6	445,913	SecC-Lab	314,714	156	59,136	2,184	27,253	42,470
35	Total DEPRECIATION RESERVE	108	4,898,636		3,875,219	1,879	736,142	29,463	102,382	153,551
42										
43	**III. OTHER RATE BASE ITEMS**									
44	Cash Working Capital	131	73,503	SecC-OpExp	54,420	27	10,241	383	3,296	5,136
45	CWIP	131	0	SecC-Pt	0	0	0	0	0	0
45	Materials & Supplies	255	45,035	SecC-OpExp	33,343	16	6,275	234	2,020	3,147
46	Customer Deposits		0	CustDeposits	0	0	0	0	0	0
47	ADIT / EDIT	154	(99,623)	SecC-Pt	(75,564)	(37)	(14,365)	(578)	(3,606)	(5,473)
48	Accrued Pension / OPEB	182	(34,853)	SecC-Lab	(24,599)	(12)	(4,622)	(171)	(2,130)	(3,320)
49	Total OTHER RATE BASE ITEMS	131-283	(15,938)		(12,399)	(5)	(2,471)	(131)	(421)	(511)
50										
51	**TOTAL RATE BASE**		5,551,734		4,051,068	1,959	770,545	31,121	276,070	420,972
52										

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
53	**I. OPERATING AND MAINTENANCE EXPENSES**									
54	**B. TRANSMISSION EXPENSE**									
55	Transmission Expense		0	None	0	0	0	0	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0
57										
58	**C. DISTRIBUTION OPER. & MAINT. E**									
59	Ops Supv & Engineering	580	27,240	SecC-Lab	19,225	10	3,612	133	1,665	2,594
60	Station Expenses	582	0	None	0	0	0	0	0	0
61	OH Line Expenses	583	46,156	Avg-Cust	38,406	19	7,217	267	83	165
62	Street Lighting Expenses	585	5,137	StLgt-Cost	0	0	0	0	2,017	3,120
63	Meter Expenses	586	0	None	0	0	0	0	0	0
64	Customer Installation Expenses	587	0	None	0	0	0	0	0	0
65	Misc. Distribution Expenses	588	89,982	Avg-Cust	74,874	37	14,069	520	161	322
66	Rents	589	167	Avg-Cust	139	0	26	1	0	1
67	Maint Supv & Engineering	590	0	SecC-Lab	0	0	0	0	0	0
68	Maint of Station Equip	592	0	None	0	0	0	0	0	0
69	Maint of OH Lines	593	157,653	Avg-Cust	131,183	65	24,650	911	282	564
70	Maint of UG Lines	594	4,302	Avg-Cust	3,580	2	673	25	8	15
71	Maint of Line Transformers	595	0	Avg-Cust-Sec	0	0	0	0	0	0
72	Maint of Lighting	596	24,187	StLgt-Cost	0	0	0	0	9,496	14,691
73	Maint of Misc. Plant	599	0	SecC-Pt	0	0	0	0	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	354,824		267,407	133	50,246	1,856	13,710	21,472
75	Distribution Expense		354,824		267,407	133	50,246	1,856	13,710	21,472
76	**D. CUSTOMER ACCOUNTS AND SERVICE**									
77	Supervision	901	0	None	0	0	0	0	0	0
78	Meter Reading Exp	902	0	None	0	0	0	0	0	0
79	Customer Records & Coll	903	0	None	0	0	0	0	0	0
80	Uncollectible Accounts	904	0	None	0	0	0	0	0	0
81	Subtotal - Customer Accounts Exp.	901-905	0		0	0	0	0	0	0
82	Total CUST. ACCT. & SERV. EXP.	901-919	0		0	0	0	0	0	0
83										

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
84	**E. ADMINISTRATIVE AND GENERAL**									
85	Administrative & General Salaries	920	123,230	SecC-Lab	86,973	43	16,342	604	7,531	11,737
86	Office Supplies & Expenses	921	35,425	SecC-Lab	25,002	12	4,698	174	2,165	3,374
87	Outside Services Employed	923	8,212	SecC-LabPt	6,012	3	1,137	44	400	617
88	Property Insurance	924	3,273	SecC-Pt	2,482	1	472	19	118	180
89	Injuries and Damages	925	8,554	SecC-Pt	6,488	3	1,233	50	310	470
90	Employee Pensions & Benefits	926	1,219	SecC-Lab	860	0	162	6	75	116
91	Regulatory Commission Expense	928	0	SecC-Pt	0	0	0	0	0	0
92	Miscellaneous General Expense	930	24,611	SecC-LabPt	18,019	9	3,406	132	1,198	1,848
89	Maint General Property	932	48,961	SecC-Pt	37,137	18	7,060	284	1,772	2,690
93	Total A&G Expense	920-932	253,485		182,974	90	34,510	1,311	13,569	21,031
94										
95	TOTAL OPERATING EXPENSES		608,310		450,380	223	84,757	3,167	27,279	42,504
96										
97	**II. DEPRECIATION EXPENSE**									
98	Intangible Plant		0	SecC-IntPt	0	0	0	0	0	0
99	Station Equipment	361/362	0	None	0	0	0	0	0	0
100	Poles, Towers and Fixtures	364	39,140	Avg-Cust	32,568	16	6,120	226	70	140
101	OH Conductors and Devices	364	72,490	Avg-Cust	60,318	30	11,334	419	130	259
102	UG Conduits and Conductors	364	45,982	Avg-Cust	38,261	19	7,189	266	82	164
103	Line Transformers	364	0	Avg-Cust-Sec	0	0	0	0	0	0
104	Services	364	191,856	Services_Cost	159,447	75	30,637	1,324	372	0
105	Meters	364	0	None	0	0	0	0	0	0
106	Street Lighting	364	45,208	StLgt-Cost	0	0	0	0	17,749	27,460
107	General Plant	364	31,880	SecC-Lab	22,500	11	4,228	156	1,948	3,036
108	Total DEPRECIATION Expense	403	426,555		313,094	152	59,508	2,391	20,351	31,060
109										
110	**III. TAXES and OTHER**									
111	**A. GENERAL TAXES**									
112	Payroll related	408	0	SecC-Lab	0	0	0	0	0	0
113	PURTA, Real estate	408.16	4,457	SecC-Pt	3,381	2	643	26	161	245
114	PUC Assessment		20,475	RateBase	13,718	25	3,073	2,789	339	532
115	PA Use Tax	408	2,250	SecC-Pt	1,707	1	324	13	81	124
116	Subtotal - General Taxes		27,182		18,805	28	4,040	2,828	582	901
117										
118	**B. GROSS RECEIPTS TAX**									
119	Gross Receipts tax		77,724	Dist_Rev	50,109	112	14,019	11,670	336	1,479
120	Subtotal- Gross Receipts tax		77,724		50,109	112	14,019	11,670	336	1,479
121										

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
122	**B. FEDERAL / STATE INCOME TAXES**									
123	State Income Tax Expense		(17,090)	PreTax-Sta	(11,197)	(25)	(2,648)	(2,723)	(191)	(306)
124	Federal Income Tax Expense		(13,122)	PreTax-Fed	(8,598)	(19)	(2,033)	(2,091)	(147)	(235)
125	Subtotal - Federal / State Income Taxes	409-411	(30,212)		(19,795)	(44)	(4,681)	(4,814)	(337)	(541)
126	Total TAXES	408-411	74,695		49,119	96	13,378	9,683	580	1,839
127										
128	**TOTAL EXPENSES**		1,109,560		812,594	470	157,642	15,242	48,210	75,402
129										
130	**IV. OPERATING REVENUES at Present Rates**									
131	Distribution Revenue		1,323,794	Dist_Rev	853,449	1,911	238,767	198,760	5,717	25,191
132	Forfeited Discounts		0	Write-Offs	0	0	0	0	0	0
133	Rent For Electric Property		11,975	Avg-Cust	9,964	5	1,872	69	21	43
134	Other Electric Revenues		3,069	Dist_Rev	1,979	4	554	461	13	58
135	Total REVENUES		1,338,838		865,392	1,920	241,192	199,290	5,752	25,292
136										
137	TOTAL EXPENSES		1,109,560		812,594	470	157,642	15,242	48,210	75,402
138	**V. NET INCOME at Present Rates**		229,278		52,798	1,450	83,550	184,048	(42,458)	(50,110)
139										
140	**SUMMARY REPORT**									
141	OPERATING REVENUES									
142	Utility Revenues	440-446	1,323,794		853,449	1,911	238,767	198,760	5,717	25,191
143	Other Operating Revenues	450-456	15,044		11,943	9	2,426	530	35	101
144	Total Operating Revenues		1,338,838		865,392	1,920	241,192	199,290	5,752	25,292
145										
146	OPERATING EXPENSES									
147	Distribution / Transmission	580-599	354,824		267,407	133	50,246	1,856	13,710	21,472
148	Customer Acctg & Service	901-919	0		0	0	0	0	0	0
149	Admin & General	920-932	253,485		182,974	90	34,510	1,311	13,569	21,031
150	Total Operating Expenses		608,310		450,380	223	84,757	3,167	27,279	42,504
151										
152	Depreciation Expense	403	426,555		313,094	152	59,508	2,391	20,351	31,060
153	Taxes Other Than Income Tax / Other	408	104,907		68,914	140	18,058	14,498	917	2,380
154	INCOME BEFORE INCOME TAXES		199,066		33,003	1,406	78,870	179,234	(42,795)	(50,651)
155	Income Taxes	409-411	(30,212)		(19,795)	(44)	(4,681)	(4,814)	(337)	(541)
156	**NET INCOME**		229,278		52,798	1,450	83,550	184,048	(42,458)	(50,110)
157										
158	**RATE BASE**		5,551,734		4,051,068	1,959	770,545	31,121	276,070	420,972
159	Return on Rate Base		4.13%							
160										

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
161	**REVENUE REQUIREMENTS**									
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%
163										
164	Rate Base		5,551,734		4,051,068	1,959	770,545	31,121	276,070	420,972
165										
166	Operating expenses		587,834		436,663	197	81,684	379	26,940	41,972
167	Uncollectibles expense		0	None	0	0	0	0	0	0
168	Depreciation expense		426,555		313,094	152	59,508	2,391	20,351	31,060
169	Regulatory Commission Expenses		20,475	SecC-Pt	13,718	25	3,073	2,789	339	532
170	General taxes / Other		27,182		18,805	28	4,040	2,828	582	901
171	Subtotal- Operating Costs to recover		1,062,047		782,280	402	148,304	8,386	48,212	74,464
172										
173	Target Return on Rate Base- After taxes		471,342		343,936	166	65,419	2,642	23,438	35,740
174										
175	Income taxes to recover		143,402	30.42%	104,640	51	19,903	804	7,131	10,874
176										
177	Subtotal- Rev Req before GRT		1,676,792		1,230,855	619	233,627	11,832	78,781	121,078
178	GRT needed		103,775	6.24%	76,120	38	14,438	706	4,918	7,555
179	**TOTAL REVENUE REQUIREMENT**		1,780,567		1,306,975	657	248,065	12,538	83,698	128,633
180										
181	Revenue at Present rates		1,338,838		865,392	1,920	241,192	199,290	5,752	25,292
182	Revenue Excess (Deficiency)		(441,729)		(441,584)	1,263	(6,873)	186,752	(77,947)	(103,341)

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	Organization	302	0	Bill-Pt	0	0	0	0	0	0
4	EDI Software	303	0	Avg-Cust	0	0	0	0	0	0
5	Total INTANGIBLE Plant		0		0	0	0	0	0	0
6										
7	**C. TRANSMISSION PLANT**									
8	Transmission Plant	361	0	None	0	0	0	0	0	0
9	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0
10										
11	**D. DISTRIBUTION PLANT**									
12	Land and Land Rights	360	0	None	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0
14	Poles, Towers and Fixtures	364	0	None	0	0	0	0	0	0
15	OH Conductors and Devices	365	0	None	0	0	0	0	0	0
16	UG Conduits and Conductors	366	0	None	0	0	0	0	0	0
17	Line Transformers	368	0	None	0	0	0	0	0	0
18	Services	369	0	None	0	0	0	0	0	0
19	Meters	370	1,798,757	Meter_Cost	1,277,542	611	421,810	98,793	0	0
20	Street Lighting	373	0	StLgt-Cost	0	0	0	0	0	0
21	Total DISTRIBUTION Plant	360-373	1,798,757		1,277,542	611	421,810	98,793	0	0
22										
23	**E. GENERAL PLANT**									
24	General Plant	389	1,381,516	Bill-Lab	1,132,159	560	227,159	14,994	2,215	4,429
25	Communication Equip	398	138,163	Bill-Lab	113,225	56	22,718	1,500	221	443
26	Total GENERAL Plant	389-399	1,519,678		1,245,384	615	249,877	16,494	2,436	4,872
27										
28	**TOTAL UTILITY PLANT**		3,318,436		2,522,926	1,227	671,687	115,287	2,436	4,872
29										

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
30	**II. DEPRECIATION RESERVE**									
31	Intangible Plant	108.3	0	Avg-Cust	0	0	0	0	0	0
32	Transmission Plant	108.5	0	None	0	0	0	0	0	0
33	Station Equipment	108.5	0	None	0	0	0	0	0	0
34	Poles, Towers and Fixtures	108.6	0	None	0	0	0	0	0	0
35	OH Conductors and Devices	108.6	0	None	0	0	0	0	0	0
36	UG Conduits and Conductors	108.6	0	None	0	0	0	0	0	0
37	Line Transformers	108.6	0	None	0	0	0	0	0	0
38	Services	108.6	0	None	0	0	0	0	0	0
39	Meters	108.6	102,702	Meter_Cost	72,943	35	24,084	5,641	0	0
40	Street Lighting	108.6	0	StLgt-Cost	0	0	0	0	0	0
41	General Plant	108.6	1,033,618	Bill-Lab	847,055	419	169,955	11,218	1,657	3,314
35	Total DEPRECIATION RESERVE	108	1,136,320		919,998	454	194,039	16,859	1,657	3,314
42										
43	**III. OTHER RATE BASE ITEMS**									
44	Cash Working Capital	131	146,870	Bill-OpExp	117,037	75	24,361	4,112	449	836
45	CWIP	131	0	Bill-Pt	0	0	0	0	0	0
45	Materials & Supplies	255	89,985	Bill-OpExp	71,707	46	14,925	2,520	275	512
46	Customer Deposits		(299,385)	CustDeposits	(49,558)	(68)	(135,736)	(114,023)	0	0
47	ADIT / EDIT	154	(31,586)	Bill-Pt	(24,014)	(12)	(6,393)	(1,097)	(23)	(46)
48	Accrued Pension / OPEB	182	(80,789)	Bill-Lab	(66,207)	(33)	(13,284)	(877)	(130)	(259)
49	Total OTHER RATE BASE ITEMS	131-283	(174,906)		48,964	9	(116,128)	(109,365)	571	1,043
50										
51	**TOTAL RATE BASE**		2,007,210		1,651,892	782	361,521	(10,937)	1,351	2,602
52										

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
53	**I. OPERATING AND MAINTENANCE EXPENSES**									
54	**B. TRANSMISSION EXPENSE**									
55	Transmission Expense		0	None	0	0	0	0	0	0
56	Total TRANSMISSION Expense		0		0	0	0	0	0	0
57										
58	**C. DISTRIBUTION OPER. & MAINT. E**									
59	Ops Supv & Engineering	580	20,172	Bill-DxLab	15,504	8	3,976	633	17	35
60	Station Expenses	582	0	None	0	0	0	0	0	0
61	OH Line Expenses	583	0	None	0	0	0	0	0	0
62	Street Lighting Expenses	585	0	StLgt-Cost	0	0	0	0	0	0
63	Meter Expenses	586	50,712	Meter_Cost	36,018	17	11,892	2,785	0	0
64	Customer Installation Expenses	587	56,416	Avg-Cust	46,944	23	8,821	326	101	202
65	Misc. Distribution Expenses	588	0	Avg-Cust	0	0	0	0	0	0
66	Rents	589	31	Bill-Pt	23	0	6	1	0	0
67	Maint Supv & Engineering	590	0	None	0	0	0	0	0	0
68	Maint of Station Equip	592	0	None	0	0	0	0	0	0
69	Maint of OH Lines	593	0	None	0	0	0	0	0	0
70	Maint of UG Lines	594	0	None	0	0	0	0	0	0
71	Maint of Line Transformers	595	0	None	0	0	0	0	0	0
72	Maint of Lighting	596	0	StLgt-Cost	0	0	0	0	0	0
73	Maint of Misc. Plant	599	0	Avg-Cust	0	0	0	0	0	0
74	Total DISTR. OPER. & MAINT. EXP.	500-599	127,331		98,488	48	24,695	3,745	118	236
75	Distribution Expense		127,331		98,488	48	24,695	3,745	118	236
76	**D. CUSTOMER ACCOUNTS AND SERVICE**									
77	Supervision	901	0	Avg-Cust	0	0	0	0	0	0
78	Meter Reading Exp	902	26,000	Meter_Cost	18,466	9	6,097	1,428	0	0
79	Customer Records & Coll	903	492,479	Avg-Cust	409,789	203	77,001	2,844	880	1,761
80	Uncollectible Accounts	904	30,900	Write-Offs	19,921	45	5,573	4,639	133	588
81	Subtotal - Customer Accounts Exp.	901-905	549,379		448,177	257	88,671	8,912	1,014	2,349
82	Total CUST. ACCT. & SERV. EXP.	901-919	549,379		448,177	257	88,671	8,912	1,014	2,349
83										

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
84	**E. ADMINISTRATIVE AND GENERAL**									
85	Administrative & General Salaries	920	285,645	Bill-Lab	234,087	116	46,968	3,100	458	916
86	Office Supplies & Expenses	921	82,115	Bill-Lab	67,293	33	13,502	891	132	263
87	Outside Services Employed	923	7,938	Bill-LabPt	6,270	3	1,456	181	9	19
88	Property Insurance	924	1,038	Bill-Pt	789	0	210	36	1	2
89	Injuries and Damages	925	2,712	Bill-Pt	2,062	1	549	94	2	4
90	Employee Pensions & Benefits	926	2,826	Bill-Lab	2,316	1	465	31	5	9
91	Regulatory Commission Expense	928	117,187	RateBase	78,511	145	17,585	15,962	1,939	3,045
92	Miscellaneous General Expense	930	23,792	Bill-LabPt	18,793	9	4,364	542	28	56
89	Maint General Property	932	15,524	Bill-Pt	11,802	6	3,142	539	11	23
93	Total A&G Expense	920-932	538,776		421,924	314	88,241	21,377	2,584	4,336
94										
95	TOTAL OPERATING EXPENSES		1,215,485		968,589	619	201,606	34,035	3,716	6,921
96										
97	**II. DEPRECIATION EXPENSE**									
98	Intangible Plant		0	Avg-Cust	0	0	0	0	0	0
99	Station Equipment	361/362	0	None	0	0	0	0	0	0
100	Poles, Towers and Fixtures	364	0	None	0	0	0	0	0	0
101	OH Conductors and Devices	364	0	None	0	0	0	0	0	0
102	UG Conduits and Conductors	364	0	None	0	0	0	0	0	0
103	Line Transformers	364	0	None	0	0	0	0	0	0
104	Services	364	0	None	0	0	0	0	0	0
105	Meters	364	70,794	Meter_Cost	50,280	24	16,601	3,888	0	0
106	Street Lighting	364	0	StLgt-Cost	0	0	0	0	0	0
107	General Plant	364	73,897	Bill-Lab	60,559	30	12,151	802	118	237
108	Total DEPRECIATION Expense	403	144,691		110,839	54	28,752	4,690	118	237
109										
110	**III. TAXES and OTHER**									
111	**A. GENERAL TAXES**									
112	Payroll related	408	0	None	0	0	0	0	0	0
113	PURTA, Real estate	408.16	1,413	Bill-Pt	1,074	1	286	49	1	2
114	PUC Assessment		7,403	RateBase	4,960	9	1,111	1,008	122	192
115	PA Use Tax	408	713	Bill-Pt	542	0	144	25	1	1
116	Subtotal - General Taxes		9,529		6,576	10	1,541	1,082	124	195
117										
118	**B. GROSS RECEIPTS TAX**									
119	Gross Receipts tax		78,905	Dist_Rev	50,870	114	14,232	11,847	341	1,501
120	Subtotal- Gross Receipts tax		78,905		50,870	114	14,232	11,847	341	1,501
121										

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
122	**B. FEDERAL / STATE INCOME TAXES**									
123	State Income Tax Expense		0	PreTax-Sta	0	0	0	0	0	0
124	Federal Income Tax Expense		0	PreTax-Fed	0	0	0	0	0	0
125	Subtotal - Federal / State Income Taxes	409-411	0		0	0	0	0	0	0
126	Total TAXES	408-411	88,435		57,446	124	15,773	12,929	465	1,697
127										
128	**TOTAL EXPENSES**		1,448,611		1,136,875	797	246,131	51,654	4,299	8,855
129										
130	**IV. OPERATING REVENUES at Present Rates**									
131	Distribution Revenue		1,314,325	Dist_Rev	847,344	1,897	237,059	197,338	5,676	25,010
132	Forfeited Discounts		29,586	Write-Offs	19,074	43	5,336	4,442	128	563
133	Rent For Electric Property		0	None	0	0	0	0	0	0
134	Other Electric Revenues		3,047	Dist_Rev	1,964	4	550	458	13	58
135	Total REVENUES		1,346,958		868,383	1,944	242,945	202,238	5,817	25,631
136										
137	TOTAL EXPENSES		1,448,611		1,136,875	797	246,131	51,654	4,299	8,855
138	**V. NET INCOME at Present Rates**		(101,653)		(268,492)	1,148	(3,187)	150,583	1,518	16,777
139										
140	**SUMMARY REPORT**									
141	OPERATING REVENUES									
142	Utility Revenues	440-446	1,343,911		866,418	1,940	242,395	201,780	5,804	25,573
143	Other Operating Revenues	450-456	3,047		1,964	4	550	458	13	58
144	Total Operating Revenues		1,346,958		868,383	1,944	242,945	202,238	5,817	25,631
145										
146	OPERATING EXPENSES									
147	Distribution / Transmission	580-599	127,331		98,488	48	24,695	3,745	118	236
148	Customer Acctg & Service	901-919	549,379		448,177	257	88,671	8,912	1,014	2,349
149	Admin & General	920-932	538,776		421,924	314	88,241	21,377	2,584	4,336
150	Total Operating Expenses		1,215,485		968,589	619	201,606	34,035	3,716	6,921
151										
152	Depreciation Expense	403	144,691		110,839	54	28,752	4,690	118	237
153	Taxes Other Than Income Tax / Other	408	88,435		57,446	124	15,773	12,929	465	1,697
154	INCOME BEFORE INCOME TAXES		(101,653)		(268,492)	1,148	(3,187)	150,583	1,518	16,777
155	Income Taxes	409-411	0		0	0	0	0	0	0
156	**NET INCOME**		(101,653)		(268,492)	1,148	(3,187)	150,583	1,518	16,777
157										
158	**RATE BASE**		2,007,210		1,651,892	782	361,521	(10,937)	1,351	2,602
159	Return on Rate Base		-5.06%							
160										

BillCus
Class Allocation- Billing Customer
CAl
E-4D

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	SH	GLP-1	GLP-3	MBL	OL
161	**REVENUE REQUIREMENTS**									
162	Target Rate of Return		8.4900%		8.4900%	8.4900%	8.4900%	8.4900%	8.4900%	8.4900%
163										
164	Rate Base		2,007,210		1,651,892	782	361,521	(10,937)	1,351	2,602
165										
166	Operating expenses		1,177,183		943,708	565	194,922	28,387	3,460	6,140
167	Uncollectibles expense		30,900	Write-Offs	19,921	45	5,573	4,639	133	588
168	Depreciation expense		144,691		110,839	54	28,752	4,690	118	237
169	Regulatory Commission Expenses		7,403	Bill-Pt	4,960	9	1,111	1,008	122	192
170	General taxes / Other		9,529		6,576	10	1,541	1,082	124	195
171	Subtotal- Operating Costs to recover		1,369,706		1,086,005	683	231,900	39,807	3,958	7,353
172										
173	Target Return on Rate Base- After taxes		170,412		140,246	66	30,693	(929)	115	221
174										
175	Income taxes to recover		51,847	30.42%	42,669	20	9,338	(283)	35	67
176										
177	Subtotal- Rev Req before GRT		1,591,964		1,268,919	769	271,931	38,596	4,108	7,641
178	GRT needed		99,226	6.24%	79,120	48	16,948	2,382	256	474
179	**TOTAL REVENUE REQUIREMENT**		1,691,191		1,348,039	817	288,879	40,978	4,364	8,115
180										
181	Revenue at Present rates		1,346,958		868,383	1,944	242,945	202,238	5,817	25,631
182	Revenue Excess (Deficiency)		(344,233)		(479,657)	1,128	(45,934)	161,260	1,454	17,517

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus
1	**I. ELECTRIC PLANT IN SERVICE**								
2	INTANGIBLE PLANT								
3	Organization	302	0	-	-	-	-	-	-
4	EDI Software	303	0	-	-	-	-	-	-
5	Total INTANGIBLE Plant		0						
6									
7	**C. TRANSMISSION PLANT**								
8	Transmission Plant	361	0	-	-	-	-	-	-
9	Total TRANSMISSION Plant	350-359	0						
10									
11	**D. DISTRIBUTION PLANT**								
12	Land and Land Rights	360	21,453	Prim	-	NCP-Prim	-	-	-
13	Station Equipment	362	776,412	Prim	-	NCP-Prim	-	-	-
14	Poles, Towers and Fixtures	364	4,934,235	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
15	OH Conductors and Devices	365	9,866,317	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
16	UG Conduits and Conductors	366	4,063,329	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
17	Line Transformers	368	3,430,881	Trans	Demand	-	NCP-Ltr	-	-
18	Services	369	4,949,542	Sec	Customer	-	-	Services_Cost	-
19	Meters	370	1,798,757	Bill	-	-	-	-	Meter_Cost
20	Street Lighting	373	820,118	Sec	Customer	-	-	StLgt-Cost	-
21	Total DISTRIBUTION Plant	360-373	30,661,045						
22									
23	**E. GENERAL PLANT**								
24	General Plant	389	4,280,032	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
25	Communication Equip	398	428,037	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
26	Total GENERAL Plant	389-399	4,708,069						
27									
28	**TOTAL UTILITY PLANT**		35,369,114						
29									

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus
30	**II. DEPRECIATION RESERVE**								
31	Intangible Plant	108.3	0	-	-	-	-	-	-
32	Transmission Plant	108.5	0	-	-	-	-	-	-
33	Station Equipment	108.5	763,782	Prim	-	NCP-Prim	-	-	-
34	Poles, Towers and Fixtures	108.6	3,612,745	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
35	OH Conductors and Devices	108.6	2,888,827	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
36	UG Conduits and Conductors	108.6	2,587,766	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
37	Line Transformers	108.6	2,598,828	Trans	Demand	-	NCP-Ltr	-	-
38	Services	108.6	2,261,922	Sec	Customer	-	-	Services_Cost	-
39	Meters	108.6	102,702	Bill	-	-	-	-	Meter_Cost
40	Street Lighting	108.6	170,989	Sec	Customer	-	-	StLgt-Cost	-
41	General Plant	108.6	3,202,220	GenPtxL	Sec-GenPt	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
35	Total DEPRECIATION RESERVE	108	4,376,527						
42									
43	**III. OTHER RATE BASE ITEMS**								
44	Cash Working Capital	131	495,661	OpExp_Dist	Sec-OpExp	PriD-OpExp	SecD-OpExp	SecC-OpExp	Bill-OpExp
45	CWIP	131	0	-	-	-	-	-	-
45	Materials & Supplies	255	303,686	OpExp_Dist	Sec-OpExp	PriD-OpExp	SecD-OpExp	SecC-OpExp	Bill-OpExp
46	Customer Deposits		(299,385)	Bill	-	-	-	-	CustDeposits
47	ADIT / EDIT	154	(336,658)	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
48	Accrued Pension / OPEB	182	(250,291)	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
49	Total OTHER RATE BASE ITEMS	131-283	(86,988)						
50									
51	**TOTAL RATE BASE**		30,905,599						
52									
53	**I. OPERATING AND MAINTENANCE EXPENSES**								
54	B. TRANSMISSION EXPENSE								
55	Transmission Expense								
56	Total TRANSMISSION Expense								
57									

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus
58	**C. DISTRIBUTION OPER. & MAINT. EXPENSE**								
59	Ops Supv & Engineering	580	154,958	D-Labor-Op	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-DxLab
60	Station Expenses	582	14,046	Prim	-	NCP-Prim	-	-	-
61	OH Line Expenses	583	242,072	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
62	Street Lighting Expenses	585	5,137	Sec	Customer	-	-	StLgt-Cost	-
63	Meter Expenses	586	50,712	Bill	-	-	-	-	Meter_Cost
64	Customer Installation Expenses	587	56,416	Bill	-	-	-	-	Avg-Cust
65	Misc. Distribution Expenses	588	495,254	OH_UG	Sec-OH_UG	NCP-Prim	NCP-Sec	Avg-Cust	-
66	Rents	589	525	DistPt	Sec-Pt	NCP-Prim	NCP-Sec	Avg-Cust	Bill-Pt
67	Maint Supv & Engineering	590	0	-	-	-	-	-	-
68	Maint of Station Equip	592	17,209	Prim	-	NCP-Prim	-	-	-
69	Maint of OH Lines	593	826,836	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
70	Maint of UG Lines	594	14,827	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
71	Maint of Line Transformers	595	27,468	Trans	Demand	-	NCP-Ltr	-	-
72	Maint of Lighting	596	24,187	Sec	Customer	-	-	StLgt-Cost	-
73	Maint of Misc. Plant	599	0	-	-	-	-	-	-
74	Total DISTR. OPER. & MAINT. EX	500-599	1,929,647						
75	Distribution Expense								
76	**D. CUSTOMER ACCOUNTS AND SERVICE**								
77	Supervision	901	0	-	-	-	-	-	-
78	Meter Reading Exp	902	26,000	Bill	-	-	-	-	Meter_Cost
79	Customer Records & Coll	903	492,479	Bill	-	-	-	-	Avg-Cust
80	Uncollectible Accounts	904	30,900	Bill	-	-	-	-	Write-Offs
81	Subtotal - Customer Accounts Exp.	901-905	549,379						
82	Total CUST. ACCT. & SERV. EXP.	901-919	549,379						
83									

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus
84	**E. ADMINISTRATIVE AND GENERAL**								
85	Administrative & General Salaries	920	884,948	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
86	Office Supplies & Expenses	921	254,397	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
87	Outside Services Employed	923	38,110	Labor_Pt	Sec-LabPt	PriD-LabPt	SecD-LabPt	SecC-LabPt	Bill-LabPt
88	Property Insurance	924	11,059	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
89	Injuries and Damages	925	28,907	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
90	Employee Pensions & Benefits	926	8,755	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
91	Regulatory Commission Expense	928	117,187	Bill	-	-	-	-	RateBase
92	Miscellaneous General Expense	930	114,218	Labor_Pt	Sec-LabPt	PriD-LabPt	SecD-LabPt	SecC-LabPt	Bill-LabPt
89	Maint General Property	932	165,455	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
93	Total A&G Expense	920-932	1,623,036						
94									
95	TOTAL OPERATING EXPENSES		4,102,061						
96									
97	**II. DEPRECIATION EXPENSE**								
98	Intangible Plant		0	-	-	-	-	-	-
99	Station Equipment	361/362	4,197	Prim	-	NCP-Prim	-	-	-
100	Poles, Towers and Fixtures	364	196,900	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
101	OH Conductors and Devices	364	380,183	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
102	UG Conduits and Conductors	364	158,473	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
103	Line Transformers	364	133,449	Trans	Demand	-	NCP-Ltr	-	-
104	Services	364	191,856	Sec	Customer	-	-	Services_Cost	-
105	Meters	364	70,794	Bill	-	-	-	-	Meter_Cost
106	Street Lighting	364	45,208	Sec	Customer	-	-	StLgt-Cost	-
107	General Plant	364	228,938	GenPtxL	Sec-GenPt	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
108	Total DEPRECIATION Expense	403	201,097						
109									
110	**III. TAXES and OTHER**								
111	**A. GENERAL TAXES**								
112	Payroll related	408	0	-	-	-	-	-	-
113	PURTA, Real estate	408.16	15,062	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
114	PUC Assessment		63,038	RateBase	Sec-RB	RateBase	RateBase	RateBase	RateBase
115	PA Use Tax	408	7,604	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
116	Subtotal - General Taxes		85,704						
117									
118	**B. GROSS RECEIPTS TAX**								
119	Gross Receipts tax		357,253	GRT_RevxT	Sec-Rev	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
120	Subtotal- Gross Receipts tax		357,253						
121									

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus
122	**B. FEDERAL / STATE INCOME TAXES**								
123	State Income Tax Expense		(26,239)	StaTax	Sec-StaTax	PreTax-Sta	PreTax-Sta	PreTax-Sta	-
124	Federal Income Tax Expense		(20,148)	FedTax	Sec-FedTax	PreTax-Fed	PreTax-Fed	PreTax-Fed	-
125	Subtotal - Federal / State Income Tax	409-411	(46,387)						
126	Total TAXES	408-411	396,570						
127									
128	**TOTAL EXPENSES**		4,699,728						
129									
130	**IV. OPERATING REVENUES at Present Rates**								
131	Distribution Revenue		6,055,143	DistBill_RR-PF	Sec-RetRRPF	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
132	Forfeited Discounts		29,586	Bill	-	-	-	-	Write-Offs
133	Rent For Electric Property		60,240	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust	-
134	Other Electric Revenues		14,038	DistBill_RR-PF	Sec-RetRRPF	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
135	Total REVENUES		6,159,007						
136									
137	TOTAL EXPENSES		4,699,728						
138	**V. NET INCOME at Present Rates**		1,459,279						
139									
140	**SUMMARY REPORT**								
141	OPERATING REVENUES								
142	Utility Revenues	440-446	6,084,729						
143	Other Operating Revenues	450-456	74,278						
144	Total Operating Revenues		6,159,007						
145									
146	OPERATING EXPENSES								
147	Distribution / Transmission	580-599	1,929,647						
148	Customer Acctg & Service	901-919	549,379						
149	Admin & General	920-932	1,623,036						
150	Total Operating Expenses		4,102,061						
151									
152	Depreciation Expense	403	201,097						
153	Taxes Other Than Income Tax / Other	408	442,957						
154	INCOME BEFORE INCOME TAXE		1,412,892						
155	Income Taxes	409-411	(46,387)						
156	**NET INCOME**		1,459,279						
157									
158	**RATE BASE**		30,905,599						
159	Return on Rate Base		4.72%						
160									

Assigned
Allocator Assignments
Fac
E-5A

Citizens Electric Company of Lewisburg
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Allocator Assignments

Line	Account	No.	Balance	Function Allocator	Classify Secondary	Class Allocation PrimDem	SecnDem	SecnCus	BillCus
161	**REVENUE REQUIREMENTS**								
162	Target Rate of Return								
163									
164	Rate Base								
165									
166	Operating expenses								
167	Uncollectibles expense		30,900	BILL	-	-	-	-	Write-Offs
168	Depreciation expense								
169	Regulatory Commission Expenses		63,038	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
170	General taxes / Other								
171	Subtotal- Operating Costs to recover								
172									
173	Target Return on Rate Base- After tax								
174									
175	Income taxes to recover								
176									
177	Subtotal- Rev Req before GRT								
178	GRT needed								
179	**TOTAL REVENUE REQUIREMENT**								

Funcl **Citizens Electric Company of Lewisburg**
Funct **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5B **Functionalization Factors**

0	Allocator Name	In Use	Total	Supply	Trans-mission	SubTrans-mission	Primary	Secondary	Billing
1	None		0						
2		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3									
4	Tran		1		1				
5		TRUE	100.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%
6									
7	Prim		1				1		
8		TRUE	100.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%
9									
10	Sec		1					1	
11		TRUE	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
12									
13	Bill		1						1
14		TRUE	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
15									
16	OH_Cond		100.00%	0.00%	0.00%	0.00%	75.37%	24.63%	0.00%
17		TRUE	100.00%	0.00%	0.00%	0.00%	75.37%	24.63%	0.00%
18									
19	UG_Cond		100.00%	0.00%	0.00%	0.00%	49.19%	50.81%	0.00%
20		TRUE	100.00%	0.00%	0.00%	0.00%	49.19%	50.81%	0.00%
21									
22	Trans		100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
23		TRUE	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%
24									
25	UG_Total		4,063,329	-	-	-	1,998,888	2,064,441	-
26		TRUE	100.00%	0.00%	0.00%	0.00%	49.19%	50.81%	0.00%
27									
28	OpExp_Dist		4,102,061	-	-	-	1,908,543	978,033	1,215,485
29		TRUE	100.00%	0.00%	0.00%	0.00%	46.53%	23.84%	29.63%
30									
31	DistBill_RR-PF		6,945,039				3,178,612	2,258,942	1,507,485
32		TRUE	100.00%	0.00%	0.00%	0.00%	45.77%	32.53%	21.71%
33									
34	GRT_RevxT		6,084,729	-	-	-	2,771,324	1,969,494	1,343,911
35		TRUE	100.00%	0.00%	0.00%	0.00%	45.55%	32.37%	22.09%
36									

Funcl **Citizens Electric Company of Lewisburg**
Funct **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5B **Functionalization Factors**

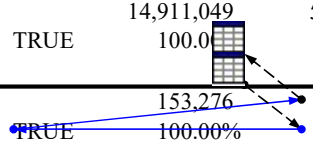
0	Allocator Name	In Use	Total	Supply	Trans-mission	SubTrans-mission	Primary	Secondary	Billing
37	Labor		680,301	-	-	-	307,436	153,276	219,589
38		TRUE	100.00%	0.00%	0.00%	0.00%	45.19%	22.53%	32.28%
39									
40	D-Labor-Op		268,717	-	-	-	157,307	76,429	34,981
41		TRUE	100.00%	0.00%	0.00%	0.00%	58.54%	28.44%	13.02%
42									
43	D-Labor-Mnt		169,882	-	-	-	111,704	58,178	-
44		TRUE	100.00%	0.00%	0.00%	0.00%	65.75%	34.25%	0.00%
45									
46	Labor_Pt		200.00%	0.00%	0.00%	0.00%	90.65%	67.69%	41.66%
47		TRUE	100.00%	0.00%	0.00%	0.00%	45.33%	33.84%	20.83%
48									
49	IntanPt		-	-	-	-	-	-	-
50		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
51									
52	OH_UG		22,294,762	-	-	-	13,153,373	9,141,389	-
53		TRUE	100.00%	0.00%	0.00%	0.00%	59.00%	41.00%	0.00%
54									
55	DistPt		30,661,045	-	-	-	13,951,239	14,911,049	1,798,757
56		TRUE	100.00%	0.00%	0.00%	0.00%	45.50%	48.63%	5.87%
57									
58	GenPtxL		428,037	-	-	-	193,435	96,440	138,163
59		TRUE	100.00%	0.00%	0.00%	0.00%	45.19%	22.53%	32.28%
60									
61	RateBase		17,092,345	-	-	-	7,800,779	7,284,356	2,007,210
62		TRUE	100.00%	0.00%	0.00%	0.00%	45.64%	42.62%	11.74%
63									
64	PreTax		203,991	-	-	-	92,285	213,359	(101,653)
65		TRUE	100.00%	0.00%	0.00%	0.00%	45.24%	104.59%	-49.83%
66									
67	StaTax		305,644	-	-	-	92,285	213,359	-
68		TRUE	100.00%	0.00%	0.00%	0.00%	30.19%	69.81%	0.00%
69									
70	FedTax		331,883	-	-	-	100,207	231,676	-
71		TRUE	100.00%	0.00%	0.00%	0.00%	30.19%	69.81%	0.00%
72									
73	Plant		35,369,114	-	-	-	16,078,870	15,971,808	3,318,436
74		TRUE	100.00%	0.00%	0.00%	0.00%	45.46%	45.16%	9.38%
75									

Clas: **Citizens Electric Company of Lewisburg**
Clas: **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5C **Classification Factors**

0	Allocator Name	In Use	Total	Demand	Commodity	Customer
1	None		0			
2		FALSE	0.00%	0.00%	0.00%	0.00%
3						
4	Demand		1	1		
5		TRUE	100.00%	100.00%	0.00%	0.00%
6						
7	Commodity		1		1	
8		TRUE	100.00%	0.00%	100.00%	0.00%
9						
10	Customer		1			1
11		TRUE	100.00%	0.00%	0.00%	100.00%
12						
13	PTF-Sec-Z		100.00%	19.31%	0.00%	80.69%
14		TRUE	100.00%	19.31%	0.00%	80.69%
15						
16	OH-Sec-Z		100.00%	22.60%	0.00%	77.40%
17		TRUE	100.00%	22.60%	0.00%	77.40%
18						
19	UG-Sec-Z		100.00%	42.89%	0.00%	57.11%
20		TRUE	100.00%	42.89%	0.00%	57.11%
21						
22	Trans-Min		100.00%	64.15%	0.00%	35.85%
23		TRUE	100.00%	64.15%	0.00%	35.85%
24						
25	Sec_RB		7,284,356	1,732,622	-	5,551,734
26		TRUE	100.00%	23.79%	0.00%	76.21%
27						
28	Sec-Pt		15,971,808	5,505,500	-	10,466,308
29		TRUE	100.00%	34.47%	0.00%	65.53%
30						
31	Sec-RB		7,284,356	1,732,622	-	5,551,734
32		TRUE	100.00%	23.79%	0.00%	76.21%
33						
34	Sec-OH_UG		23,619,681	13,153,373	-	10,466,308
35		TRUE	100.00%	55.69%	0.00%	44.31%
36						

Class **Citizens Electric Company of Lewisburg**
Class **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5C **Classification Factors**

0	Allocator Name	In Use	Total	Demand	Commodity	Customer
37	Sec-GenPt		1,060,759	405,155	-	655,605
38		TRUE	100.00%	38.19%	0.00%	61.81%
39						
40	Sec-OpExp		978,033	369,724	-	608,310
41		TRUE	100.00%	37.80%	0.00%	62.20%
42						
43	Sec-DiPt		14,911,049	5,100,346	-	9,810,703
44		TRUE	100.0	34.21%	0.00%	65.79%
45						
46	Sec-Lab		153,276	58,544	-	94,733
47		TRUE	100.00%	38.19%	0.00%	61.81%
48						
49	Sec-Rev		1,969,494	645,700	-	1,323,794
50		TRUE	100.00%	32.79%	0.00%	67.21%
51						
52	Sec-LabPt		200.00%	72.66%	0.00%	127.34%
53		TRUE	100.00%	36.33%	0.00%	63.67%
54						
55	Sec-PreTax		213,359	14,293	-	199,066
56		TRUE	100.00%	6.70%	0.00%	93.30%
57						
55	Sec-StaTax		213,359	14,293	-	199,066
58		TRUE	100.00%	6.70%	0.00%	93.30%
59						
58	Sec-FedTax		231,676	15,520	-	216,156
60		TRUE	100.00%	6.70%	0.00%	93.30%
61						
58	Sec-RetRRPF		2,258,942	740,596	-	1,518,346
62		TRUE	100.00%	32.79%	0.00%	67.21%
63						



Alloc **Citizens Electric Company of Lewisburg**
Class **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	SH	GLP-1	GLP-3	MBL	OL
1	None		-						
2		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3									
4	MWh-Meter		161,944,081	87,664,162	181,607	27,208,762	46,600,138	75,543	213,869
5		TRUE	100.00%	54.13%	0.11%	16.80%	28.78%	0.05%	0.13%
6									
7	NCP-Prim		100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
8		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
9									
10	NCP-Sec		100.00%	69.64%	0.19%	16.57%	13.35%	0.05%	0.20%
11		TRUE	100.00%	69.64%	0.19%	16.57%	13.35%	0.05%	0.20%
12									
13	NCP-Ltr		13,959	5,947	64	2,509	5,337	21	81
14		TRUE	100.00%	42.60%	0.46%	17.98%	38.23%	0.15%	0.58%
15									
16	NoneX								
17		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18									
19	AVG-CUST		7,272	6,051	3	1,137	42	13	26
20		TRUE	100.00%	83.21%	0.04%	15.64%	0.58%	0.18%	0.36%
21									
22	Avg-Cust-Sec		7,267	6,051	3	1,132	42	13	26
23		TRUE	100.00%	83.27%	0.04%	15.58%	0.58%	0.18%	0.36%
24									
25	Services_Cost		6,753,684	5,612,820	2,656	1,078,485	46,616	13,107	-
26		TRUE	100.00%	83.11%	0.04%	15.97%	0.69%	0.19%	0.00%
27									
28	Meters		7,272	6,051	3	1,137	42	13	26
29		TRUE	100.00%	83.21%	0.04%	15.64%	0.58%	0.18%	0.36%
30									
31	Meter_Cost		2,563,965	1,821,021	871	601,252	140,821	-	-
32		TRUE	100.00%	71.02%	0.03%	23.45%	5.49%	0.00%	0.00%
33									
34	Dist_Rev		6,055,143	3,903,746	8,741	1,092,138	909,143	26,151	115,224
35		TRUE	100.00%	64.47%	0.14%	18.04%	15.01%	0.43%	1.90%
36									

Alloc **Citizens Electric Company of Lewisburg**
Class **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	SH	GLP-1	GLP-3	MBL	OL
37	CustDeposits		206,700	34,216	47	93,714	78,723	-	-
38		TRUE	100.00%	16.55%	0.02%	45.34%	38.09%	0.00%	0.00%
39									
40	Write-Offs		6,055,143	3,903,746	8,741	1,092,138	909,143	26,151	115,224
41		TRUE	100.00%	64.47%	0.14%	18.04%	15.01%	0.43%	1.90%
42									
43	StLgt-Cost		617,453	-	-	-	-	242,410	375,043
44		TRUE	100.00%	0.00%	0.00%	0.00%	0.00%	39.26%	60.74%
45									
46	PriD-Lab		307,436	187,875	506	44,694	73,671	142	548
47		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
48									
49	PriD-DxPt		13,951,239	8,525,642	22,945	2,028,198	3,343,155	6,439	24,860
50		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
51									
52	PriD-Pt		16,078,870	9,825,844	26,444	2,337,509	3,853,002	7,421	28,651
53		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
54									
55	PriD-LabPt		200.00%	122.22%	0.33%	29.08%	47.93%	0.09%	0.36%
56		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
57									
58	PriD-OpExp		1,908,543	1,166,316	3,139	277,459	457,347	881	3,401
59		TRUE	100.00%	61.11%	0.16%	14.54%	23.96%	0.05%	0.18%
60									
61	SecD-Lab		58,544	37,863	139	9,850	10,490	41	160
62		TRUE	100.00%	64.68%	0.24%	16.83%	17.92%	0.07%	0.27%
63									
64	SecD-DxPt		5,100,346	2,624,195	18,877	893,296	1,534,589	6,046	23,343
65		TRUE	100.00%	51.45%	0.37%	17.51%	30.09%	0.12%	0.46%
66									
67	SecD-Pt		5,505,500	2,886,231	19,838	961,466	1,607,186	6,332	24,447
68		TRUE	100.00%	52.42%	0.36%	17.46%	29.19%	0.12%	0.44%
69									

Alloc **Citizens Electric Company of Lewisburg**
Class **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	SH	GLP-1	GLP-3	MBL	OL
70	SecD-UG		885,449	616,630	1,660	146,693	118,203	466	1,798
71		TRUE	100.00%	69.64%	0.19%	16.57%	13.35%	0.05%	0.20%
72									
73	SecD-LabPt		200.00%	117.10%	0.60%	34.29%	47.11%	0.19%	0.72%
74		TRUE	100.00%	58.55%	0.30%	17.14%	23.56%	0.09%	0.36%
75									
76	SecD-OpExp		369,724	236,726	901	62,333	68,452	270	1,041
77		TRUE	100.00%	64.03%	0.24%	16.86%	18.51%	0.07%	0.28%
78									
79	SecC-Lab		94,733	66,860	33	12,563	464	5,790	9,023
80		TRUE	100.00%	70.58%	0.03%	13.26%	0.49%	6.11%	9.52%
81									
82	SecC-DxPt		9,810,703	7,475,976	3,614	1,422,214	57,503	338,805	512,591
83		TRUE	100.00%	76.20%	0.04%	14.50%	0.59%	3.45%	5.22%
84									
85	SecC-Pt		10,466,308	7,938,686	3,843	1,509,159	60,715	378,873	575,033
86		TRUE	100.00%	75.85%	0.04%	14.42%	0.58%	3.62%	5.49%
87									
88	SecC-IntPt		-	-	-	-	-	-	-
89		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
90									
91	SecC-LTr		-	-	-	-	-	-	-
92		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
93									
94	SecC-LabPt		200.00%	146.43%	0.07%	27.68%	1.07%	9.73%	15.02%
95		TRUE	100.00%	73.21%	0.04%	13.84%	0.53%	4.87%	7.51%
96									
97	SecC-OpExp		608,310	450,380	223	84,757	3,167	27,279	42,504
98		TRUE	100.00%	74.04%	0.04%	13.93%	0.52%	4.48%	6.99%
99									

Alloc **Citizens Electric Company of Lewisburg**
Class **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	SH	GLP-1	GLP-3	MBL	OL
100	Bill-Lab		219,589	179,954	89	36,106	2,383	352	704
101		TRUE	100.00%	81.95%	0.04%	16.44%	1.09%	0.16%	0.32%
102									
103	Bill-DxLab		43,525	33,452	16	8,578	1,366	37	74
104		TRUE	100.00%	76.86%	0.04%	19.71%	3.14%	0.09%	0.17%
105									
106	Bill-DxPt		1,798,757	1,277,542	611	421,810	98,793	-	-
107		TRUE	100.00%	71.02%	0.03%	23.45%	5.49%	0.00%	0.00%
108									
109	Bill-Pt		3,318,436	2,522,926	1,227	671,687	115,287	2,436	4,872
110		TRUE	100.00%	76.03%	0.04%	20.24%	3.47%	0.07%	0.15%
111									
112	Bill-LabPt		200.00%	157.98%	0.08%	36.68%	4.56%	0.23%	0.47%
113		TRUE	100.00%	78.99%	0.04%	18.34%	2.28%	0.12%	0.23%
114									
115	Bill-OpExp		1,215,485	968,589	619	201,606	34,035	3,716	6,921
116		TRUE	100.00%	79.69%	0.05%	16.59%	2.80%	0.31%	0.57%
117									
118	PreTax		203,991	(55,891)	1,374	188,836	79,167	(29,606)	20,111
119		TRUE	100.00%	-27.40%	0.67%	92.57%	38.81%	-14.51%	9.86%
120									
121	PreTax-Sta		35,369,114	23,173,687	51,352	5,479,820	5,636,190	395,062	633,003
122		TRUE	100.00%	65.52%	0.15%	15.49%	15.94%	1.12%	1.79%
123									
124	PreTax-Fed		35,369,114	23,173,687	51,352	5,479,820	5,636,190	395,062	633,003
125		TRUE	100.00%	65.52%	0.15%	15.49%	15.94%	1.12%	1.79%
126									
127	Labor		680,301	472,553	767	103,214	87,009	6,325	10,434
128		TRUE	100.00%	69.46%	0.11%	15.17%	12.79%	0.93%	1.53%
129									
130	Plant		35,369,114	23,173,687	51,352	5,479,820	5,636,190	395,062	633,003
131		TRUE	100.00%	65.52%	0.15%	15.49%	15.94%	1.12%	1.79%
132									
133	RateBase		17,092,345	11,451,271	21,081	2,564,908	2,328,190	282,749	444,146
134		TRUE	100.00%	67.00%	0.12%	15.01%	13.62%	1.65%	2.60%
135									

WP

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
INDEX TO WORKPAPERS

Line	WORKPAPER	DESCRIPTION	PERIOD
	INDEX TO WORKPAPERS		
1	INDEX TO WORKPAPERS		
2	Workpaper 1 to Schedule B	Sales Recap	Period Ending December 31, 2024
3	Workpaper 2 to Schedule B	Monthly Billing Units, Rates And Revenue	Historic Year 2024
4	Workpaper 3 to Schedule B	Monthly Customers	Historic Year 2024
5	Workpaper 1 to Schedule C	Historic and Forecast O&M	Years 2013-2026
6	Workpaper 2 to Schedule C	Accumulated Deferred Income Taxes	Years 2024 through 2026
7	Workpaper 1 to Schedule D	Components of Capital Projects- Zero Load Analysis	HY 2024
8	Workpaper 2 to Schedule D	Transformer Costs and Replacements	HY 2024
9	Workpaper 3 to Schedule D	Services Costs	HY 2024

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule B
Sales Recap
Period Ending December 31, 2024

Line	Customer Class	Acct. #	Type	Class	January	February	March	April	May	June	July
1	RS - KWH	440.10	KWH	RS	116,530	119,373	97,861	92,785	77,839	88,582	111,374
2	RS - Facility	440.20	Facility	RS	41,086	41,055	41,052	41,041	41,050	41,042	41,140
3	RS - STAS	440.40	STAS	RS	(67)	(64)	(54)	(51)	(44)	(43)	(53)
4	RS - KWHGEN	440.50	Gen	RS	382,566	353,059	289,404	274,496	230,272	221,708	278,824
5	RSH - KWH	441.10	KWH	RS	197,597	204,339	154,564	135,210	95,098	97,550	114,833
6	RSH - Facility	441.20	Facility	RS	36,773	36,804	36,740	36,844	36,805	36,830	36,871
7	RSH - STAS	441.40	STAS	RS	(110)	(106)	(81)	(72)	(52)	(47)	(54)
8	RSH - KWHGEN	441.50	Gen	RS	650,356	605,881	458,269	400,900	281,971	244,531	287,833
9	GLP1 - KWH2	442.10	KWH	GLP1	74,379	79,502	71,753	70,539	67,879	69,113	73,731
10	GLP1 - Facility	442.20	Facility	GLP1	18,051	18,027	18,012	18,053	18,045	18,132	18,065
11	GLP1 - KW2	442.30	KW	GLP1	-	-	-	-	-	-	-
12	GLP1 - STAS	442.40	STAS	GLP1	(41)	(41)	(35)	(33)	(30)	(29)	(32)
13	GLP1 - KWHGEN	442.50	Gen	GLP1	231,096	225,870	187,982	175,780	150,512	143,860	168,682
14	GLP3 - KWH3	443.10	KWH	GLP3	2,499	2,755	2,470	2,403	2,391	2,469	2,549
15	GLP3 - KW AND KW2	443.20	KW	GLP3	21,735	23,668	22,025	22,073	22,765	23,083	23,612
16	GLPP - KWH3	443.21	KWH	GLP3	2,886	2,690	2,527	2,855	3,214	3,547	3,702
17	GLPP - KWVD	443.22	KW	GLP3	(827)	(684)	(688)	(772)	(869)	(920)	(984)
18	GLPP - KW	443.23	KW	GLP3	25,222	20,624	20,266	23,843	27,487	28,402	29,642
19	GLPP - KWHGEN	443.24	Gen	GLP3	10,115	11,032	5,277	4,317	3,837	3,041	3,854
20	GLPP - Facility	443.25	Facility	GLP3	275	275	275	275	275	275	275
21	GLPP - STAS	443.26	STAS	GLP3	(5)	(4)	(3)	(4)	(4)	(4)	(5)
22	GLP3 - KWHGEN	443.30	Gen	GLP3	50,131	47,980	42,175	42,050	43,067	36,866	38,459
23	GLP3 - Facility	443.40	Facility	GLP3	1,815	1,815	1,815	1,826	1,749	1,760	1,760
24	GLP3 - STAS	443.50	STAS	GLP3	(13)	(13)	(12)	(12)	(13)	(15)	(13)
25	GLPP - RTP - GEN	443.64	Gen	GLP3	3,765	3,670	3,442	3,670	3,557	3,730	3,613
26	GPL3 - RTP - KWH3	443.71	KWH	GLP3	259	259	254	268	402	1,550	481
27	GPL3 - RTP - KW AN	443.73	KW	GLP3	2,219	1,559	1,763	2,036	7,070	21,428	9,416
28	GPL3 - RTP - GEN	443.74	Gen	GLP3	11,037	13,135	9,436	9,639	11,189	28,315	13,967
29	GPL3 - RTP - Facility	443.75	Facility	GLP3	110	110	110	110	110	110	110
30	Public Street&Hwy B	444.10	Facility	OL	1,149	1,134	1,126	1,127	1,105	1,102	1,107
31	LED - KWH	444.11	Facility	OL	8,271	8,389	8,391	8,346	8,366	8,335	8,329
32	MBL - KWHGEN	444.22	Gen	MBL	932	821	677	647	557	422	367
33	MBL - Facility	444.23	Facility	MBL	2,183	2,183	2,183	2,183	2,183	2,183	2,183
34	MBL - STAS	444.24	STAS	MBL	(0)	(0)	(0)	(0)	(0)	(0)	(0)
35	SL Only - STAS	444.40	STAS	OL	(1)	(1)	(1)	(1)	(1)	(1)	(1)
36	Public St&Hwy Ltg-C	444.50	Gen	OL	770	760	752	748	734	573	577
37	LED - KWHGEN	444.51	Gen	OL	1,185	1,212	1,215	1,209	1,211	889	888
38	SH - KWH	445.10	KWH	SH	629	927	729	501	270	114	122
39	SH - KWHGEN	445.20	Gen	SH	472	670	508	358	180	39	64
40	SH - Facility	445.30	Facility	SH	81	81	81	81	81	81	81
41	SH - STAS	445.40	STAS	SH	(0)	(0)	(0)	(0)	(0)	(0)	(0)
42	Bucknell Reservation	449.00	BU	GLP3	12,225	12,550	12,502	12,357	10,128	3,490	9,177
43	Totals				1,907,331	1,841,295	1,494,763	1,387,624	1,150,387	1,132,093	1,284,549

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule B
Sales Recap
Period Ending December 31, 2024

Line	Customer Class	Acct. #	Type	Class	January	February	March	April	May	June	July
44											
45	Distribution	kWH			394,778	409,844	330,158	304,560	247,093	262,926	306,793
46	Facility	Facility			109,792	109,872	109,785	109,887	109,769	109,850	109,921
47	Demand	kW			48,349	45,168	43,366	47,180	56,453	71,992	61,686
48	Reservation Charge	BU			12,225	12,550	12,502	12,357	10,128	3,490	9,177
49	Total Distribution				565,144	577,434	495,811	473,985	423,444	448,258	487,577
50	Generation	Gen			1,342,425	1,264,091	999,139	913,812	727,087	683,974	797,129
51	STAS	STAS			(238)	(230)	(187)	(173)	(144)	(139)	(157)
52					1,907,331	1,841,295	1,494,763	1,387,624	1,150,387	1,132,093	1,284,549
53											
54	RS/RSH				391,985	401,570	330,217	305,880	250,792	264,004	304,218
55	GLP1				92,430	97,528	89,766	88,592	85,924	87,245	91,796
56	GLP3				68,418	65,622	63,318	67,275	74,722	85,193	79,741
57	SH				709	1,008	809	582	351	195	202
58	MBL				2,183	2,183	2,183	2,183	2,183	2,183	2,183
59	OL				9,419	9,523	9,517	9,473	9,471	9,437	9,436
60					565,144	577,434	495,811	473,985	423,444	448,258	487,577
61	Generation				1,342,425	1,264,091	999,139	913,812	727,087	683,974	797,129
62	STAS				(238)	(230)	(187)	(173)	(144)	(139)	(157)
63					1,907,331	1,841,295	1,494,763	1,387,624	1,150,387	1,132,093	1,284,549
64											
65	Excess Demand GLP	$3.74			-	-	-	-	-	-	-
66											

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year
Workpaper 1 to Schedule B
Sales Recap
Period Ending December 31, 2024

Line	Customer Class	Acct. #	Type	Class	August	September	October	November	December	Totals
1	RS - KWH	440.10	KWH	RS	115,389	94,446	77,056	82,064	105,658	1,178,957
2	RS - Facility	440.20	Facility	RS	41,131	41,123	41,121	41,163	41,112	493,117
3	RS - STAS	440.40	STAS	RS	(54)	(46)	(38)	(41)	(53)	(608)
4	RS - KWHGEN	440.50	Gen	RS	288,810	236,307	192,837	205,390	273,327	3,226,999
5	RSH - KWH	441.10	KWH	RS	113,845	96,420	84,112	105,426	174,459	1,573,452
6	RSH - Facility	441.20	Facility	RS	36,886	37,178	37,156	37,311	37,367	443,565
7	RSH - STAS	441.40	STAS	RS	(54)	(46)	(41)	(50)	(83)	(795)
8	RSH - KWHGEN	441.50	Gen	RS	285,314	241,638	210,810	264,279	452,050	4,383,832
9	GLP1 - KWH2	442.10	KWH	GLP1	73,046	67,664	65,814	68,183	72,547	854,150
10	GLP1 - Facility	442.20	Facility	GLP1	18,033	18,065	18,293	17,941	18,139	216,856
11	GLP1 - KW2	442.30	KW	GLP1	-	-	-	-	-	-
12	GLP1 - STAS	442.40	STAS	GLP1	(32)	(29)	(27)	(28)	(32)	(388)
13	GLP1 - KWHGEN	442.50	Gen	GLP1	172,444	152,088	130,294	136,562	165,024	2,040,195
14	GLP3 - KWH3	443.10	KWH	GLP3	2,725	2,662	2,409	2,308	2,406	30,047
15	GLP3 - KW AND KW:	443.20	KW	GLP3	23,789	24,758	23,108	21,613	23,039	275,269
16	GLPP - KWH3	443.21	KWH	GLP3	3,991	3,973	3,430	3,260	2,919	38,995
17	GLPP - KWVD	443.22	KW	GLP3	(1,019)	(982)	(878)	(798)	(820)	(10,243)
18	GLPP - KW	443.23	KW	GLP3	30,680	29,887	27,671	26,279	26,636	316,639
19	GLPP - KWHGEN	443.24	Gen	GLP3	4,055	3,854	4,256	3,649	5,867	63,156
20	GLPP - Facility	443.25	Facility	GLP3	275	275	275	275	275	3,300
21	GLPP - STAS	443.26	STAS	GLP3	(5)	(5)	(4)	(4)	(4)	(52)
22	GLP3 - KWHGEN	443.30	Gen	GLP3	41,412	49,702	45,101	45,277	49,440	531,662
23	GLP3 - Facility	443.40	Facility	GLP3	1,764	1,791	1,815	1,815	1,815	21,540
24	GLP3 - STAS	443.50	STAS	GLP3	(16)	(15)	(13)	(15)	(13)	(164)
25	GLPP - RTP - GEN	443.64	Gen	GLP3	3,729	3,731	3,615	3,731	3,616	43,870
26	GPL3 - RTP - KWH3	443.71	KWH	GLP3	1,264	892	538	1,500	271	7,937
27	GPL3 - RTP - KW AN	443.73	KW	GLP3	20,214	12,102	7,483	23,260	2,717	111,267
28	GPL3 - RTP - GEN	443.74	Gen	GLP3	26,511	17,386	13,533	20,553	10,509	185,210
29	GPL3 - RTP - Facility	443.75	Facility	GLP3	110	110	110	110	110	1,320
30	Public Street&Hwy B	444.10	Facility	OL	1,107	1,024	976	968	939	12,864
31	LED - KWH	444.11	Facility	OL	8,326	8,468	8,551	8,589	8,628	100,988
32	MBL - KWHGEN	444.22	Gen	MBL	399	452	509	578	679	7,042
33	MBL - Facility	444.23	Facility	MBL	2,183	2,183	2,183	2,183	2,183	26,198
34	MBL - STAS	444.24	STAS	MBL	(0)	(0)	(0)	(0)	(0)	(4)
35	SL Only - STAS	444.40	STAS	OL	(1)	(1)	(1)	(1)	(1)	(11)
36	Public St&Hwy Ltg-C	444.50	Gen	OL	584	567	567	568	530	7,729
37	LED - KWHGEN	444.51	Gen	OL	888	895	900	909	981	12,380
38	SH - KWH	445.10	KWH	SH	125	124	100	174	386	4,201
39	SH - KWHGEN	445.20	Gen	SH	85	69	21	67	211	2,743
40	SH - Facility	445.30	Facility	SH	81	79	61	61	61	907
41	SH - STAS	445.40	STAS	SH	(0)	(0)	(0)	(0)	(0)	(1)
42	Bucknell Reservation	449.00	BU	GLP3	4,165	7,899	9,960	2,514	12,104	109,071
43	Totals				1,322,176	1,156,690	1,013,663	1,127,620	1,495,000	16,313,189

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year
Workpaper 1 to Schedule B
Sales Recap
Period Ending December 31, 2024

Line	Customer Class	Acct. #	Type	Class	August	September	October	November	December	Totals
44										
45	Distribution	kWH			310,384	266,181	233,460	262,915	358,647	3,687,739
46	Facility	Facility			109,895	110,297	110,540	110,415	110,630	1,320,655
47	Demand	kW			73,663	65,765	57,383	70,354	51,572	692,931
48	Reservation Charge	BU			4,165	7,899	9,960	2,514	12,104	109,071
49	Total Distribution				498,107	450,143	411,344	446,197	532,953	5,810,395
50	Generation	Gen			824,231	706,689	602,443	681,562	962,235	10,504,818
51	STAS	STAS			(162)	(142)	(124)	(139)	(188)	(2,023)
52					1,322,176	1,156,690	1,013,663	1,127,620	1,495,000	16,313,189
53										
54	RS/RSH				307,250	269,168	239,445	265,963	358,597	3,689,090
55	GLP1				91,079	85,729	84,107	86,124	90,686	1,071,006
56	GLP3				87,957	83,367	75,921	82,136	71,472	905,140
57	SH				206	204	161	235	447	5,108
58	MBL				2,183	2,183	2,183	2,183	2,183	26,198
59	OL				9,433	9,492	9,527	9,557	9,568	113,852
60					498,107	450,143	411,344	446,197	532,953	5,810,395
61	Generation				824,231	706,689	602,443	681,562	962,235	10,504,818
62	STAS				(162)	(142)	(124)	(139)	(188)	(2,023)
63					1,322,176	1,156,690	1,013,663	1,127,620	1,495,000	16,313,189
64										
65	Excess Demand GLP	$3.74			-	-	-	-	-	-
66										

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Total	2024 Total	2025 Total	2026 Total
1	Ops Exp Eng	580	139,449	147,492	151,142	154,958
1	Station Exp	582	20,968	5,258	13,979	14,046
2	OH. Line Exp	583	190,281	191,665	181,002	188,043
3	OH. Line Contra (to Plant)	583.97	(25,570)	(17,480)	(18,034)	(19,270)
4	URD Line Exp	584	77,898	51,848	71,959	73,299
5	Dusk to Dawn Lgts Exp	585DD	3,103	5,271	937	965
6	St Lgt & Signal Exp	585SLS	4,992	6,898	4,088	4,172
7	Meter Exp	586	43,734	53,805	56,277	58,501
8	Meter Contra (to Plant)	586.98	(18,472)	(29,763)	(7,319)	(7,789)
9	Customer Inst Exp	587	39,845	41,115	53,765	56,416
10	Misc. Distribution Exp	588	164,611	211,070	207,816	210,622
11	Tools	588.5	5,685	13,479	8,000	8,500
12	Travel	588.6	74,111	25,691	81,116	83,446
13	Safety & Training	588.7	38,404	76,891	42,600	45,000
14	Mapping	588.8	43,586	23,327	36,446	37,248
15	Retiree Non Alloc BC+SERF	588.1	68,659	104,646	110,437	110,437
16	Rents	589	520	530	525	525
17	Total Ops		871,804	911,743	994,735	1,019,120
18					*994,735*	
19	Maint. Sub-Station Exp	592	2,202	25,133	16,832	17,209
20	Maint. OH. Line Exp	593	322,454	303,733	379,720	397,470
21	Veg Mgmt	593.5	193,991	214,296	209,204	367,143
22	Pole Insp Mgmt	593.6	47,080	40,536	78,287	62,223
23	Maint. URD Line Exp	594	16,532	13,331	14,361	14,827
24	Maint. Line Xfmr	595	85,912	31,968	26,967	27,468
25	Maint. Dusk to Dawn Lgts	596DD	6,450	1,307	6,605	6,676
26	Maint. St Lgt & Signal Exp	596SLS	16,397	14,607	16,992	17,512
27	Maint. of Meter Exp	597	0	0	0	0
28	Total Maintenance		691,018	644,911	748,968	910,527
29					*748,968*	
30	Meter Reading Exp	902	25,085	26,338	26,000	26,000
31	Customer Records Exp	903	474,976	483,001	486,259	492,479
32	Uncollectibles	904	31,906	27,330	30,000	30,900
33	Total Customer Accounts		531,968	536,669	542,259	549,379

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Y
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Labor	2024 Labor	2025 Labor	2026 Labor	2023 OH	2024 OH	2025 OH	2026 OH
1	Ops Exp Eng	580	65,639	69,376	70,506	73,380	73,810	78,116	80,636	81,578
1	Station Exp	582	8,446	1,974	5,821	5,941	9,871	2,264	6,657	6,605
2	OH. Line Exp	583	76,244	81,245	76,212	77,784	90,703	86,954	87,163	86,474
3	OH. Line Contra (to Plant)	583.97		(12,893)						
4	URD Line Exp	584	29,963	12,441	22,843	23,314	33,959	15,023	26,126	25,919
5	Dusk to Dawn Lgts Exp	585DD	345	3,214	407	415	2,728	1,569	465	462
6	St Lgt & Signal Exp	585SLS	2,093	1,606	1,788	1,825	2,363	3,632	2,044	2,028
7	Meter Exp	586	18,234	22,362	22,504	22,968	17,980	25,203	25,737	25,534
8	Meter Contra (to Plant)	586.98		(29,763)						
9	Customer Inst Exp	587	16,746	19,074	21,945	22,397	17,868	21,926	25,098	24,900
10	Misc. Distribution Exp	588	78,384	100,860	93,125	95,045	79,239	103,026	106,506	105,664
11	Tools	588.5								
12	Travel	588.6	28,955		28,510	29,098	32,533	25,691	32,606	32,349
13	Safety & Training	588.7		19,559				22,411		
14	Mapping	588.8	9,306	757	5,527	5,641	10,515	816	6,321	6,271
15	Retiree Non Alloc BC+SERF	588.1								
16	Rents	589						530		
17	Total Ops		334,356	289,812	349,187	357,808	371,570	387,161	399,361	397,784
18										
19	Maint. Sub-Station Exp	592	1,134	11,213	7,461	7,615	843	13,236	8,533	8,466
20	Maint. OH. Line Exp	593	133,851	117,957	156,035	159,253	152,261	155,041	178,455	177,045
21	Veg Mgmt	593.5	7,497	21,787	5,815	5,815	7,527	24,661	6,651	6,465
22	Pole Insp Mgmt	593.6	846	0	2,000	2,000	907	0	2,287	2,223
23	Maint. URD Line Exp	594	6,923	5,237	6,159	6,286	8,026	6,471	7,044	6,989
24	Maint. Line Xfmr	595	9,440	7,462	7,377	7,529	11,103	9,494	8,437	8,370
25	Maint. Dusk to Dawn Lgts	596DD	2,888	550	1,813	1,851	2,822	617	2,074	2,058
26	Maint. St Lgt & Signal Exp	596SLS	7,303	5,733	7,362	7,514	7,491	7,586	8,420	8,354
27	Maint. of Meter Exp	597	0	0	0	0	0	0	0	0
28	Total Maintenance		169,882	169,939	194,023	197,863	190,979	217,106	221,902	219,969
29										
30	Meter Reading Exp	902	0	0	0	0	0	0	0	0
31	Customer Records Exp	903	176,064	174,418	174,043	179,475	192,911	197,831	199,051	199,527
32	Uncollectibles	904								
33	Total Customer Accounts		176,064	174,418	174,043	179,475	192,911	197,831	199,051	199,527

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Y
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Transp	2024 Transp	2025 Transp	2026 Transp	2023 Material	2024 Material	2025 Material	2026 Material
1	Ops Exp Eng	580								
1	Station Exp	582		0			2,651	1,020	1,500	1,500
2	OH. Line Exp	583	23,463	23,466	17,127	23,285	(128)		500	500
3	OH. Line Contra (to Plant)	583.97		2,251			(25,570)	(6,838)	(18,034)	(19,270)
4	URD Line Exp	584	12,286		2,990	4,065	1,690	24,384	20,000	20,000
5	Dusk to Dawn Lgts Exp	585DD	30	488	65	88	0	0	0	0
6	St Lgt & Signal Exp	585SLS	474	1,660	176	239	62	0	80	80
7	Meter Exp	586	5,075	4,512	5,460	7,423	2,445	1,728	2,576	2,576
8	Meter Contra (to Plant)	586.98					(18,472)		(7,319)	(7,789)
9	Customer Inst Exp	587	5,231		6,668	9,065	0	115	54	54
10	Misc. Distribution Exp	588	4,026	4,678	4,804	6,532	2,961	2,506	3,381	3,381
11	Tools	588.5		3,237			5,685	10,242	8,000	8,500
12	Travel	588.6					12,622		20,000	22,000
13	Safety & Training	588.7		233			38,404	34,688	42,600	45,000
14	Mapping	588.8		0			23,765	21,754	24,598	25,336
15	Retiree Non Alloc BC+SERF	588.1					68,659	104,646	110,437	110,437
16	Rents	589					520		525	525
17	Total Ops		50,585	40,525	37,289	50,696	115,294	194,245	208,898	212,831
18										
19	Maint. Sub-Station Exp	592	225	623	809	1,100	0	61	29	29
20	Maint. OH. Line Exp	593	36,306	30,857	44,338	60,280	37	(122)	892	892
21	Veg Mgmt	593.5	2,467	1,087	1,738	2,363	176,500	166,761	195,000	352,500
22	Pole Insp Mgmt	593.6	378	0	0	0	44,949	40,536	74,000	58,000
23	Maint. URD Line Exp	594	1,515	1,546	1,097	1,491	67	77	60	60
24	Maint. Line Xfmr	595	3,605	1,094	1,154	1,569	61,764	13,918	10,000	10,000
25	Maint. Dusk to Dawn Lgts	596DD	740	140	139	188	0	0	2,579	2,579
26	Maint. St Lgt & Signal Exp	596SLS	1,603	1,288	1,209	1,644	0	0	0	0
27	Maint. of Meter Exp	597	0	0	0	0	0	0	0	0
28	Total Maintenance		46,839	36,635	50,483	68,635	283,318	221,231	282,560	424,060
29										
30	Meter Reading Exp	902	0	0	0	0	25,085	26,338	26,000	26,000
31	Customer Records Exp	903	3,558	949	866	1,178	102,444	109,803	112,299	112,299
32	Uncollectibles	904					31,906	27,330	30,000	30,900
33	Total Customer Accounts		3,558	949	866	1,178	159,435	163,471	168,299	169,199

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Total	2024 Total	2025 Total	2026 Total
34					542,259	
35	Administrative	920	742,994	700,832	732,830	884,948
36	Misc Admin	921	103,236	15,126	106,327	109,517
37	Misc Admin- Travel	921.1	20,548	7,817	10,000	10,300
38	Misc Admin- Comm	921.2	32,667	40,255	34,014	35,035
39	Misc Admin- Call Center	921.3	77,386	82,455	85,379	87,940
40	Misc Admin- Transp	921.4	9,655	0	11,267	11,605
41	Outside Services	923	47,103	40,008	37,000	38,110
42	Property Insurance	924	11,431	11,190	11,059	11,059
43	Injury & Damage Exp	925	27,561	27,341	28,907	28,907
44	CEO Insurance	926.01	(8,321)	(5,885)	0	0
45	Benefits	926.00	14,525	13,382	8,500	8,755
46	Reg Commission Exp	928	105,515	70,128	88,208	117,187
47	General Advertising	930.1	1,061	655	1,000	1,030
48	Misc. General Exp	930.2	89,888	93,095	94,112	96,935
49	Director's Committee	930.3	14,352	16,850	15,779	16,252
50	Misc. General Plant	932.4	121,914	155,101	164,713	165,455
51	Total General Labor		1,411,514	1,268,350	1,429,095	1,623,036
52						
53	**Subtotal**		**3,506,304**	**3,361,673**	**3,715,057**	**4,102,061**
54			0	0	0	0
55	Capital		537,607	0	556,938	724,306
56	Misc. A/R		0	0	0	0
57	Truck		5,609	0	0	0
58	OH. Labor(Vac,Hol,Sick,Funeral,Sup		323,568	0	298,015	370,762
59						
60	**Total**		**4,373,088**	**3,361,673**	**4,570,010**	**5,197,129**

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Y
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Labor	2024 Labor	2025 Labor	2026 Labor	2023 OH	2024 OH	2025 OH	2026 OH
34										
35	Administrative	920	351,801	323,420	341,855	419,064	391,193	368,269	390,975	465,884
36	Misc Admin	921								
37	Misc Admin- Travel	921.1								
38	Misc Admin- Comm	921.2								
39	Misc Admin- Call Center	921.3								
40	Misc Admin- Transp	921.4								
41	Outside Services	923								
42	Property Insurance	924								
43	Injury & Damage Exp	925	0	0	0	0				
44	CEO Insurance	926.01								
45	Benefits	926.00								
46	Reg Commission Exp	928								
47	General Advertising	930.1								
48	Misc. General Exp	930.2								
49	Director's Committee	930.3								
50	Misc. General Plant	932.4	47,569	62,272	64,116	65,438	50,741	68,714	73,329	72,750
51	Total General Labor		399,370	385,692	405,971	484,503	441,934	436,983	464,304	538,634
52										
53	**Subtotal**		**1,079,671**	**1,019,861**	**1,123,224**	**1,219,649**	**1,197,394**	**1,239,081**	**1,284,618**	**1,355,914**
54										
55	Capital		537,607		556,938	570,902	0	0	0	0
56	Misc. A/R		0		0	0	0	0	0	0
57	Truck		5,609		0	0	0	0	0	0
58	OH. Labor(Vac,Hol,Sick,Funeral,Sup		323,568		298,015	370,762				
59										
60	**Total**		**1,946,455**	**1,019,861**	**1,978,177**	**2,161,313**	**1,197,394**	**1,239,081**	**1,284,618**	**1,355,914**

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Y
Workpaper 1 to Schedule C
Historic and Forecast O&M
Years 2013-2026

Line	Account	Acct No	2023 Transp	2024 Transp	2025 Transp	2026 Transp	2023 Material	2024 Material	2025 Material	2026 Material
34										
35	Administrative	920		9,143						
36	Misc Admin	921					103,236	15,126	106,327	109,517
37	Misc Admin- Travel	921.1					20,548	7,817	10,000	10,300
38	Misc Admin- Comm	921.2					32,667	40,255	34,014	35,035
39	Misc Admin- Call Center	921.3					77,386	82,455	85,379	87,940
40	Misc Admin- Transp	921.4					9,655		11,267	11,605
41	Outside Services	923					47,103	40,008	37,000	38,110
42	Property Insurance	924					11,431	11,190	11,059	11,059
43	Injury & Damage Exp	925	0	0	0	0	27,561	27,341	28,907	28,907
44	CEO Insurance	926.01					(8,321)	(5,885)	0	0
45	Benefits	926.00					14,525	13,382	8,500	8,755
46	Reg Commission Exp	928					105,515	70,128	88,208	117,187
47	General Advertising	930.1					1,061	655	1,000	1,030
48	Misc. General Exp	930.2					89,888	93,095	94,112	96,935
49	Director's Committee	930.3					14,352	16,850	15,779	16,252
50	Misc. General Plant	932.4	56	76	0	0	23,548	24,039	27,267	27,267
51	Total General Labor		56	9,219	0	0	570,154	436,456	558,820	599,900
52										
53	**Subtotal**		**101,038**	**87,328**	**88,638**	**120,509**	**1,128,201**	**1,015,403**	**1,218,577**	**1,405,990**
54										
55	Capital		0		0	153,404				
56	Misc. A/R		0		0	0				
57	Truck									
58	OH. Labor(Vac,Hol,Sick,Funeral,Sup									
59										
60	**Total**		**101,038**	**87,328**	**88,638**	**273,913**	**1,128,201**	**1,015,403**	**1,218,577**	**1,405,990**

WP1_D **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule D
Components of Capital Projects- Zero Load Analysis
HY 2024

	POLEs			OVERHEAD CONDUCTORS			UNDERGROUND CONDUCTORS		
	Category	Amounts	% of Total	Category	Amounts	% of Total	Category	Amounts	% of Total
		Summary			Summary			Summary	
Line	Pole	Total $	%	OH Conductor	Total $	%	UG Conductor	Total $	%
1	Labor	15,418.69	35.40%	Labor	67,085.33	33.98%	Labor	30,815.31	19.98%
2	Overheads	16,706.14	38.35%	Overheads	77,821.32	39.42%	Overheads	33,350.61	21.62%
3	Transportation	7,439.13	17.08%	Transportation	17,919.28	9.08%	Transportation	6,100.55	3.96%
4	Materials	3,996.44	9.17%	Materials	34,599.45	17.53%	Materials	83,957.54	54.44%
5	Totals	43,560.40	100.00%	Totals	197,425.38	100.00%	Totals	154,224.01	100.00%
6									
7	Work Order 202006-PR02- Pole			Work Order 20200102- OH Cond			Work Order 20210101- UG Cond		
8	CECO Replace R-74-1			Rt 15 Reconductor - Wyndham Hills OH			Linntown UG - 2021		
9	Labor	2,852.13	36.53%	Labor	41,542.49	35.71%	Labor	17,396.97	14.93%
10	Overheads	3,176.38	40.68%	Overheads	44,088.52	37.90%	Overheads	17,784.44	15.26%
11	Transportation	755.20	9.67%	Transportation	11,890.79	10.22%	Transportation	3,534.87	3.03%
12	Materials	1,024.80	13.12%	Materials	18,805.99	16.17%	Materials	77,798.20	66.77%
13	Totals	7,808.51	100.00%	Totals	116,327.79	100.00%	Totals	116,514.48	100.00%
14									
15	Work Order 20201201- Pole			Work Order 20210102- OH Cond			Work Order 20201001- UG Cond		
16	CECO Replace Pole			Wolfland Rd Relocation			Svc Upgrade K-35-FR		
17	Labor	1,407.81	19.56%	Labor	9,630.79	30.07%	Labor	3,163.69	37.64%
18	Overheads	1,114.70	15.49%	Overheads	15,325.83	47.86%	Overheads	3,169.10	37.71%
19	Transportation	3,889.27	54.04%	Transportation	1,333.26	4.16%	Transportation	404.76	4.82%
20	Materials	785.14	10.91%	Materials	5,733.13	17.90%	Materials	1,666.58	19.83%
21	Totals	7,196.92	100.00%	Totals	32,023.01	100.00%	Totals	8,404.13	100.00%
22									
23	Work Order 2021-RJP07- Pole			Work Order 20200401- OH Cond (3ph Ext)			Work Order 20210407- UG Cond		
24	CECO Replace T-19-14-14			3ph Ext from T-19-14-17-3-2			New Svc to 285 Sunnyside Dr		
25	Labor	1,629.13	35.74%	Labor	9,239.95	32.58%	Labor	839.56	33.79%
26	Overheads	1,989.91	43.66%	Overheads	10,295.25	36.31%	Overheads	1,019.93	41.05%
27	Transportation	366.08	8.03%	Transportation	3,197.41	11.28%	Transportation	103.54	4.17%
28	Materials	572.55	12.56%	Materials	5,624.67	19.84%	Materials	521.69	21.00%
29	Totals	4,557.67	100.00%	Totals	28,357.28	100.00%	Totals	2,484.72	100.00%

WP1_D **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 1 to Schedule D
Components of Capital Projects- Zero Load Analysis
HY 2024

	POLEs			OVERHEAD CONDUCTORS			UNDERGROUND CONDUCTORS		
	Category	Amounts	% of Total	Category	Amounts	% of Total	Category	Amounts	% of Total
30									
31	Work Order 20210204- Pole			Work Order 20210509-OH Cond (1 Ph Ext)			Work Order 20200110- UG Cond (1ph Ext)		
32	Replace Burnt Pole U-92			Svc to Construction Trailer			Svc Ext from U-197		
33	Labor	7,155.07	41.53%	Labor	1,585.96	30.87%	Labor	5,635.60	32.83%
34	Overheads	7,954.77	46.17%	Overheads	1,926.68	37.51%	Overheads	6,528.18	38.03%
35	Transportation	1,308.17	7.59%	Transportation	271.39	5.28%	Transportation	1,669.10	9.72%
36	Materials	811.07	4.71%	Materials	1,352.99	26.34%	Materials	3,331.80	19.41%
37	Totals	17,229.08	100.00%	Totals	5,137.02	100.00%	Totals	17,164.68	100.00%
38									
39	Work Order 20210501- Pole			Work Order 20210901- OH Cond			Work Order 20210409- UG Cond		
40	Pole Hit - Grove Road @ R-251-11-3-5-9			New pole & 3ph Svc			OH to UG Reloc 30 S 17th		
41	Labor	1,405.61	33.77%	Labor	4,626.24	32.55%	Labor	784.30	38.66%
42	Overheads	1,489.95	35.80%	Overheads	5,627.49	39.60%	Overheads	1,042.90	51.41%
43	Transportation	825.90	19.84%	Transportation	1,062.19	7.47%	Transportation	57.98	2.86%
44	Materials	440.58	10.59%	Materials	2,895.63	20.38%	Materials	143.32	7.07%
45	Totals	4,162.04	100.00%	Totals	14,211.55	100.00%	Totals	2,028.50	100.00%
46									
47	Work Order 20220101- Pole			Work Order 20210503- OH Cond			Work Order 20211104- UG Cond		
48	New SL V-8-40-5 - 125 Paul L			New Svc to Garage 7028 Old Turnpike			Repl Failed UG Svc - 34 James Rd		
49	Labor	968.94	37.18%	Labor	459.90	33.60%	Labor	2,995.19	39.27%
50	Overheads	980.43	37.62%	Overheads	557.55	40.73%	Overheads	3,806.06	49.90%
51	Transportation	294.51	11.30%	Transportation	164.24	12.00%	Transportation	330.30	4.33%
52	Materials	362.30	13.90%	Materials	187.04	13.67%	Materials	495.95	6.50%
53	Totals	2,606.18	100.00%	Totals	1,368.73	100.00%	Totals	7,627.50	100.00%

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
1				**BILLING UNITS**				
2				**kWh Sales HY 2024**				
3	Jan-24	9,326,803	14,243	2,354,786	3,269,055	8,406	22,707	14,996,000
4	Feb-24	9,611,387	21,004	2,572,235	3,446,627	8,218	19,391	15,678,862
5	Mar-24	7,494,805	16,508	2,145,350	3,094,532	6,773	18,814	12,776,782
6	Apr-24	6,769,432	11,348	2,024,504	3,201,539	6,485	16,013	12,029,321
7	May-24	5,134,716	6,125	1,784,039	3,361,237	5,577	14,672	10,306,366
8	Jun-24	5,526,480	2,591	1,992,971	4,022,367	4,995	12,662	11,562,066
9	Jul-24	6,716,368	2,758	2,308,526	3,884,948	4,363	13,858	12,930,821
10	Aug-24	6,806,209	2,828	2,377,930	4,394,580	4,709	15,354	13,601,610
11	Sep-24	5,667,038	2,815	2,112,686	4,289,595	5,369	16,861	12,094,364
12	Oct-24	4,785,266	2,276	1,805,136	3,615,155	6,036	19,782	10,233,651
13	Nov-24	5,566,791	3,948	1,882,693	3,620,378	6,837	20,972	11,101,619
14	Dec-24	8,317,039	8,746	2,142,994	3,089,073	7,775	22,783	13,588,410
15		81,722,334	95,190	25,503,850	43,289,086	75,543	213,869	150,899,872
16		*81,722,334*	*95,190*	*25,503,850*	*43,289,086*	*75,543*	*213,869*	*150,899,872*
17				**Full Month Customers HY 2024**				
18	Jan-24	5,944	2	1,119	41	12	24	7,142
19	Feb-24	5,941	4	1,128	40	13	27	7,153
20	Mar-24	5,942	4	1,129	40	13	27	7,155
21	Apr-24	5,944	4	1,130	40	13	26	7,157
22	May-24	5,946	4	1,133	39	13	26	7,161
23	Jun-24	5,949	4	1,128	39	13	26	7,159
24	Jul-24	5,964	4	1,128	39	13	26	7,174
25	Aug-24	5,965	3	1,130	39	13	26	7,176
26	Sep-24	5,975	3	1,132	40	13	26	7,189
27	Oct-24	5,990	3	1,134	40	13	26	7,206
28	Nov-24	6,001	3	1,134	40	13	26	7,217
29	Dec-24	6,001	3	1,137	40	13	26	7,220
30	Annual Bills	71,562	41	13,562	477	155	312	86,109
31	Average Monthly Bills	5,964	3	1,130	40	13	26	7,176
32								

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
33		**Monthly Billing Units- Public Lighting and Street Lighting HY 2024**						
34	Rate 1				MBL- Meter Coun	13		
35	Rate 2				MBL- Post Count	535		
36	Rate 3				Mth revenue	$2,179.22	$9,602.01	
37		**RATES AND CHARGES**						
38		**Tariff Rates**						
39	Customer Charge	$13.10	$20.19	$16.00	$55.00	$3.84		
40						MBL- Meter		
41								
42						MBL- Post	Average	
43	Energy Block 1	$0.033680	$0.044130	$0.009630	$0.009490	$3.98	$14.66	
44								
45	Energy Block 2				$0.001030		Count	
46							655	
47	Reservation Chge				$2.51			
48								
49	Voltage Discount				($0.234420)			
50	Block 1 kWh				3,500			
51	Demand Block 1			$3.74	$5.37			
52								
53	Block 1 Energy = Demand X				30			
54	GSSR Rate	$0.086970	$0.00000	$0.00000	$0.00000	$0.00000	$0.00000	
55								
56	STAS Rate	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	
57								

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
58				**COMPUTATION OF REVENUE**				
59				**Customer Charge Revenue- Full Month Customers**				
60	Jan-24	$77,866	$40	$17,904	$2,255	$2,179	$9,602	$109,847
61	Feb-24	77,827	81	18,048	2,200	2,179	9,602	109,937
62	Mar-24	77,840	81	18,064	2,200	2,179	9,602	109,966
63	Apr-24	77,866	81	18,080	2,200	2,179	9,602	110,008
64	May-24	77,893	81	18,128	2,145	2,179	9,602	110,028
65	Jun-24	77,932	81	18,048	2,145	2,179	9,602	109,987
66	Jul-24	78,128	81	18,048	2,145	2,179	9,602	110,183
67	Aug-24	78,142	61	18,080	2,145	2,179	9,602	110,208
68	Sep-24	78,273	61	18,112	2,200	2,179	9,602	110,426
69	Oct-24	78,469	61	18,144	2,200	2,179	9,602	110,655
70	Nov-24	78,613	61	18,144	2,200	2,179	9,602	110,799
71	Dec-24	78,613	61	18,192	2,200	2,179	9,602	110,847
72		$937,462	$828	$216,992	$26,235	$26,151	$115,224	$1,322,892
73								
74				**Distribution kWh Revenue**				
75	Jan-24	$314,127	$629	$22,677	$5,659			$343,091
76	Feb-24	323,712	927	24,771	5,780			355,189
77	Mar-24	252,425	728	20,660	5,343			279,156
78	Apr-24	227,994	501	19,496	5,543			253,534
79	May-24	172,937	270	17,180	5,943			196,331
80	Jun-24	186,132	114	19,192	7,507			212,946
81	Jul-24	226,207	122	22,231	6,678			255,238
82	Aug-24	229,233	125	22,899	7,843			260,101
83	Sep-24	190,866	124	20,345	7,393			218,728
84	Oct-24	161,168	100	17,383	6,263			184,915
85	Nov-24	187,490	174	18,130	6,942			212,736
86	Dec-24	280,118	386	20,637	5,485			306,626
87		$2,752,408	$4,201	$245,602	$76,378	$0	$0	$3,078,589
88								
89				**Distribution Demand Revenue (Includes Voltage Discount and Reservation Chge)**				
90	Jan-24			$51,702	$60,300			$112,003
91	Feb-24			54,284	57,502			111,786
92	Mar-24			51,684	55,671			107,356
93	Apr-24			51,106	59,269			110,375
94	May-24			50,751	66,251			117,002
95	Jun-24			49,982	75,162			125,144
96	Jul-24			51,519	70,553			122,072
97	Aug-24			50,183	79,012			129,195
98	Sep-24			50,109	73,342			123,451
99	Oct-24			48,431	67,013			115,444
100	Nov-24			50,090	72,519			122,609
101	Dec-24			51,971	63,333			115,304
102		$0	$0	$611,814	$799,927	$0	$0	$1,411,741
103								
104								

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
105					**Total Revenue**			
106	Jan-24	$391,993	$669	$92,283	$68,214	$2,179	$9,602	$564,940
107	Feb-24	401,539	1,008	97,103	65,481	2,179	9,602	576,912
108	Mar-24	330,265	809	90,408	63,214	2,179	9,602	496,478
109	Apr-24	305,861	582	88,682	67,012	2,179	9,602	473,918
110	May-24	250,830	351	86,060	74,339	2,179	9,602	423,361
111	Jun-24	264,064	195	87,222	84,814	2,179	9,602	448,076
112	Jul-24	304,336	202	91,798	79,376	2,179	9,602	487,493
113	Aug-24	307,375	185	91,163	89,000	2,179	9,602	499,504
114	Sep-24	269,138	185	88,566	82,935	2,179	9,602	452,605
115	Oct-24	239,637	161	83,959	75,476	2,179	9,602	411,014
116	Nov-24	266,103	235	86,364	81,661	2,179	9,602	446,144
117	Dec-24	358,731	447	90,800	71,018	2,179	9,602	532,777
118		$3,689,870	$5,029	$1,074,408	$902,540	$26,151	$115,224	$5,813,222
119								
120					**BILLING UNITS- DETAIL**			
121					**Block 1 kWh Sales HY 2024**			
122	Jan-24	9,326,803	14,243	2,354,786	270,900	8,406	22,707	11,997,845
123	Feb-24	9,611,387	21,004	2,572,235	263,544	8,218	19,391	12,495,779
124	Mar-24	7,494,805	16,508	2,145,350	254,825	6,773	18,814	9,937,075
125	Apr-24	6,769,432	11,348	2,024,504	265,394	6,485	16,013	9,093,176
126	May-24	5,134,716	6,125	1,784,039	293,293	5,577	14,672	7,238,422
127	Jun-24	5,526,480	2,591	1,992,971	397,633	4,995	12,662	7,937,332
128	Jul-24	6,716,368	2,758	2,308,526	316,351	4,363	13,858	9,362,224
129	Aug-24	6,806,209	2,828	2,377,930	392,062	4,709	15,354	9,599,092
130	Sep-24	5,667,038	2,815	2,112,686	351,601	5,369	16,861	8,156,370
131	Oct-24	4,785,266	2,276	1,805,136	300,150	6,036	19,782	6,918,646
132	Nov-24	5,566,791	3,948	1,882,693	379,765	6,837	20,972	7,861,006
133	Dec-24	8,317,039	8,746	2,142,994	272,222	7,775	22,783	10,771,559
134		81,722,334	95,190	25,503,850	3,757,740	75,543	213,869	111,368,526
135		81,722,334	95,190	25,503,850	*3,757,740*			
136					**Block 2 kWh Sales HY 2024**			
137	Jan-24				2,998,155			2,998,155
138	Feb-24				3,183,083			3,183,083
139	Mar-24				2,839,707			2,839,707
140	Apr-24				2,936,145			2,936,145
141	May-24				3,067,944			3,067,944
142	Jun-24				3,624,734			3,624,734
143	Jul-24				3,568,597			3,568,597
144	Aug-24				4,002,518			4,002,518
145	Sep-24				3,937,994			3,937,994
146	Oct-24				3,315,005			3,315,005
147	Nov-24				3,240,613			3,240,613
148	Dec-24				2,816,851			2,816,851
149		0	0	0	39,531,346	0	0	39,531,346
150								150,899,872

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
151		GLP-1 Month	GLP-1 Excess	GLP-1 Month	**GLP-3**			
152	Jan-24	13,824		13,824	9,158			
153	Feb-24	14,515		14,515	8,539			
154	Mar-24	13,819		13,819	8,204			
155	Apr-24	13,665		13,665	8,930			
156	May-24	13,570		13,570	10,675			
157	Jun-24	13,364		13,364	13,578			
158	Jul-24	13,775		13,775	11,670			
159	Aug-24	13,418		13,418	14,187			
160	Sep-24	13,398		13,398	12,430			
161	Oct-24	12,950		12,950	10,849			
162	Nov-24	13,393		13,393	13,250			
163	Dec-24	13,896		13,896	9,756			
164		163,587	0	163,587	131,225			
165		*163,587*			*131,225*			
166								

Line		GLP3 kWH	GLP3 kW	GLP3 Volt Disc	GLP3 Res Chge	GLP3 Total	GLP3 kWVD
167							
168							
169	Jan-24	3,269,055	49,177	(1,101)	12,225	60,300	4,697
170	Feb-24	3,446,627	45,852	(900)	12,550	57,502	3,841
171	Mar-24	3,094,532	44,054	(885)	12,502	55,671	3,774
172	Apr-24	3,201,539	47,953	(1,041)	12,357	59,269	4,440
173	May-24	3,361,237	57,322	(1,200)	10,128	66,251	5,119
174	Jun-24	4,022,367	72,912	(1,240)	3,490	75,162	5,289
175	Jul-24	3,884,948	62,670	(1,294)	9,177	70,553	5,520
176	Aug-24	4,394,580	76,187	(1,339)	4,165	79,012	5,713
177	Sep-24	4,289,595	66,747	(1,305)	7,899	73,342	5,566
178	Oct-24	3,615,155	58,261	(1,208)	9,960	67,013	5,153
179	Nov-24	3,620,378	71,152	(1,147)	2,514	72,519	4,894
180	Dec-24	3,089,073	52,392	(1,163)	12,104	63,333	4,960
181		43,289,086	704,679	(13,822)	109,071	799,927	58,964
182		43,289,086					*58,964*
183				In GLP-RTP	5,000		
184					12,550		

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line		Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
185		GLP3	GLP3 - Customer	GLP3 - EvH	GLP3 - Customer	Res Charge BU		ResCredit
186		kWh	kWh	kWh	kWh	$		$
187	Jan-24	1,443,384	181,071	1,644,600	130	12,550		(325)
188	Feb-24	1,601,576	179,451	1,665,600	0	12,550		0
189	Mar-24	1,401,164	169,968	1,523,400	38	12,550		(48)
190	Apr-24	1,338,292	185,047	1,678,200	116	12,550		(193)
191	May-24	1,302,840	198,997	1,859,400	13,665	12,550		(2,422)
192	Jun-24	1,360,328	521,839	2,140,200	315,335	12,550		(9,060)
193	Jul-24	1,418,116	232,432	2,234,400	17,624	12,550		(3,373)
194	Aug-24	1,590,908	336,472	2,467,200	99,034	12,550		(8,385)
195	Sep-24	1,493,168	310,627	2,485,800	83,331	12,550		(4,651)
196	Oct-24	1,326,196	228,559	2,060,400	25,988	12,550		(2,590)
197	Nov-24	1,272,036	389,342	1,959,000	201,907	12,550		(10,036)
198	Dec-24	1,296,684	180,189	1,612,200	431	12,550		(446)
199		16,844,692	3,113,994	23,330,400	757,598	150,600		(41,529)
200		19,217,633	3,113,994	23,330,400	*757,598*	*150,600*		(41,529)
201								($2.51)
202								

			200	130	500	100	280	300.95
203	Watts per Lamp		175 W MV	100 W HPS	400 W HPS	5K LED	15K LED	20K LED
204	**POL kWh**	**Hours**	kWh/Month	kWh/Month	kWh/Month	kWh/Month	kWh/Month	kWh/Month
205	Jan-24	440	88	57	220	44	123	132
206	Feb-24	370	74	48	185	37	104	111
207	Mar-24	370	74	48	185	37	104	111
208	Apr-24	310	62	40	155	31	87	93
209	May-24	285	57	37	143	29	80	86
210	Jun-24	250	50	33	125	25	70	75
211	Jul-24	275	55	36	138	28	77	83
212	Aug-24	305	61	40	153	31	85	92
213	Sep-24	335	67	44	168	34	94	101
214	Oct-24	395	79	51	198	40	111	119
215	Nov-24	415	83	54	208	42	116	125
216	Dec-24	450	90	59	225	45	126	135
217		4,200	840	546	2,100	420	1,176	1,264
218								
219	POL Lamps	655	56	37	3	514	27	18
220								

WP2_B **Citizens' Electric Company of Lewisburg**
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule B
Monthly Billing Units, Rates And Revenue
Historic Year 2024

Line			Residential	Space Heating	GLP-1	GLP-3	Municipal Boulevard Lighting	Outdoor Lighting	Total
221	Description	Device	Count	Dist	Tariff Total			Gen	
222	OL 175W MV OH Open	22	49	$7.27	$13.36	Device Type: 22-OL 175W MV OH Open		$6.09	
223	OL 175W MV UG Cobra	23	7	$14.77	$20.86	Device Type: 23-OL 175W MV UG Color		$6.09	
224	OL 100W HPS OH	26	24	$9.09	$13.05	Device Type: 26-OL 100W HPS OH Oper		$3.96	
225	OL 100W HPS UG	27	13	$14.77	$18.73	Device Type: 27-OL 100W HPS UG Oper		$3.96	
226	OL 100W HPS Colonial	28	0	$21.88	$25.84			$3.96	
227	OL 400W HPS OH Cobra	31	3	$14.20	$28.35	Device Type: 31-OL 400W HPS OH Cobr		$14.15	
228	OL 400WHPS UG Cobra	34	0						
229									
230	LED 15K Lum OH Cobra	40	23	$16.25	$20.51	Device Type: 40-OL LED 15k Lum OH C		$4.26	
231	LED 5K Lum OH Cobra	41	409	$12.92	$14.29	Device Type: 41-OL LED 5k LUM,OH Cc		$1.37	
232	LED 5K Lum UG Colonia	42	76	$26.60	$28.12	Device Type: 42-OL LED 5k LUM UG Cc		$1.52	
233	LED 5K Lum UG Cobra	43	29	$18.84	$20.21	Device Type: 43-OL LED 5k LUM UG Cc		$1.37	
234	LED 20K Lum OH Cobra	44	17	$20.51	$29.03	Device Type: 44-OL LED 20K LUM,OH (		$8.52	
235	LED 20K Lum UG Cobra	45	1	$26.40	$34.92			$8.52	
236	LED 15K Lum UG Cobra	46	4	$22.14	$26.40	Device Type: 46-OL LED 15k LUM UG C		$4.26	
237	OL 400W HPS UG								
238	OL 100W JPS UG								
239			655	$ 9,602	Monthly	LED	104,275		
240				$14.66	Average rate	MV-HPS	10,949		
241				$ 115,224	Annual		115,224		

WP2_C

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule C
Accumulated Deferred Income Taxes
Years 2024 through 2026

Line	CECO	HY 2024	FTY 2025	FPFTY 2026
1				
2	Book	15,229,320	16,666,142	18,189,781
3				
4	Federal Tax - MACRS	22,869,678	23,985,289	25,240,900
5				
6	Federal Tax - SL	21,209,863	22,378,980	23,637,765
7				
8	PA Tax	19,003,820	20,281,631	21,680,887
9				
10	Federal Tax Depr Exp - MACRS	945,688	1,115,611	1,255,610
11				
12	Federal Tax Depr Exp - SL	1,042,603	1,169,116	1,258,785
13				
14	PA Tax Depr Exp	1,255,863	1,277,811	1,399,256
15				

WP2_D

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule D
Transformer Costs and Replacements
HY 2024

Line	Configure	kV Rating	Phase Code	Count	Replace-ment
1	OH 1Ph	**5**	1	5	TPM15
2	OH 1Ph	**10**	1	189	TPM15
3	OH 1Ph	**15**	1	509	TPM15
4	OH 1Ph	**25**	1	602	TPM25
5	OH 1Ph	**37.5**	1	73	TPM50
6	OH 1Ph	**50**	1	426	TPM50
7	OH 1Ph	**75**	1	27	TPM100
8	OH 1Ph	**100**	1	88	TPM100
9	OH 1Ph	**167**	1	14	TPM167
10					
11	UG 1Ph	**15**	4	10	TPD25
12	UG 1Ph	**25**	4	237	TPD25
13	UG 1Ph	**50**	4	351	TPD50
14	UG 1Ph	**100**	4	35	TPD100
15					
16	UG 3Ph	**150**	5	9	TPD150
17	UG 3Ph	**300**	5	10	TPD300
18	UG 3Ph	**500**	5	8	TPD500
19	UG 3Ph	**750**	5	1	TPD1000
20	UG 3Ph	**1000**	5	7	TPD1000
21	UG 3Ph	**1500**	5	1	TPD1500
22				2,602	
23		*Check=*		*2,602*	
24					

WP2_D

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule D
Transformer Costs and Replacements
HY 2024

25	Type	Count	Unit Cost	Total Cost	Matl Cost	Labor	OH	Truck
26	TPM15	703	$ 1,164	817,963	$ 812	$ 135.89	$ 154.77	$ 60.87
27	TPM25	602	$ 1,740	1,047,198	$ 1,388	$ 135.89	$ 154.77	$ 60.87
28	TPM50	499	$ 2,385	1,189,882	$ 2,033	$ 135.89	$ 154.77	$ 60.87
29	TPM100	115	$ 4,040	464,546	$ 3,688	$ 135.89	$ 154.77	$ 60.87
30	TPM167	14	$ 4,850	67,893	$ 4,498	$ 135.89	$ 154.77	$ 60.87
31								
32	TPD25	247	$ 2,964	732,187	$ 2,230	$ 271.79	$ 309.55	$ 152.99
33	TPD50	351	$ 3,642	1,278,454	$ 2,908	$ 271.79	$ 309.55	$ 152.99
34	TPD50 /4		$ 911					
35	TPD100	35	$ 4,822	168,781	$ 4,088	$ 271.79	$ 309.55	$ 152.99
36	TPD150	9	$ 12,422	111,801	$ 11,688	$ 271.79	$ 309.55	$ 152.99
37	TPD300	10	$ 16,622	166,223	$ 15,888	$ 271.79	$ 309.55	$ 152.99
38	TPD500	8	$ 17,289	138,315	$ 16,555	$ 271.79	$ 309.55	$ 152.99
39	TPD1000	8	$ 28,734	229,875	$ 28,000	$ 271.79	$ 309.55	$ 152.99
40	TPD1500	1	$ 32,734	32,734	$ 32,000	$ 271.79	$ 309.55	$ 152.99
41		2,602		6,445,853				
42								

WP3_B

Citizens' Electric Company of Lewisburg
Rate Case with Fully Projected Future Test Year 2026
Workpaper 3 to Schedule B
Monthly Customers
Historic Year 2024

Line		RS	RSH	RSD	RSHD	RS Total	GLP1	GLP1D	GLP1 Total	SYL OL	MBL	SH
1	1/1/2024	3,166		2,778		5,944	1,119		1,119	24	12	2
2	2/1/2024	3,137		2,804		5,941	1,128		1,128	27	13	4
3	3/1/2024	3,137		2,805		5,942	1,129		1,129	27	13	4
4	4/1/2024	3,133		2,811		5,944	1,130		1,130	26	13	4
5	5/1/2024	3,133		2,813		5,946	1,133		1,133	26	13	4
6	6/1/2024	3,137		2,812		5,949	1,128		1,128	26	13	4
7	7/1/2024	3,137		2,827		5,964	1,128		1,128	26	13	4
8	8/1/2024	3,138		2,827		5,965	1,130		1,130	26	13	3
9	9/1/2024	3,138		2,837		5,975	1,132		1,132	26	13	3
10	10/1/2024	3,140		2,850		5,990	1,134		1,134	26	13	3
11	11/1/2024	3,141		2,860		6,001	1,134		1,134	26	13	3
12	12/1/2024	3,142		2,859		6,001	1,137		1,137	26	13	3
13	Total Bills	37,679	-	33,883	-	71,562	13,562	-	13,562	312	155	41
14												
15												

16		GLP3	GLP3D	GLP5D	GLPPD	G3B	G3D	GLP3 Total	Total	Check
17	1/1/2024	37			4			41	7,142	7,142
18	2/1/2024	33			7			40	7,153	7,153
19	3/1/2024	33			7			40	7,155	7,155
20	4/1/2024	34			6			40	7,157	7,157
21	5/1/2024	33			6			39	7,161	7,161
22	6/1/2024	33			6			39	7,159	7,159
23	7/1/2024	33			6			39	7,174	7,174
24	8/1/2024	33			6			39	7,176	7,176
25	9/1/2024	34			6			40	7,189	7,189
26	10/1/2024	34			6			40	7,206	7,206
27	11/1/2024	34			6			40	7,217	7,217
28	12/1/2024	34			6			40	7,220	7,220
29	Total Bills	405	-	-	72	-	-	477	86,109	86,109

WP3_D **Citizens' Electric Company of Lewisburg**

Rate Case with Fully Projected Future Test Year 2026
Workpaper 3 to Schedule D
Services Costs
HY 2024

Line	Volt	OHUG	Phase	RS	RSH	SH	GLP1	GLP1D	GLP3	MBL	Inactive	Total
1	SEC	OH	1	2,313	1,091	2	572	11	5	2	44	4,040
2	SEC	OH	3	11	6	1	96	7	5	-	4	130
3	SEC	UG	1	805	1,615	-	292	13	-	11	24	2,760
4	SEC	UG	3	2	105	-	128	11	27	-	2	275
5	PRI	OH	1	-	-	-	-	-	-	-	-	-
6	PRI	OH	3	-	-	-	-	-	5	-	-	5
7	PRI	UG	1	-	-	-	-	-	-	-	-	-
8	PRI	UG	3	-	-	-	1	-	1	-	2	4
9				3,131	2,817	3	1,089	42	43	13	76	7,214
10												7,214

11	Class	Volt	Volt	Phase	Count	Material/ Labor	Truck Hours	Truck	Total Cost	Total Cost
12	Res	SEC	OH	1	3,404	$ 753.34	2.8	$ 86.90	$ 840.24	$ 2,860,177
13	Res	SEC	OH	3	17	$ 869.61	3.5	$ 106.07	$ 975.68	$ 16,587
14	Res	SEC	UG	1	2,420	$ 937.53	3.3	$ 101.21	$ 1,038.74	$ 2,513,751
15	Res	SEC	UG	3	107	$ 1,062.03	4.0	$ 122.68	$ 1,184.71	$ 126,764
16	SH	SEC	OH	1	2	$ 753.34	2.8	$ 86.90	$ 840.24	$ 1,680
17	SH	SEC	OH	3	1	$ 869.61	3.5	$ 106.07	$ 975.68	$ 976
18	SH	SEC	UG	1	-	$ 937.53	3.3	$ 101.21	$ 1,038.74	$ -
19	SH	SEC	UG	3	-	$ 1,062.03	4.0	$ 122.68	$ 1,184.71	$ -
20	GLP1	SEC	OH	1	583	$ 753.34	2.8	$ 86.90	$ 840.24	$ 489,860
21	GLP1	SEC	UG	3	103	$ 869.61	3.5	$ 106.07	$ 975.68	$ 100,495
22	GLP1	SEC	OH	1	305	$ 937.53	3.3	$ 101.21	$ 1,038.74	$ 316,816
23	GLP1	SEC	UG	3	139	$ 1,062.03	4.0	$ 122.68	$ 1,184.71	$ 164,675
24	GLP3	SEC	UG	1	5	$ 753.34	2.8	$ 86.90	$ 840.24	$ 4,201
25	GLP3	SEC	OH	3	5	$ 869.61	3.5	$ 106.07	$ 975.68	$ 4,878
26	GLP3	SEC	OH	1	-	$ 937.53	3.3	$ 101.21	$ 1,038.74	$ -
27	GLP3	SEC	UG	3	27	$ 1,062.03	4.0	$ 122.68	$ 1,184.71	$ 31,987
28	MBL	SEC	UG	1	2	$ 753.34	2.8	$ 86.90	$ 840.24	$ 1,680
29	MBL	SEC	OH	3	-	$ 869.61	3.5	$ 106.07	$ 975.68	$ -
30	MBL	SEC	OH	1	11	$ 937.53	3.3	$ 101.21	$ 1,038.74	$ 11,426
31	MBL	SEC	UG	3	-	$ 1,062.03	4.0	$ 122.68	$ 1,184.71	$ -
32				Active Secondary:	7,131					$ 6,645,953
33				Primary:	9					
34				*Company/ Inactive/ Future:*	76					
35					7,216					

G

BEFORE THE

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**		
	:		
v.	**:**	**Docket Nos.**	**R-2025-**
	:		**R-2025-**
Citizens' Electric Company of Lewisburg, PA,	**:**		
Valley Energy Company, and Wellsboro	**:**		
Electric Company	**:**		

DIRECT TESTIMONY

AND EXHIBIT

OF

DYLAN W. D'ASCENDIS

AND

RYAN M. KUCAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
VALLEY ENERGY, INC., AND
WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

TABLE OF CONTENTS

I. Introduction 1
A. Witness Identification 1
B. Background and Qualifications 1
II. Purpose of Testimony 3
III. Summary 4
IV. General Principles 8
A. Business Risk 12
B. Financial Risk 14
V. Valley, Citizens', and the Utility Proxy Groups 15
VI. Capital Structure and Associated Cost Rates 19
VII. Common Equity Cost Rate Models 20
A. Discounted Cash Flow Model 22
B. The Risk Premium Model 25
C. The Capital Asset Pricing Model 38
D. Common Equity Cost Rates for Proxy Group of Domestic, Non-Price Regulated Companies Based on the DCF, RPM, and CAPM 45
VIII. Conclusion of Common Equity Cost Rates Before Adjustments 50
IX. Adjustments to the Common Equity Cost Rates 51
A. Size Adjustment 51
B. Performance Factor Adjustment 56
X. Conclusion 57

I. INTRODUCTION

A. Witness Identification

Q. MR. D'ASCENDIS, WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Dylan W. D'Ascendis. My business address is 1820 Chapel Ave., W., Suite 300, Cherry Hill, N.J. 08003.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am a Partner at ScottMadden, Inc.

Q. MR. KUCAN, WOULD YOU PLEASE STATE YOUR NAME AND BUSINESS ADDRESS?

A. My name is Ryan M. Kucan. My business address is 3 Speen St., Suite 150, Framingham, MA 01701.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am a Manager at ScottMadden, Inc.

B. Background and Qualifications

Q. MR D'ASCENDIS, PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I have offered expert testimony on behalf of investor-owned utilities before over 40 state regulatory commissions in the United States, the Federal Energy Regulatory Commission, the Alberta Utility Commission, the Canadian Energy Regulator, an American Arbitration Association panel, and the Superior Court of Rhode Island on issues including, but not limited to, common equity cost rate, rate of return, valuation, capital structure, class cost of service, and rate design.

On behalf of the American Gas Association ("AGA"), I calculate the AGA Gas Index, which serves as the benchmark against which the performance of the American Gas Index Fund ("AGIF") is measured on a monthly basis. The AGA Gas Index and AGIF are a market capitalization weighted index and mutual fund, respectively, comprised of the common stocks of the publicly traded corporate members of the AGA.

I am a member of the Society of Utility and Regulatory Financial Analysts ("SURFA"). In 2011, I was awarded the professional designation "Certified Rate of Return Analyst" by SURFA, which is based on education, experience, and the successful completion of a comprehensive written examination.

I am also a member of the National Association of Certified Valuation Analysts ("NACVA") and was awarded the professional designation "Certified Valuation Analyst" by the NACVA in 2015.

I am a graduate of the University of Pennsylvania, where I received a Bachelor of Arts degree in Economic History. I have also received a Master of Business Administration with high honors and concentrations in Finance and International Business from Rutgers University.

The details of my educational background and expert witness appearances are included in Appendix A.

Q. MR KUCAN, PLEASE SUMMARIZE YOUR PROFESSIONAL EXPERIENCE AND EDUCATIONAL BACKGROUND.

A. I have worked in the regulated utilities industry since 2016 and have been employed by ScottMadden as a consultant for more than six years. At ScottMadden, I have

provided support to over 100 utility regulatory proceedings covering topics such as common equity cost rate, rate of return, capital structure, and valuation. I also help calculate the AGA Gas Index.

I am also a member of SURFA and was awarded the professional designation "Certified Rate of Return Analyst" by SURFA in 2023.

I received a Bachelor of Science in Business Administration with concentrations in Finance and Accounting from Northeastern University prior to a Master of Business Administration from the Rotman School of Management at the University of Toronto.

The details of my educational background and professional experience are shown in Appendix B.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. The purpose of our testimony is to present evidence on behalf of Valley Energy, Inc. ("Valley"), Citizens' Electric Company of Lewisburg, PA ("Citizens'"), and Wellsboro Electric Company ("Wellsboro") (collectively, "the Companies") and recommend allowed weighted average costs of capital ("WACC") for each company's jurisdictional rate base.

Q. HAVE YOU PREPARED AN EXHIBIT IN SUPPORT OF YOUR RECOMMENDATION?

A. Yes. We have prepared Exhibit __ (ROR-1), which consists of Schedules ROR-1 through ROR-8.

III. SUMMARY

Q. WHAT ARE YOUR RECOMMENDED WACCS FOR THE COMPANIES?

A. We recommend that the Pennsylvania Public Utility Commission (the "Commission") authorize Valley, Citizens', and Wellsboro opportunities to earn WACCs of 8.27%, 8.49% and 8.18%, respectively, on their jurisdictional rate bases. Our recommended capital structure for the Companies is based on the capital structure of their parent company, C&T Enterprises, as will be discussed below. The recommended capital structure consists of 51.06% long-term debt and 48.94% common equity. The costs of long-term debt for the Companies are their expected costs of debt at the end of the projected test year. The cost of common equity for each of the Companies is 11.65%, as will be discussed in detail below. The summary of the Companies' requested WACCs are shown on page 1 of Schedule ROR-1, and on Tables 1, 2, and 3 below.

Table 1: Summary of Recommended Weighted Average Cost of Capital for Valley

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	51.06%	5.03%	2.57%
Common Equity	48.94%	11.65%	5.70%
Total	100.00%		8.27%

Table 2: Summary of Recommended Weighted Average Cost of Capital for Citizens'

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	51.06%	5.47%	2.79%
Common Equity	48.94%	11.65%	5.70%
Total	100.00%		8.49%

Table 3: Summary of Recommended Weighted Average Cost of Capital for Wellsboro

Type of Capital	Ratios	Cost Rate	Weighted Cost Rate
Long-Term Debt	51.06%	4.85%	2.48%
Common Equity	48.94%	11.65%	5.70%
Total	100.00%		8.18%

Q. PLEASE SUMMARIZE YOUR RECOMMENDED COMMON EQUITY COST RATES.

A. Our recommended common equity cost rates of 11.65% applicable to Valley, Citizens', and Wellsboro are summarized on page 2 of Schedule ROR-1. We have assessed the market-based common equity cost rates of companies of relatively similar, but not necessarily identical, risk to the Companies. Using companies of

relatively comparable risk as proxies is consistent with the principles of fair rate of return established in the *Hope*[1] and *Bluefield*[2] decisions. No proxy group can be identical in risk to any single company. Consequently, there must be an evaluation of relative risk between the company and the proxy group to determine if it is appropriate to adjust the proxy group's indicated rate of return.

Our recommendation results from applying several cost of common equity models, specifically the Discounted Cash Flow ("DCF") model, the Risk Premium Model ("RPM"), and the Capital Asset Pricing Model ("CAPM"), to the market data of the Gas Utility Proxy Group and Electric Utility Proxy Group whose selection criteria will be discussed below. In addition, we applied the DCF model, RPM, and CAPM to proxy groups of domestic, non-price regulated companies comparable in total risk to the Gas and Electric Utility Proxy Groups ("Non-Price Regulated Proxy Groups"). The results derived from each are as follows:

[1] *Federal Power Comm'n v. Hope Natural Gas Co.*, 320 U.S. 591 (1944*)("Hope").*
[2] *Bluefield Water Works Improvement Co. v. Public Serv. Comm'n*, 262 U.S. 679 (1922).

Table 4: Summary of Common Equity Cost Rates

	Gas Proxy Group	Electric Proxy Group
Discounted Cash Flow Model	10.29%	10.32%
Risk Premium Model	10.86%	10.79%
Capital Asset Pricing Model	11.12%	10.75%
Cost of Equity Models Applied to Comparable Risk, Non-Price Regulated Companies	11.92%	11.84%
Indicated Range of Common Equity Cost Rates Before Adjustments	10.29% - 11.92%	10.32% - 11.84%
Size Adjustment	1.00%	0.85%
Performance Factor Adjustment	0.05%	0.05%
Indicated Range of Common Equity Cost Rates After Adjustments	11.34% - 12.97%	11.22% - 12.74%
Recommended Cost of Common Equity After Adjustments	11.65%	11.65%

The indicated ranges of common equity cost rates were 10.29% to 11.92% and 10.32% to 11.84% for the Gas and Electric Utility Proxy Groups, respectively, before any company-specific adjustments. We then adjusted the indicated ranges of common equity cost rates upward by 1.00% to reflect Valley's smaller relative size, as compared to the Gas Utility Proxy Group, and by 0.85% to reflect Citizens' and Wellsboro's smaller relative size, as compared to the Electric Utility Proxy Group. We also adjusted the Companies' indicated ranges of common equity cost rates upward by 0.05% to reflect a performance factor adjustment, based on guidance from Section 523 of the Pennsylvania Public Utility Code, 66 Pa.C.S. § 523, and the Commission Order in the Companies' last litigated rate case.[3] These

[3] Docket No. R-2019-3008209 (Valley), at 118-120 and R-2019-3008212 (Citizens'), at 108-110.

adjustments resulted in company-specific ranges of common equity cost rates of 11.34% to 12.97% for Valley and 11.22% to 12.74% for Citizens' and Wellsboro. Given the indicated ranges of common equity cost rates for the Companies, we recommend the Commission to approve a common equity cost rate of 11.65% for Valley, Citizens', and Wellsboro.

IV. GENERAL PRINCIPLES

Q. WHAT GENERAL PRINCIPLES HAVE YOU CONSIDERED IN ARRIVING AT YOUR RECOMMENDED COMMON EQUITY COST RATES?

A. In unregulated industries, marketplace competition is the principal determinant of the price of products or services. For regulated public utilities, regulation must act as a substitute for marketplace competition. Assuring that the utility can fulfill its obligations to the public, while providing safe and reliable service at all times, requires a level of earnings sufficient to maintain the integrity of presently invested capital. Sufficient earnings also permit the attraction of needed new capital at a reasonable cost, for which the utility must compete with other firms of comparable risk, consistent with the fair rate of return standards established by the U.S. Supreme Court in the previously cited *Hope* and *Bluefield* cases. The U.S. Supreme Court affirmed the fair rate of return standards in *Hope,* when it stated:

> The rate-making process under the Act, *i.e.,* the fixing of 'just and reasonable' rates, involves a balancing of the investor and the consumer interests. Thus we stated in the Natural Gas Pipeline Co. case that 'regulation does not insure that the business shall produce net revenues.' 315 U.S. at page 590, 62 S.Ct. at page 745. But such considerations aside, the investor interest has a legitimate concern with the financial integrity of the company whose rates are being regulated. From the investor or company point of view it is important that there be enough

> revenue not only for operating expenses but also for the capital costs of the business. These include service on the debt and dividends on the stock. Cf. Chicago & Grand Trunk R. Co. v. Wellman, 143 U.S. 339, 345, 346 12 S.Ct. 400,402. By that standard the return to the equity owner should be commensurate with returns on investments in other enterprises having corresponding risks. That return, moreover, should be sufficient to assure confidence in the financial integrity of the enterprise, so as to maintain its credit and to attract capital.[4]

In summary, the U.S. Supreme Court has found a return that is adequate to attract capital at reasonable terms enables the utility to provide service while maintaining its financial integrity. As discussed above, and in keeping with established regulatory standards, that return should be commensurate with the returns expected elsewhere for investments of equivalent risk. Therefore, the Commission's decision in this proceeding should provide the Company with the opportunity to earn a return that is: (1) adequate to attract capital at reasonable cost and terms; (2) sufficient to ensure their financial integrity; and (3) commensurate with returns on investments in enterprises having corresponding risks.

Lastly, the required return for a regulated public utility is established on a stand-alone basis, *i.e.*, for the utility operating company at issue in a rate case. Parent entities, like other investors, have capital constraints and must look at the attractiveness of the expected risk-adjusted return of each investment alternative in their capital budgeting process. That is, utility holding companies that own many utility operating companies have choices as to where they will invest their capital within the holding company family. Therefore, the opportunity cost concept applies

[4] *Hope*, 320 U.S. 591 (1944), at 603.

regardless of the source of the funding, whether it be public funding or corporate funding.

When funding is provided by a parent entity, the return still must be sufficient to provide an incentive to allocate equity capital to the subsidiary or business unit rather than other internal or external investment opportunities. That is, the regulated subsidiary must compete for capital with all the parent company's affiliates, and with other, similarly situated companies. In that regard, investors value corporate entities on a sum-of-the-parts basis and expect each division within the parent company to provide an appropriate risk-adjusted return.

It therefore is important that the authorized ROE reflects the risks and prospects of the utility's operations and supports the utility's financial integrity from a stand-alone perspective, as measured by its combined business and financial risks. Consequently, the ROE authorized in this proceeding should be sufficient to support the operational (*i.e.*, business risk) and financing (*i.e.*, financial risk) of the Companies on a stand-alone basis.

Q. WITHIN THAT BROAD FRAMEWORK, HOW IS THE COST OF CAPITAL ESTIMATED IN REGULATORY PROCEEDINGS?

A. Regulated utilities primarily use common stock and long-term debt to finance their permanent property, plant, and equipment (*i.e.*, rate base). The fair rate of return for a regulated utility is based on its weighted average cost of capital, in which, as noted earlier, the costs of the individual sources of capital are weighted by their respective book values with appropriate adjustments.

The cost of capital is the return investors require to make an investment in a firm. Investors will provide funds to a firm only if the return that they *expect* is equal to, or greater than, the return that they *require* to accept the risk of providing funds to the firm.

The cost of capital (that is, the combination of the costs of debt and equity) is based on the economic principle of "opportunity costs." Investing in any asset (whether debt or equity securities) represents a forgone opportunity to invest in alternative assets. For any investment to be sensible, its expected return must be at least equal to the return expected on alternative, comparable risk investment opportunities. Because investments with like risks should offer similar returns, the opportunity cost of an investment should equal the return available on an investment of comparable risk.

Whereas the cost of debt is contractually defined and can be directly observed as the interest rate or yield on debt securities, the cost of common equity must be estimated based on market data and various financial models. Because the cost of common equity is premised on opportunity costs, the models used to determine it are typically applied to a group of "comparable" or "proxy" companies. In the end, the estimated cost of capital should reflect the return that investors require in light of the subject company's business and financial risks, and the returns available on comparable investments.

Q. IS THE AUTHORIZED RETURN SET IN REGULATORY PROCEEDINGS GUARANTEED?

A. No, it is not. Consistent with the *Hope* and *Bluefield* standards, the ratemaking process should provide the utility a reasonable opportunity to recover its return of, and return on, its reasonably incurred investments, but it does not guarantee that return. While a utility may have control over some factors that affect the ability to earn its authorized return (*e.g.*, management performance, operating and maintenance expenses, *etc*.), there are several factors beyond a utility's control that affect its ability to earn its authorized return. Those may include factors such as weather, the economy, and the prevalence and magnitude of regulatory lag.

A. <u>Business Risk</u>

Q. PLEASE DEFINE BUSINESS RISK AND EXPLAIN WHY IT IS IMPORTANT FOR DETERMINING A FAIR RATE OF RETURN.

A. The investor-required return on common equity reflects investors' assessment of the total investment risk of the subject firm. Total investment risk is often discussed in the context of business and financial risk.

Business risk reflects the uncertainty associated with owning a company's common stock without the company's use of debt and/or preferred stock financing. One way of considering the distinction between business and financial risk is to view the former as the uncertainty of the expected earned return on common equity, assuming the firm is financed with no debt.

Examples of business risks <u>generally</u> faced by utilities include, but are not limited to, the regulatory environment, mandatory environmental compliance

requirements, customer mix and concentration of customers, service territory economic conditions, market demand, risks and uncertainties of supply, operations, capital intensity, size, the degree of operating leverage, emerging technologies including distributed energy resources, and the vagaries of weather.

Although analysts, including rating agencies, may categorize business risks individually, as a practical matter, such risks are interrelated and not wholly distinct from one another. When determining an appropriate return on common equity, the relevant issue is where investors see the subject company in relation to other similarly situated utility companies (*i.e.,* the Utility Proxy Group). To the extent investors view a company as being exposed to higher risk, the required return will increase, and vice versa.

For regulated utilities, business risks are both long-term and near-term in nature. Whereas near-term business risks are reflected in year-to-year variability in earnings and cash flow brought about by economic or regulatory factors, long-term business risks reflect the prospect of an impaired ability of investors to obtain both a fair rate of return on, and return of, their capital. Moreover, because utilities accept the obligation to provide safe, adequate and reliable service at all times (in exchange for the opportunity to earn a fair return on their investment), they generally do not have the option to delay, defer, or reject capital investments. Because those investments are capital-intensive, utilities generally do not have the option to avoid raising external funds during periods of capital market distress, if necessary.

Because utilities invest in long-lived assets, long-term business risks are of paramount concern to equity investors. That is, the risk of not recovering the return on their investment extends far into the future. The timing and nature of events that may lead to losses, however, also are uncertain and, consequently, those risks and their implications for the required return on equity tend to be difficult to quantify. Regulatory commissions (like investors who commit their capital) must review a variety of quantitative and qualitative data and apply their reasoned judgment to determine how long-term risks weigh in their assessment of the market-required return on common equity.

B. Financial Risk

Q. PLEASE DEFINE FINANCIAL RISK AND EXPLAIN WHY IT IS IMPORTANT IN DETERMINING A FAIR RATE OF RETURN.

A. Financial risk is the additional risk created by the introduction of debt and preferred stock into the capital structure. The higher the proportion of debt and preferred stock in the capital structure, the higher the financial risk to common equity owners (*i.e.,* failure to receive dividends due to default or other covenants). Therefore, consistent with the basic financial principle of risk and return, common equity investors demand higher returns as compensation for bearing higher financial risk.

Q. CAN BOND AND CREDIT RATINGS BE A PROXY FOR A FIRM'S COMBINED BUSINESS AND FINANCIAL RISKS TO EQUITY OWNERS (*I.E.*, INVESTMENT RISK)?

A. Yes, similar bond ratings/issuer credit ratings reflect, and are representative of, similar combined business and financial risks (*i.e.*, total risk) faced by bond

investors.[5] Although specific business or financial risks may differ between companies, the same bond/credit rating indicates that the combined risks are roughly similar from a debtholder perspective. The caveat is that these debtholder risk measures do not translate directly to risks for common equity.

V. VALLEY, CITIZENS', WELLSBORO, AND THE UTILITY PROXY GROUPS

Q. PLEASE SUMMARIZE YOUR KNOWLEDGE OF THE COMPANIES.

A. Valley is an investor-owned natural gas distribution utility that provides natural gas service to customers in Sayre and surrounding communities in Bradford County, which is in the northern tier of Pennsylvania and is predominantly rural. Valley's Pennsylvania operations serve approximately 7,500 customers.

Citizens' is a Pennsylvania corporation with its principal office located in Lewisburg, Union County, Pennsylvania. Citizens' is an investor-owned, for-profit electric distribution utility. Citizens' service territory is a 55-square-mile territory in and around Lewisburg, Pennsylvania. As of February 16, 2023, Citizens' served 7,118 customers, of which 5,913 were residential and 1,205 were commercial, industrial or lighting.[6]

Wellsboro is a small investor-owned electric distribution utility providing service in the Borough of Wellsboro, Pennsylvania and surrounding areas in Tioga County. Wellsboro's approximate 200-square-mile service territory is

[5] Risk distinctions within S&P's bond rating categories are recognized by a plus or minus, e.g., within the A category, an S&P rating can by at A+, A, or A-. Similarly, risk distinction for Moody's ratings are distinguished by numerical rating gradations, e.g., within the A category, a Moody's rating can be A1, A2 and A3.

[6] Source: https://citizenselectric.com/about-us/

predominantly rural. Wellsboro serves 6,381 customers, of which 5,125 were residential and 1,256 were commercial and industrial.[7]

The Companies are wholly-owned by C&T Enterprises, Inc., and are not publicly-traded.

Q. PLEASE EXPLAIN HOW YOU CHOSE THE COMPANIES IN THE GAS UTILITY PROXY GROUP.

A. The companies selected for the Gas Utility Proxy Group met the following criteria:

(i) They were included in the Natural Gas Utility Group of *Value Line's Standard Edition* ("*Value Line*") (February 21, 2025);

(ii) They have 60% or greater of fiscal year 2023 total operating income derived from, or 60% or greater of fiscal year 2023 total assets attributable to, regulated gas distribution operations;

(iii) At the time of preparation of this testimony, they had not publicly announced that they were involved in any major merger or acquisition activity (*i.e.*, one publicly-traded utility merging with or acquiring another) or any other major development;

(iv) They have not cut or omitted their common dividends during the five years ended 2023 or through the time of preparation of this testimony;

(v) They have *Value Line* and Bloomberg Professional Services ("Bloomberg") adjusted beta coefficients ("beta");

(vi) They have positive *Value Line* five-year dividends per share ("DPS") growth rate projections; and

[7] Source: https://wellsboroelectric.com/about-us/

(vii) They have *Value Line*, Zacks, or S&P Capital IQ consensus five-year earnings per share ("EPS") growth rate projections.

The following seven companies met these criteria: Atmos Energy Corporation, New Jersey Resources Corporation, NiSource Inc., Northwest Natural Holding Company, ONE Gas, Inc., Southwest Gas Holdings, Inc., and Spire Inc.

Q. PLEASE EXPLAIN HOW YOU CHOSE THE COMPANIES IN THE ELECTRIC UTILITY PROXY GROUP.

A. The companies selected for the Electric Utility Proxy Group met the following criteria:

(i) They were included in the Eastern, Central, or Western Electric Utility Group of *Value Line*;

(ii) They have 70% or greater of fiscal year 2023 total operating income derived from, and 70% or greater of fiscal year 2023 total assets attributable to, regulated electric operations;

(iii) At the time of preparation of this testimony, they had not publicly announced that they were involved in any major merger or acquisition activity (*i.e.*, one publicly-traded utility merging with or acquiring another) or any other major development;

(iv) They have not cut or omitted their common dividends during the five years ended 2023 or through the time of preparation of this testimony;

(v) They have *Value Line* and Bloomberg adjusted betas;

(vi) They have positive *Value Line* five-year DPS growth rate projections; and

(vii) They have *Value Line*, Zacks, or S&P Capital IQ consensus five-year EPS growth rate projections.

The following 15 companies met these criteria: Alliant Energy Corporation, Ameren Corporation, American Electric Power Company, Inc., Duke Energy Corporation, Edison International, Entergy Corporation, Evergy, Inc., Energy, IDACORP, Inc., NorthWestern Corporation, OGE Energy Corporation, Pinnacle West Capital Corporation, Portland General Electric Company, The Southern Company, TXNM Energy Inc., and Xcel Energy Inc.

Q. PLEASE DESCRIBE PAGES 1 AND 2 OF SCHEDULE ROR-2.

A. Pages 1 and 2 of Schedule ROR-2 contain comparative capitalization and financial statistics for the Gas and Electric Utility Proxy Groups identified above for the years 2019 to 2023.

During the five-year period ending 2023, the historically achieved average earnings rate on book common equity for the Gas and Electric Utility Proxy Groups averaged 8.41% and 9.29%, respectively. Total debt to earnings before interest, taxes, depreciation, and amortization for the years 2019 to 2023 ranged between 4.81 and 5.72, with an average of 5.34 for the Gas Utility Proxy Group, and ranged between 4.73 and 5.98, with an average of 5.41 for the Electric Utility Proxy Group. Funds from operations to total debt ranged from 9.24% to 27.32%, with an average of 15.50% for the Gas Utility Proxy Group, and 6.06% to 13.34% with an average of 10.99% for the Electric Utility Proxy Group.

VI. CAPITAL STRUCTURE AND ASSOCIATED COST RATES

Q. WHAT CAPITAL STRUCTURE RATIOS DO YOU RECOMMEND BE EMPLOYED IN DEVELOPING AN OVERALL FAIR RATE OF RETURN APPROPRIATE FOR THE COMPANIES?

A. For Valley, Citizens', and Wellsboro, we recommend the use of the capital structure maintained by the Companies' parent organization, C&T Enterprises, which consists of 51.06% long-term debt and 48.94% common equity.

Q. WHY ARE YOU RECOMMENDING A HYPOTHETICAL CAPITAL STRUCTURE IN THIS PROCEEDING?

A. Valley's, Citizens', and Wellsboro's capital structures at December 31, 2024 contain 69.90%, 86.62%, and 20.46% common equity, respectively.[8] Although these capital structures finance the Companies' rate bases, equity ratios of 69.90%, 86.62%, and 20.46% are inappropriate at this time for ratemaking purposes because they are not consistent with equity ratios of comparable utilities.

Q. HOW DOES YOUR PROPOSED HYPOTHETICAL CAPITAL STRUCTURE COMPARE WITH THE CAPITAL STRUCTURES MAINTAINED BY THE COMPANIES IN YOUR GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. Our proposed hypothetical capital structure is reasonable to use and is consistent with the range of capital structures maintained by our Gas and Electric Utility Proxy Groups, as shown on pages 3 through 5 of Schedule ROR-2.

[8] Companies' December 31, 2024 Return on Equity Report to the Commission.

Q. WHAT ARE YOUR RECOMMENDED EMBEDDED LONG-TERM DEBT COST RATES FOR THE COMPANIES?

A. We recommend the expected long-term debt cost rates of the Companies at the end of the projected test year, which are 5.03% (Valley), 5.47% (Citizens'), and 4.85% (Wellsboro).

VII. COMMON EQUITY COST RATE MODELS

Q. IS IT IMPORTANT THAT COST OF COMMON EQUITY MODELS BE MARKET-BASED?

A. Yes. As discussed previously, regulated public utilities, like the Companies, must compete for equity in capital markets along with all other companies with commensurate risk, including non-utilities. The cost of common equity is thus determined based on equity market expectations for the returns of those companies. If an individual investor is choosing to invest their capital among companies with comparable risk, they will choose the company providing a higher return over a company providing a lower return.

Q. ARE YOUR COST OF COMMON EQUITY MODELS MARKET-BASED?

A. Yes. The DCF model uses market prices in developing the model's dividend yield component. The RPM uses bond ratings and expected bond yields that reflect the market's assessment of bond/credit risk. In addition, betas (β), which reflect the market/systematic risk component of equity risk premium, are derived from regression analyses of market prices. The CAPM is market-based for many of the same reasons that the RPM is market-based (i.e., the use of expected bond yields and betas). Selection criteria for comparable risk non-price regulated companies

are based on regression analyses of market prices and reflect the market's assessment of total risk.

Q. WHAT ANALYTICAL APPROACHES DID YOU USE TO DETERMINE THE COMPANIES' ROE?

A. As discussed earlier, we have relied on the DCF model, the RPM, and the CAPM, which we apply to the Utility Proxy Group described above. We also applied these same models to a Non-Price Regulated Proxy Group described later in this section.

We rely on these models because reasonable investors use a variety of tools and do not rely exclusively on a single source of information or single model. Moreover, the models on which we rely focus on different aspects of return requirements and provide different insights to investors' views of risk and return. The DCF model, for example, estimates the investor-required return assuming a constant expected dividend yield and growth rate in perpetuity, while risk premium-based methods (*i.e.,* the RPM and CAPM approaches) provide the ability to reflect investors' views of risk, future market returns, and the relationship between interest rates and the cost of common equity. Just as the use of market data for the Utility Proxy Group adds the reliability necessary to inform expert judgment in arriving at a recommended common equity cost rate, the use of multiple generally accepted common equity cost rate models also adds reliability and accuracy when arriving at a recommended common equity cost rate.

The use of multiple models also makes intuitive sense when we consider that market prices are set by the buying and selling behavior of multiple investors, whose circumstances, objectives, and constraints vary over time and across market

conditions. We cannot assume a single method is the best measure of the factors motivating those decisions for all investors at all times. Giving undue weight to a single method runs the very real risk of ignoring important information provided by other methods.

In other words, no single model is more reliable than all others under all market conditions. Intuition suggests it is more appropriate to use as many methods as we reasonably can and to reflect the many factors motivating investment decisions as best we can. In this instance, intuition, financial theory,[9] and financial practice reach a common conclusion: we should apply and reasonably consider multiple methods when estimating the ROE.

A. Discounted Cash Flow Model

Q. WHAT IS THE THEORETICAL BASIS OF THE DCF MODEL?

A. The theory underlying the DCF model is that the present value of an expected future stream of net cash flows during the investment holding period can be determined by discounting those cash flows at the cost of capital, or the investors' capitalization rate. DCF theory indicates that an investor buys a stock for an expected total return rate, which is derived from the cash flows received from dividends and market price appreciation. Mathematically, the dividend yield on market price plus a growth rate

[9] As Brigham explains: "Whereas debt and preferred stocks are contractual obligations which have easily determined costs, it is not at all easy to estimate [the ROE]. However, three methods can be used: (1) the Capital Asset Pricing Model (CAPM), (2) the discounted cash flow (DCF) model, and (3) the bond-yield-plus-risk-premium approach. These methods should not be regarded as mutually exclusive – no one dominates the others, and all are subject to error when used in practice. Therefore, when faced with the task of estimating a company's cost of equity, we generally use all three methods and then choose among them on the basis of our confidence in the data used for each in the specific case at hand." Eugene F. Brigham, Louis C. Gapenski, Financial Management, Theory and Practice, 7th ed., The Dryden Press, 1994, at 341.

equals the capitalization rate; *i.e.*, the total common equity return rate expected by investors.

Q. WHICH VERSION OF THE DCF MODEL DID YOU USE?

A. We used the single-stage constant growth DCF model in our analyses.

Q. PLEASE DESCRIBE THE DIVIDEND YIELD YOU USED IN APPLYING THE CONSTANT GROWTH DCF MODEL.

A. The unadjusted dividend yields are based on the proxy companies' dividends as of February 28, 2025, divided by the average closing market price for the 60 trading days ended February 28, 2025.[10]

Q. PLEASE EXPLAIN YOUR ADJUSTMENT TO THE DIVIDEND YIELD.

A. Because dividends are paid periodically (*e.g.* quarterly), as opposed to continuously (daily), an adjustment must be made to the dividend yield. This is often referred to as the discrete, or the "Gordon Periodic," version of the DCF model.

DCF theory calls for using the full growth rate, or D_1, in calculating the model's dividend yield component. Because the companies in the Gas and Electric Utility Proxy Groups increase their quarterly dividends at various times during the year, a reasonable assumption is to reflect one-half the annual dividend growth rate in the dividend yield component, or $D_{1/2}$. Because the dividend should be representative of the next 12-month period, this adjustment is a conservative approach that does not overstate the dividend yield. Therefore, the actual average dividend yields in Column 1, page 1 of Schedule ROR-3 have been adjusted upward to reflect one-half the average projected growth rate shown in Column 5.

[10] *See*, Column 1, page 1 of Schedule ROR-3.

Q. PLEASE EXPLAIN THE BASIS FOR THE GROWTH RATES YOU APPLIED TO THE UTILITY PROXY GROUPS IN YOUR CONSTANT GROWTH DCF MODEL.

A. Investors with more limited resources than institutional investors are likely to rely on widely available financial information services, such as *Value Line*, Zacks, and S&P Capital IQ. Investors realize that analysts have significant insight into the dynamics of the industries and individual companies they analyze, as well as companies' abilities to effectively manage the effects of changing laws and regulations, and ever-changing economic and market conditions. For these reasons, we used analysts' five-year forecasts of EPS growth in our DCF analysis.

Over the long run, there can be no growth in DPS without growth in EPS. Security analysts' earnings expectations have a more significant influence on market prices than dividend expectations. Thus, using earnings growth rates in a DCF analysis provides a better match between investors' market price appreciation expectations and the growth rate component of the DCF.

Q. PLEASE SUMMARIZE THE CONSTANT GROWTH DCF MODEL RESULTS.

A. As shown on page 1 of Schedule ROR-3, for the Gas Utility Proxy Group, the mean result of applying the single-stage DCF model is 10.27%, the median result is 10.31%, and the average of the two is 10.29%. For the Electric Utility Proxy Group, the mean DCF result is 10.33%, the median result is 10.30%, and the average of the two is 10.32%. In arriving at a conclusion for the constant growth DCF-indicated common equity cost rate for the Gas and Electric Utility Proxy Groups,

we relied on an average of the mean and the median results of the DCF, or 10.29% (gas) and 10.32% (electric). This approach considers all the proxy utilities' results, while mitigating the high and low outliers of those individual results.

B. The Risk Premium Model

Q. PLEASE DESCRIBE THE THEORETICAL BASIS OF THE RPM.

A. The RPM is based on the fundamental financial principle of risk and return; namely, that investors require greater returns for bearing greater risk. The RPM recognizes that common equity capital has greater investment risk than debt capital, as common equity shareholders are behind debt holders in any claim on a company's assets and earnings. As a result, investors require higher returns from common stocks than from bonds to compensate them for bearing the additional risk.

While it is possible to directly observe bond returns and yields, investors' required common equity returns cannot be directly determined or observed. According to RPM theory, one can estimate a common equity risk premium over bonds (either historically or prospectively) and use that premium to derive a cost rate of common equity. The cost of common equity equals the expected cost rate for long-term debt capital, plus a risk premium over that cost rate, to compensate common shareholders for the added risk of being unsecured and last-in-line for any claim on the corporation's assets and earnings upon liquidation.

Q. PLEASE EXPLAIN THE TOTAL MARKET APPROACH RPM.

A. The total market approach RPM adds a prospective public utility bond yield to an average of: 1) an equity risk premium that is derived from a beta-adjusted total market equity risk premium, 2) an equity risk premium based on the S&P Utilities

Index, and 3) an equity risk premium based on authorized ROEs for gas and electric utilities, respectively.

Q. PLEASE EXPLAIN THE BASIS OF THE EXPECTED BOND YIELD OF 5.80% APPLICABLE TO THE GAS UTILITY PROXY GROUP AND THE 5.86% EXPECTED BOND YIELD APPLICABLE TO THE ELECTRIC UTILITY PROXY GROUP.

A. The first step in the total market approach RPM analysis is to determine the expected bond yield. Because both ratemaking and the cost of capital, including common equity cost rate, are prospective in nature, a prospective yield on similarly-rated long-term debt is essential. We relied on a consensus forecast of about 50 economists of the expected yield on Aaa-rated corporate bonds for the six calendar quarters ending with the second quarter of 2026, and *Blue Chip's* long-term projections for 2026 to 2030, and 2031 to 2035. As shown on line 1, page 1 of Schedule ROR-4, the average expected yield on Moody's Aaa-rated corporate bonds is 5.35%. To derive an expected yield on Moody's A2-rated public utility bonds, we made an upward adjustment of 0.38%, which represents a recent spread between Aaa-rated corporate bonds and A2-rated public utility bonds, in order to adjust the expected Aaa-rated corporate bond yield to an equivalent A2-rated public utility bond yield.[11] Adding that recent 0.38% spread to the expected Aaa-rated corporate bond yield of 5.35% results in an expected A2-rated public utility bond yield of 5.73%.

[11] As shown on line 2 and explained in note 2, page 1 of Schedule ROR-4.

We then reviewed the average credit rating for the Utility Proxy Group from Moody's to determine if an adjustment to the estimated A2-rated public utility bond was necessary. Since the Gas Utility Proxy Group's average Moody's long-term issuer rating is A3, and the Electric Utility Proxy Group's average Moody's long-term issuer rating is Baa1, additional adjustments to the expected Moody's A2 public utility bond yields are needed to reflect the difference in bond ratings for each group. Upward adjustments of 0.07% and 0.13%, which are one-third and two-thirds the recent spread between A2 and Baa2 public utility bond yields, respectively, result in 5.80% and 5.86% expected bond yields for the Gas Utility Proxy Group and Electric Utility Proxy Group, respectively.

Table 5: Summary of the Calculation of the Gas and Electric Utility Proxy Group Projected Bond Yields[12]

	Gas	**Electric**
Prospective Yield on Moody's Aaa-Rated Corporate Bonds (*Blue Chip)*	5.35%	5.35%
Adjustment to Reflect Yield Spread Between Moody's Aaa-Rated Corporate Bonds and Moody's A2-Rated Utility Bonds	0.38%	0.38%
Adjustment to Reflect the Gas Utility Proxy Group's Average Moody's Bond Rating of A3	0.07%	
Adjustment to Reflect the Electric Utility Proxy Group's Average Moody's Bond Rating of Baa1		0.13%
Prospective Bond Yield Applicable to the Utility Proxy Group	5.80%	5.86%

[12] As shown on page 1 of Schedule ROR-4.

Q. PLEASE EXPLAIN HOW THE BETA-DERIVED EQUITY RISK PREMIUM IS DETERMINED.

A. The components of the beta-derived risk premium model are: 1) an expected market equity risk premium over corporate bonds, and 2) the beta. The derivation of the beta-derived equity risk premium that we applied to the Gas and Electric Utility Proxy Groups are shown on lines 1 through 8, page 6 of Schedule ROR-4. The total beta-derived equity risk premium we applied is based on an average of three historical market data-based equity risk premiums, a *Value Line*-based equity risk premiums, and a combined *Value Line,* Bloomberg, and S&P Capital IQ-based equity risk premium. Each of these is described below.

Q. HOW DID YOU DERIVE A MARKET EQUITY RISK PREMIUM BASED ON LONG-TERM HISTORICAL DATA?

A. To derive a historical market equity risk premium, we used the most recent holding period returns for the large company common stocks less the average historical yield on Moody's Aaa/Aa2-rated corporate bonds for the period 1928 to 2024. Using holding period returns over a very long time is appropriate because it is consistent with the long-term investment horizon presumed by investing in a going concern, *i.e.*, a company expected to operate in perpetuity.

The long-term arithmetic mean monthly total return rate on large company common stocks was 12.05% and the long-term arithmetic mean monthly yield on Moody's Aaa/Aa2-rated corporate bonds was 5.95% from 1928-2024. As shown on line 1, page 6 of Schedule ROR-4, subtracting the mean monthly bond yield from

the total return on large company stocks results in a long-term historical equity risk premium of 6.10%.

We used the arithmetic mean monthly total return rates for the large company stocks and yields (income returns) for the Moody's Aaa/Aa-rated corporate bonds, because they are appropriate for the purpose of estimating the cost of capital as noted in Kroll's Stocks, Bonds, Bills, and Inflation ("SBBI") Yearbook 2023 ("SBBI – 2023").[13] Using the arithmetic mean return rates and yields is appropriate because historical total returns and equity risk premiums provide insight into the variance and standard deviation of returns needed by investors in estimating future risk when making a current investment. If investors relied on the geometric mean of historical equity risk premiums, they would have no insight into the potential variance of future returns, because the geometric mean relates the change over many periods to a constant rate of change, thereby obviating the year-to-year fluctuations, or variance, which is critical to risk analysis.

Q. PLEASE EXPLAIN THE DERIVATION OF THE REGRESSION-BASED MARKET EQUITY RISK PREMIUM.

A. To derive the regression-based market equity risk premium of 6.82% shown on line 2, page 6 of Schedule ROR-4, we used the same monthly annualized total returns on large company common stocks relative to the monthly annualized yields on Moody's Aaa/Aa-rated corporate bonds as mentioned above. We modeled the relationship between interest rates and the market equity risk premium using the observed monthly market equity risk premium as the dependent variable, and the

[13] *See,* SBBI - 2023, at 194.

monthly yield on Moody's Aaa/Aa-rated corporate bonds as the independent variable. We then used a linear Ordinary Least Squares ("OLS") regression, in which the market equity risk premium is expressed as a function of the Moody's Aaa/Aa-rated corporate bonds yield:

$$RP = \alpha + \beta (R_{Aaa/Aa})$$

Q. PLEASE EXPLAIN THE DERIVATION OF THE PRPM EQUITY RISK PREMIUM.

A. The PRPM, published in the *Journal of Regulatory Economics* and *The Electricity Journal,*[14] was developed from the work of Robert F. Engle, who shared the Nobel Prize in Economics in 2003 "for methods of analyzing economic time series with time-varying volatility ("ARCH")".[15] Engle found that volatility changes over time and is related from one period to the next, especially in financial markets. Engle discovered that the volatility in prices and returns clusters over time, and is therefore highly predictable, and can be used to predict future levels of risk and risk premiums.

The PRPM estimates the risk / return relationship directly, as the predicted equity risk premium is generated by the prediction of volatility or risk. The PRPM is not based on an estimate of investor behavior, but rather on the evaluation of the results of that behavior (i.e., the variance of historical equity risk premiums).

---

[14] Autoregressive conditional heteroscedasticity. *See*, "A New Approach for Estimating the Equity Risk Premium for Public Utilities", Pauline M. Ahern, Frank J. Hanley and Richard A. Michelfelder, *The Journal of Regulatory Economics* (December 2011), 40:261-278 and "Comparative Evaluation of the Predictive Risk Premium Model, the Discounted Cash Flow Model and the Capital Asset Pricing Model for Estimating the Cost of Common Equity", Richard A. Michelfelder, Pauline M. Ahern, Dylan W. D'Ascendis, and Frank J. Hanley, *The Electricity Journal* (May 2013), 84-89.

[15] www.nobelprize.org.

The inputs to the model are the historical returns on large company stocks minus the historical monthly yield on Moody's Aaa/Aa-rated corporate bonds from January 1928 through February 2025. Using a generalized form of ARCH, known as GARCH, we calculated each Utility Proxy Group company's projected equity risk premium using Eviews© statistical software. When the GARCH model is applied to the historical return data, it produces a predicted GARCH variance series and a GARCH coefficient. Multiplying the predicted monthly variance by the GARCH coefficient and then annualizing, it produces the predicted annual equity risk premium. The resulting PRPM predicted a market equity risk premium of 7.32%.[16]

Q. PLEASE EXPLAIN THE DERIVATION OF A PROJECTED EQUITY RISK PREMIUM BASED ON *VALUE LINE* DATA FOR YOUR RPM ANALYSIS.

A. As noted above, because both ratemaking and the cost of capital are prospective, a prospective market equity risk premium is needed. The derivation of the forecasted or prospective market equity risk premium can be found in note 4, page 6 of Schedule ROR-4. Consistent with our calculation of the dividend yield component in our DCF analysis, this prospective market equity risk premium is derived from an average of the three- to five-year median market price appreciation potential by *Value Line* for the 13 weeks ended February 28, 2025, plus an average of the median estimated dividend yield for the common stocks of the 1,700 firms covered in *Value Line*'s Standard Edition.[17]

[16] Shown on line 3, page 6 of Schedule ROR-4.
[17] As explained in detail in note 1, page 2 of Schedule ROR-5.

The average median expected price appreciation is 42%, which translates to a 9.16% annual appreciation, and, when added to the average of *Value Line's* median expected dividend yields of 2.04%, equates to a forecasted annual total return rate on the market of 11.20%. The forecasted Moody's Aaa-rated corporate bond yield of 5.35% is deducted from the total market return of 11.20%, resulting in an equity risk premium of 5.85%, as shown on line 4, page 6 of Schedule ROR-4.

Q. PLEASE EXPLAIN THE DERIVATION OF AN EQUITY RISK PREMIUM BASED ON BLOOMBERG DATA.

Using data from *Value Line*, Bloomberg, and S&P Capital IQ, we calculated an expected total return on the S&P 500 companies using expected dividend yields and long-term growth estimates as a proxy for capital appreciation. The expected total return for the S&P 500 is 15.23%. Subtracting the prospective yield on Moody's Aaa-rated corporate bonds of 5.35% results in an 9.88% projected equity risk premium as shown on page 6, line 5 of Schedule ROR-4.

Q. WHAT WAS YOUR CONCLUSION OF A BETA-DERIVED EQUITY RISK PREMIUM FOR USE IN YOUR RPM ANALYSIS?

A. We gave equal weight to all five equity risk premiums based on each source - historical, *Value Line*, and combined *Value Line*, Bloomberg, and S&P Capital IQ - in arriving at an 7.19% equity risk premium.

Table 6: Summary of the Calculation of the Equity Risk Premium

Using Total Market Returns[18]

Historical Spread Between Total Returns of Large Stocks and Aaa and Aa2-Rated Corporate Bond Yields (1928 – 2024)	6.10%
Regression Analysis on Historical Data	6.82%
PRPM Analysis on Historical Data	7.32%
Prospective Equity Risk Premium using Total Market Returns from *Value Line* Summary & Index less Projected Aaa Corporate Bond Yields	5.85%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns for the S&P 500 less Projected Aaa Corporate Bond Yields	9.88%
Average	7.19%

After calculating the average market equity risk premium of 7.19%, we adjusted it by beta to account for the risk of the Gas and Electric Utility Proxy Groups. As discussed below, beta is a meaningful measure of prospective relative risk to the market as a whole, and is a logical way to allocate a company's, or proxy group's, share of the market's total equity risk premium relative to corporate bond yields. As shown on page 1 of Schedule ROR-5, the average of the mean and median betas for the Gas and Electric Utility Proxy Groups are 0.79 and 0.73, respectively. Multiplying the average betas for each group by the market equity risk premium of 7.19% results in beta-adjusted equity risk premiums for the Gas and Electric Utility Proxy Groups of 5.68% and 5.25%, respectively.

[18] As shown on page 6 of Schedule ROR-4.

Q. HOW DID YOU DERIVE THE EQUITY RISK PREMIUM BASED ON THE S&P UTILITY INDEX AND MOODY'S A-RATED PUBLIC UTILITY BONDS?

A. We estimated three equity risk premiums based on S&P Utility Index holding period returns and one equity risk premium based on the expected returns of the S&P Utilities Index, using *Value Line,* Bloomberg, and S&P Capital IQ data. Turning first to the S&P Utility Index holding period returns, we derived a long-term monthly arithmetic mean equity risk premium between the S&P Utility Index total returns of 10.59% and monthly Moody's A2-rated public utility bond yields of 6.42% from 1928 to 2024 to arrive at an equity risk premium of 4.16%.[19] We then used the same historical data to derive an equity risk premium of 4.80% based on a regression of the monthly equity risk premiums. The final S&P Utility Index holding period equity risk premium involved applying the PRPM using the historical monthly equity risk premiums from January 1928 to February 2025 to arrive at a PRPM-derived equity risk premium of 5.07% for the S&P Utility Index.

We then derived expected total returns on the S&P Utilities Index of 10.73% using data from *Value Line,* Bloomberg, and S&P Capital IQ and subtracted the prospective Moody's A2-rated public utility bond yield of 5.73%[20], which resulted in an equity risk premium of 5.00%. As with the market equity risk premiums, we averaged the four risk premiums to arrive at our utility-specific equity risk premium of 4.76%.

[19] As shown on line 1, page 9 of Schedule ROR-4.
[20] Derived on line 3, page 1 of Schedule ROR-4.

Table 7: Summary of the Calculation of the Equity Risk Premium Using S&P Utility Index Holding Returns[21]

Historical Spread Between Total Returns of the S&P Utilities Index and A2-Rated Utility Bond Yields (1928 – 2024)	4.16%
Regression Analysis on Historical Data	4.80%
PRPM Analysis on Historical Data	5.07%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns for the S&P Utilities Index less Projected A2 Utility Bond Yields	5.00%
Average	4.76%

Q. HOW DID YOU DERIVE AN EQUITY RISK PREMIUM OF 4.73% BASED ON AUTHORIZED ROES FOR GAS DISTRIBUTION UTILITIES?

A. The equity risk premium of 4.73% shown on line 3, page 5 of Schedule ROR-4 is the result of a regression analysis based on regulatory awarded gas distribution ROEs related to the yields on Moody's A2-rated public utility bonds. That analysis is shown on page 10 of Schedule ROR-4. Page 10 of Schedule ROR-4 contains the graphical results of a regression analysis of 848 rate cases for gas distribution utilities which were fully litigated during the period from January 1, 1980 through February 28, 2025. It shows the implicit equity risk premium relative to the yields on A2-rated public utility bonds immediately prior to the issuance of each regulatory decision. It is readily discernible that there is an inverse relationship between the yield on A2-rated public utility bonds and equity risk premiums. In other words, as interest rates decline, the equity risk premium rises and vice versa,

[21] As shown on page 9 of Schedule ROR-4.

a result consistent with financial literature on the subject.[22] We used the regression results to estimate the equity risk premium applicable to the projected yield on Moody's A2-rated public utility bonds of 5.73%. Given the expected A2-rated utility bond yield of 5.73%, it can be calculated that the indicated equity risk premium applicable to that bond yield is 4.73%, which is shown on line 3, page 5 of Schedule ROR-4.

Q. HOW DID YOU DERIVE AN EQUITY RISK PREMIUM OF 4.77% BASED ON AUTHORIZED ROES FOR ELECTRIC UTILITIES?

A. The equity risk premium of 4.77% shown on line 4, page 7 of Schedule ROR-4 is the result of a regression analysis based on regulatory awarded electric utility ROEs related to the yields on Moody's A2-rated public utility bonds. That analysis is shown on page 11 of Schedule ROR-4. Page 11 of Schedule ROR-4 contains the graphical results of a regression analysis of 1,257 rate cases for electric utilities which were fully litigated during the period from January 1, 1980 through February 28, 2025. It shows the implicit equity risk premium relative to the yields on A2-rated public utility bonds immediately prior to the issuance of each regulatory decision. Similar to the analysis using gas distribution utilities, it is readily discernible that there is also an inverse relationship between the yield on A2-rated public utility bonds and equity risk premiums for electric utilities. We therefore used the regression results to estimate the equity risk premium applicable to the projected yield on Moody's A2-rated public utility bonds of 5.73%. Given the

[22] *See*, *e.g.*, Robert S. Harris and Felicia C. Marston, *The Market Risk Premium: Expectational Estimates Using Analysts' Forecasts*, Journal of Applied Finance, Vol. 11, No. 1, 2001, at 11-12; Eugene F. Brigham, Dilip K. Shome, and Steve R. Vinson, *The Risk Premium Approach to Measuring a Utility's Cost of Equity*, Financial Management, Spring 1985, at pp. 33-45.

expected A2-rated utility bond yield of 5.73%, it can be calculated that the indicated equity risk premium applicable to that bond yield is 4.77%, which is shown on line 4, page 5 of Schedule ROR-4.

Q. WHAT IS YOUR CONCLUSION OF AN EQUITY RISK PREMIUM FOR USE IN YOUR TOTAL MARKET APPROACH RPM ANALYSIS?

A. The equity risk premiums we applied to the Gas and Electric Utility Proxy Groups were 5.06% and 4.93%, respectively, which gave equal weight to the beta-adjusted equity risk premium for the Gas and Electric Utility Proxy Groups, the S&P Utilities Index, and the authorized return utility equity risk premiums as shown on page 5 of Schedule ROR-4.

Table 8: Summary of Conclusions for the Equity Risk Premium for Use in the Total Market Approach for the Utility Proxy Groups[23]

	Gas Proxy Group	Electric Proxy Group
Beta-Adjusted Equity Risk Premium	5.68%	5.25%
S&P Utilities Index Equity Risk Premium	4.76%	4.76%
Authorized ROE Equity Risk Premium	4.73%	4.77%
Average	5.06%	4.93%

Q. WHAT IS THE INDICATED RPM COMMON EQUITY COST RATE BASED ON THE TOTAL MARKET APPROACH?

A. As shown on line 7, page 1 of Schedule ROR-4, we calculated common equity cost rates of 10.86% and 10.79% for the Gas and Electric Utility Proxy Groups, respectively, based on the total market approach RPM.

[23] As shown on page 5 of Schedule ROR-4.

Table 9: Summary of the Total Market Return Risk Premium Model[24]

	Gas Proxy Group	Electric Proxy Group
Prospective Moody's Utility Bond Yield Applicable to the Utility Proxy Group	5.80%	5.86%
Prospective Equity Risk Premium	5.06%	4.93%
Indicated Cost of Common Equity	10.86%	10.79%

C. The Capital Asset Pricing Model

Q. PLEASE EXPLAIN THE THEORETICAL BASIS OF THE CAPM.

A. CAPM theory defines risk as the co-variability of a security's returns with the market's returns as measured by the beta (β). A beta less than 1.0 indicates lower variability than the market as a whole, while a beta greater than 1.0 indicates greater variability than the market.

The CAPM assumes that all non-market or unsystematic risk can be eliminated through diversification. The risk that cannot be eliminated through diversification is called market, or systematic, risk. In addition, the CAPM presumes that investors only require compensation for systematic risk, which is the result of macroeconomic and other events that affect the returns on all assets. The model is applied by adding a risk-free rate of return to a market risk premium, which is adjusted proportionately to reflect the systematic risk of the individual security relative to the total market as measured by beta. The traditional CAPM model is expressed as:

$$R_s = R_f + \beta (R_m - R_f)$$

Where: R_s = Return rate on the common stock

[24] As shown on page 1 of Schedule ROR-4.

R_f	=	Risk-free rate of return
R_m	=	Return rate on the market as a whole
β	=	Adjusted beta (volatility of the security relative to the market as a whole)

Numerous tests of the CAPM have measured the extent to which security returns and beta are related as predicted by the CAPM, confirming its validity. The empirical CAPM ("ECAPM") reflects the reality that while the results of these tests support the notion that the beta is related to security returns, the empirical Security Market Line ("SML") described by the CAPM formula is not as steeply sloped as the predicted SML.[25]

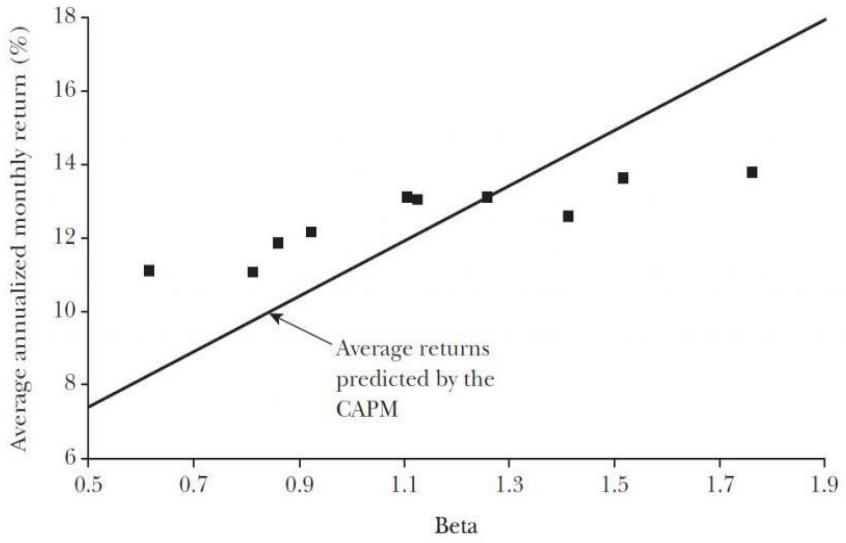
The ECAPM reflects this empirical reality. Fama and French clearly state regarding their Figure 2, below, that "[t]he returns on the low beta portfolios are too high, and the returns on the high beta portfolios are too low."[26]

[25] Roger A. Morin, Modern Regulatory Finance (Public Utility Reports, Inc., 2021), at 223. ("Morin")

[26] Eugene F. Fama and Kenneth R. French, *The Capital Asset Pricing Model: Theory and Evidence,* Journal of Economic Perspectives, Vol. 18, No. 3, Summer 2004 at p. 33 ("Fama & French").

Figure 2 http://pubs.aeaweb.org/doi/pdfplus/10.1257/0895330042162430

Average Annualized Monthly Return versus Beta for Value Weight Portfolios Formed on Prior Beta, 1928–2003



Morin also states that:

> With few exceptions, the empirical studies agree that … low-beta securities earn returns somewhat higher than the CAPM would predict, and high-beta securities earn less than predicted.[27]

* * *

Therefore, the empirical evidence suggests that the expected return on a security is related to its risk by the following approximation:

$$K = R_F + x\,(R_M - R_F) + (1-x)\;\beta(R_M - R_F)$$

where x is a fraction to be determined empirically. The value of x that best explains the observed relationship [is] Return = 0.0829 + 0.0520 β is between 0.25 and 0.30. If x = 0.25, the equation becomes:

$$K = R_F + 0.25(R_M - R_F) + 0.75\;\beta(R_M - R_F)$$[28]

Fama and French provide similar support for the ECAPM when they state:

---

[27] Morin, at 207.

[28] Morin, at 221.

> The early tests firmly reject the Sharpe-Lintner version of the CAPM. There is a positive relation between beta and average return, but it is too "flat."… The regressions consistently find that the intercept is greater than the average risk-free rate… and the coefficient on beta is less than the average excess market return… This is true in the early tests… as well as in more recent cross-section regressions tests, like Fama and French (1992).[29]

Finally, Fama and French further note:

> Confirming earlier evidence, the relation between beta and average return for the ten portfolios is much flatter than the Sharpe-Linter CAPM predicts. The returns on low beta portfolios are too high, and the returns on the high beta portfolios are too low. For example, the predicted return on the portfolio with the lowest beta is 8.3 percent per year; the actual return as 11.1 percent. The predicted return on the portfolio with the t beta is 16.8 percent per year; the actual is 13.7 percent.[30]

Clearly, the justification from Morin, and Fama and French, along with their reviews of other academic research on the CAPM, validate the use of the ECAPM. In view of theory and practical research, we have applied both the traditional CAPM and the ECAPM to the companies in the Gas and Electric Utility Proxy Groups and averaged the results.

Q. WHAT BETA DID YOU USE IN YOUR CAPM ANALYSIS?

A. For the beta in our CAPM analysis, we considered two sources: *Value Line* and Bloomberg Professional Services. While both of those services adjust their calculated (or "raw") betas to reflect the tendency of beta to regress to the market mean of 1.00, *Value Line* calculates beta over a five-year period, while Bloomberg calculates it over a two-year period.

[29] Fama & French, at 32.
[30] Fama & French, at 33.

Q. PLEASE DESCRIBE YOUR SELECTION OF A RISK-FREE RATE OF RETURN.

A. As shown in Column 5, page 1 of Schedule ROR-5, the risk-free rate adopted for applications of the CAPM is 4.55%. This risk-free rate is based on the average of the Blue Chip consensus forecast of the expected yields on 30-year U.S. Treasury bonds for the six quarters ending with the second calendar quarter of 2026, and long-term projections for the years 2026 to 2030 and 2031 to 2035.

Q. WHY DO YOU USE THE PROJECTED 30-YEAR TREASURY YIELD IN YOUR ANALYSES?

A. The yield on long-term U.S. Treasury bonds is almost risk-free and its term is consistent with the long-term cost of capital to public utilities measured by the yields on Moody's A2-rated public utility bonds; the long-term investment horizon inherent in utilities' common stocks; and the long-term life of the jurisdictional rate base to which the allowed fair rate of return (i.e., cost of capital) will be applied. In contrast, short-term U.S. Treasury yields are more volatile and largely a function of Federal Reserve monetary policy.

Q. PLEASE EXPLAIN THE ESTIMATION OF THE EXPECTED RISK PREMIUM FOR THE MARKET USED IN YOUR CAPM ANALYSES.

A. The basis of the market risk premium is explained in detail in note 1 on Schedule ROR-5. As discussed above, the market risk premium is derived from an average of three historical data-based market risk premiums, one *Value Line* data-based market risk premiums, and one *Value Line*, Bloomberg, and S&P Capital IQ data-based market risk premium.

The long-term income return on U.S. Government securities of 4.99% was deducted from the monthly historical total market return of 12.29%, which results in a historical market equity risk premium of 7.31%. A linear OLS regression was applied to the monthly annualized historical returns on the S&P 500 relative to historical yields on long-term U.S. Government securities, which yielded a market equity risk premium of 7.94%. The PRPM market equity risk premium is 8.18% and is derived using the PRPM relative to the yields on long-term U.S. Treasury securities from January 1926 through February 2025.

The *Value Line*-derived forecasted total market equity risk premium is derived by deducting the forecasted risk-free rate of 4.55%, discussed above, from the *Value Line* projected total annual market return of 11.20%, resulting in a forecasted total market equity risk premium of 6.65%.

The S&P 500 projected market equity risk premium using *Value Line,* Bloomberg and S&P Capital IQ data is derived by subtracting the projected risk-free rate of 4.55% from the projected total return of the S&P 500 of 15.23%. The resulting market equity risk premium is 10.68%.

These five measures, when averaged, result in an average total market equity risk premium of 8.15%

Table 10: Summary of the Calculation of the Market Risk Premium for Use in the CAPM[31]

Historical Spread Between Total Returns of Large Stocks and Long-Term Government Bond Yields (1926 – 2024)	7.31%
Regression Analysis on Historical Data	7.94%
PRPM Analysis on Historical Data	8.18%
Prospective Equity Risk Premium using Total Market Returns from *Value Line* Summary & Index less Projected 30-Year Treasury Bond Yields	6.65%
Prospective Equity Risk Premium using Measures of Capital Appreciation and Income Returns for the S&P 500 less Projected 30-Year Treasury Bond Yields	10.68%
Average	8.15%

Q. WHAT ARE THE RESULTS OF YOUR APPLICATION OF THE TRADITIONAL AND EMPIRICAL CAPM TO THE GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. As shown on page 1 of Schedule ROR-5, the mean result of our CAPM/ECAPM analyses for the Gas Utility Proxy Group is 11.10%, the median is 11.13%, and the average of the two is 11.12%. For the Electric Utility Proxy Group, the mean CAPM/ECAPM result is 10.79%, the median is 10.70%, and the average of the two is 10.75%. Consistent with our reliance on the average of mean and median DCF results discussed above, the indicated common equity cost rates for the Gas and Electric Utility Proxy Group using the CAPM/ECAPM are 11.12% and 10.75%, respectively.

[31] As shown on page 2 of Schedule ROR-5.

D. Common Equity Cost Rates for Proxy Group of Domestic, Non-Price Regulated Companies Based on the DCF, RPM, and CAPM

Q. WHY DID YOU ALSO CONSIDER PROXY GROUPS OF DOMESTIC, NON-PRICE REGULATED COMPANIES?

A. In the *Hope* and *Bluefield* cases, the U.S. Supreme Court did not specify that comparable risk companies had to be utilities. Because the purpose of rate regulation is to be a substitute for marketplace competition, non-price regulated firms operating in the competitive marketplace make an excellent proxy if they are comparable in total risk to the Gas and Electric Utility Proxy Groups being used to estimate the cost of common equity. The selection of such domestic, non-price regulated competitive firms theoretically and empirically results in a proxy group that is comparable in total risk to the Gas and Electric Utility Proxy Groups, because all of these companies compete for capital in the exact same markets.

Q. HOW DID YOU SELECT NON-PRICE REGULATED COMPANIES THAT ARE COMPARABLE IN TOTAL RISK TO THE REGULATED GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. In order to select proxy groups of domestic, non-price regulated companies similar in total risk to the Gas and Electric Utility Proxy Groups, we relied on beta and related statistics derived from *Value Line* regression analyses of weekly market prices over the most recent 260 weeks (*i.e.*, five years) for each group. These selection criteria resulted in a proxy group of 49 domestic, non-price regulated firms comparable in total risk to the Gas Utility Proxy Group and 47 non-price regulated firms comparable in total risk to the Electric Utility Proxy Group. Total

risk is the sum of non-diversifiable market risk and diversifiable company-specific risk. The criteria used in selecting the domestic, non-price regulated firms were:

(i) They must be covered by *Value Line Investment Survey* (Standard Edition);

(ii) They must be domestic, non-price regulated companies, *i.e.*, not utilities;

(iii) Their betas must lie within plus or minus two standard deviations of the average unadjusted betas of the Gas and Electric Utility Proxy Groups, respectively; and

(iv) The residual standard errors of the *Value Line* regressions which gave rise to the unadjusted betas must lie within plus or minus two standard deviations of the average residual standard errors of the Gas and Electric Utility Proxy Groups, respectively.

Betas measure market, or systematic, risk, which is not diversifiable. The residual standard errors of the regressions measure each firm's company-specific, diversifiable risk. Companies that have similar betas and similar residual standard errors resulting from the same regression analyses have similar total investment risk.

Q. HAVE YOU PREPARED A SCHEDULE WHICH SHOWS THE DATA FROM WHICH YOU SELECTED THE DOMESTIC, NON-PRICE REGULATED COMPANIES THAT ARE COMPARABLE IN TOTAL RISK TO THE GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. Yes, the basis of our selection and both proxy groups' regression statistics are shown in Schedule ROR-6.

Q. DID YOU CALCULATE COMMON EQUITY COST RATES USING THE DCF MODEL, RPM, AND CAPM FOR THE NON-PRICE REGULATED PROXY GROUPS?

A. Yes. Because the DCF model, RPM, and CAPM have been applied in an identical manner as described above, we will not repeat the details of the rationale and application of each model. One exception is in the application of the RPM, where we did not use public utility-specific equity risk premiums.

Pages 2 and 3 of Schedule ROR-7 derives the constant growth DCF model common equity cost rate. As shown, the indicated common equity cost rate, using the constant growth DCF for the Non-Price Regulated Proxy Groups comparable in total risk to the Gas and Electric Utility Proxy Group, are 11.87% and 11.17%, respectively.

Pages 4 through 7 of Schedule ROR-7 contain the data and calculations that support the 12.27% and 12.29% RPM common equity cost rates applicable to the Non-Price Regulated Proxy Groups comparable in total risk to the Gas and Electric Utility Proxy Groups, respectively. As shown on line 1, page 4 of Schedule ROR-7, the consensus prospective yield on Moody's Baa2-rated corporate bonds for the six quarters ending in the second quarter of 2026, and for the years 2026 to 2030 and 2031 to 2035, is 6.14%.[32] Since the Non-Price Regulated Proxy Group relative to the Gas Utility Proxy Group has an average Moody's long-term issuer rating of A3/Baa1, a downward adjustment of 0.14% to the projected Baa2-rated corporate bond yield is necessary to reflect the difference in ratings.[33] Similarly, as the Non-

[32] *Blue Chip Financial Forecasts*, February 28, 2025, at 2 and November 27, 2024 at 14.
[33] As demonstrated in line 2 and described in note 2, page 4 of Schedule ROR-7.

Price Regulated Proxy Group relative to the Electric Utility Proxy Group has an average Moody's long-term issuer rating of A3, a downward adjustment of 0.18% to the projected Baa2-rated corporate bond yield is necessary to reflect the difference in ratings.[34]

This results in a projected A3/Baa1-rated corporate bond yields of 6.01% applicable to the Non-Price Regulated Proxy Group comparable in total risk to the Gas Utility Proxy Group, and a projected A3-rated corporate bond yields of 5.96% applicable to the Non-Price Regulated Proxy Group comparable in total risk to the Electric Utility Proxy Group

When the beta-adjusted risk premiums of 6.26% and 6.33%[35] relative to the Non-Price Regulated Proxy Groups comparable in total risk to the Gas and Electric Utility Proxy Groups, respectively, are added to the prospective A3/Baa1-rated and A3-rated corporate bond yields of 6.01% and 5.96%, the indicated RPM common equity cost rates are 12.27% and 12.29%, respectively.

Pages 8 and 9 of Schedule ROR-7 contains the inputs and calculations that support our indicated CAPM/ECAPM common equity cost rates of 11.75% and 11.89% for the Non-Price Regulated Proxy Groups comparable in total risk to the Gas and Electric Utility Proxy Groups, respectively.

[34] As demonstrated in line 2 and described in note 2, page 4 of Schedule ROR-7.
[35] Derived on page 7 of Schedule ROR-7.

Q. WHAT IS THE COST RATE OF COMMON EQUITY BASED ON THE NON-PRICE REGULATED PROXY GROUPS COMPARABLE IN TOTAL RISK TO THE GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. As shown on page 1 of Schedule ROR-7, the results of the common equity models applied to the Non-Price Regulated Proxy Groups that are comparable in total risk to the Gas and Electric Utility Proxy Groups are as follows:

Table 11: Summary of Common Equity Cost Rates for the Non-Price Regulated Proxy Groups

	Non-Utility Group Based on Gas Utility Group	Non-Utility Group Based on Electric Utility Group
Discounted Cash Flow Model	11.87%	11.17%
Risk Premium Model	12.27%	12.29%
Capital Asset Pricing Model	11.75%	11.89%
Mean	11.96%	11.78%
Median	11.87%	11.89%
Average of Mean and Median	11.92%	11.84%

The average of the mean and median of these models for the Non-Price Regulated Proxy Groups comparable in total risk to the Gas and Electric Utility Proxy Groups are 11.92% and 11.84%, respectively, which we used as the indicated common equity cost rates for the Non-Price Regulated Proxy Groups.

VIII. CONCLUSION OF COMMON EQUITY COST RATES BEFORE ADJUSTMENTS

Q. WHAT ARE THE INDICATED COMMON EQUITY COST RATES FOR THE GAS AND ELECTRIC UTILITY PROXY GROUPS BEFORE ADJUSTMENTS?

A. By applying multiple cost of common equity models to the Gas and Electric Utility Proxy Groups and the Non-Price Regulated Proxy Group, the indicated cost of common equity before any relative risk adjustments is 10.29% - 11.92% for the Gas Proxy Group and 10.32% - 11.84% for the Electric Proxy Group. We used multiple cost of common equity models as primary tools in arriving at our recommended range of common equity cost rates, because no single model is so inherently precise that it can be relied on to the exclusion of other theoretically sound models. Using multiple models adds reliability to the estimated common equity cost rate, with the prudence of using multiple cost of common equity models supported in both the financial literature and regulatory precedent.

As will be discussed below, the Companies have greater risk than their respective Utility Proxy Groups. Because of this, the indicated range of model results based on the Utility Proxy Groups must be adjusted to reflect the Companies' greater relative risk.

IX. ADJUSTMENTS TO THE COMMON EQUITY COST RATES

A. Size Adjustment

Q. DOES THE COMPANIES' SMALLER SIZE RELATIVE TO THE GAS AND ELECTRIC UTILITY PROXY GROUPS INCREASE THEIR BUSINESS RISK?

A. Yes. The Companies' smaller size relative to the Gas and Electric Utility Proxy Groups indicates greater relative business risk for the Companies because, all else being equal, size has a material bearing on risk.

Size affects business risk because smaller companies generally are less able to cope with significant events that affect sales, revenues and earnings. For example, smaller companies face more risk exposure to business cycles and economic conditions, both nationally and locally. Additionally, the loss of revenues from a few larger customers would have a greater effect on a small company than on a bigger company with a larger, more diverse, customer base.

As further evidence that smaller firms are riskier, investors generally demand greater returns from smaller firms to compensate for less marketability and liquidity of their securities. Kroll's Cost of Capital Navigator: U.S. Cost of Capital Module ("Kroll") discusses the nature of the small-size phenomenon, providing an indication of the magnitude of the size premium based on several measures of size. In discussing "Size as a Predictor of Equity Premiums," Kroll states:

> The size effect is based on the empirical observation that companies of smaller size are associated with greater risk and, therefore, have greater cost of capital [sic]. The "size" of a company is one of the most important risk elements to consider when developing cost of equity capital estimates for use in valuing a business simply because size has been shown to be a *predictor* of equity returns. In other

> words, there is a significant (negative) relationship between size and historical equity returns - as size *decreases*, returns tend to *increase*, and vice versa. (footnote omitted) (emphasis in original)[36]

Furthermore, in "The Capital Asset Pricing Model: Theory and Evidence," Fama and French note size is indeed a risk factor which must be reflected when estimating the cost of common equity. On page 38, they note:

> . . . the higher average returns on small stocks and high book-to-market stocks reflect unidentified state variables that produce undiversifiable risks (covariances) in returns not captured in the market return and are priced separately from market betas.[37]

Based on this evidence, Fama and French proposed their three-factor model which includes a size variable in recognition of the effect size has on the cost of common equity.

Also, it is a basic financial principle that the use of funds invested, and not the source of funds, is what gives rise to the risk of any investment.[38] Eugene Brigham, a well-known authority, states:

> A number of researchers have observed that portfolios of small-firms (sic) have earned consistently higher average returns than those of large-firm stocks; this is called the "small-firm effect." On the surface, it would seem to be advantageous to the small firms to provide average returns in a stock market that are higher than those of larger firms. In reality, it is bad news for the small firm; **what the small-firm effect means is that the capital market demands higher returns on stocks of small firms than on otherwise similar stocks of the large firms**. (emphasis added)[39]

---

36 Kroll, Cost of Capital Navigator: U.S. Cost of Capital Module, Size as a Predictor of Equity Returns, at 1.

37 Fama & French, at 25-43.

38 Richard A. Brealey and Stewart C. Myers, Principles of Corporate Finance (McGraw-Hill Book Company, 1996), at 204-205, 229.

39 Eugene F. Brigham, Fundamentals of Financial Management, Fifth Edition (The Dryden Press, 1989), at 623.

Consistent with the financial principle of risk and return discussed above, increased relative risk due to small size must be considered in the allowed rate of return on common equity. Therefore, the Commission's authorization of a cost rate of common equity in this proceeding must appropriately reflect the Companies' unique risks, including their small size, which is justified and supported above by evidence in the financial literature.

Q. IS THERE A WAY TO QUANTIFY A RELATIVE RISK ADJUSTMENT DUE TO THE COMPANIES' SMALL SIZE RELATIVE TO THE GAS AND ELECTRIC UTILITY PROXY GROUPS?

A. Yes. The Companies have greater relative risk than the average utility in the Gas and Electric Utility Proxy Groups because of their smaller size compared with the utilities in those groups, as measured by an estimated market capitalization of common equity for the jurisdictional operations of each company.

Table 12: Size as Measured by Market Capitalization for Valley, Citizens', and the Gas and Electric Utility Proxy Groups

	Market Capitalization* ($ Millions)	Times Greater than The Company
Valley Energy, Inc.	$18.603	
Gas Utility Proxy Group	$4,721.136	253.8x
Citizens' Electric Company	$18.097	
Electric Utility Proxy Group	$16,525.930	913.2x
Wellsboro Electric Company	$24.787	
Electric Utility Proxy Group	$16,525.930	666.7x

*From page 1 of Schedule ROR-8.

Valley's, Citizens', and Wellsboro's estimated market capitalizations were $18.603 million, $18.097 million, and $24.787 million respectively, as of February 28, 2025, compared with the market capitalization of the average company in the Gas and Electric Utility Proxy Groups of $4.721 billion and $16.526 billion, respectively, as of February 28, 2025. The average companies in the Gas and Electric Utility Proxy Groups have a market capitalization 253.8 times, 913.2 times and 666.7 times Valley, Citizens', and Wellsboro, respectively.

As a result, it is necessary to upwardly adjust the indicated common equity cost rates attributable to the Gas and Electric Utility Proxy Groups to reflect the Companies' greater risk due to their smaller relative size. The determination is based on the size premiums for portfolios of New York Stock Exchange, American Stock Exchange, and NASDAQ listed companies ranked by deciles for the 1926 to

2024 period. The average size premium for the Gas and Electric Utility Proxy Groups with market capitalizations of $4.721 and $16.526 billion fall in the 5th and 3rd deciles, respectively, while Valley's, Citizens', and Wellsboro's estimated market capitalizations of $18.603 million, $18.097 million, and $24.787 million respectively, place them in the 10th decile. The size premium spread between the 5th decile and the 10th decile is 3.73%, while the size premium between the 3rd decile and the 10th decile is 3.98%.

Q. HAS THIS COMMISSION CONSIDERED SIZE IN DETERMINING THE AUTHORIZED ROE?

A. Yes, it has. In Docket No. R-2019-3008212, the Commission stated:

> Based on the evidence of record, we agree with the recommendation of the ALJs that the Company be awarded a DCF cost of common equity which is one standard deviation about the average of the mean and median proxy group ROE from the Company's DCF analysis. In so doing, we recognize that the Company's size is a factor in assessing its ability to attract capital. Accordingly, we shall reject Citizens' Exception No. 10, I&E's Exception No. 4, and the OCA's Exception No. 7, consistent with the following discussion.
>
> We are not convinced by the arguments of I&E and the OCA that the ALJs erred in awarding a size adjustment to Citizens'. Rather, we are of the same position as the ALJs that the Company's witness Mr. D'Ascendis offered persuasive record evidence that there is a general inverse relationship between size and risk, such that smaller utilities like Citizens' face greater risk.[40]

Q. WHAT WOULD BE THE ROE RESULT USING THE COMMISSION'S METHOD IN THIS CASE?

A. The average of the mean and median DCF model results are 10.29% and 10.32% for the Gas and Electric Utility Proxy Groups, respectively, as shown on page 1 of

[40] Pennsylvania Public Utility Commission, Docket No. R-2019-3008212, Opinion and Order, at 103.

Schedule ROR-3. The standard deviation of those results is 1.53% and 0.85%, respectively. In view of the indicated size premiums of 3.73% and 3.98% and DCF model size premiums of 1.53% and 0.85%, we recommend size premiums of 1.00% for Valley and 0.85% for Citizens' and Wellsboro.

B. <u>Performance Factor Adjustment</u>

Q. HAVE YOU REFLECTED THE COMPANIES' REQUESTED RATE OF RETURN PREMIUM BASED ON CODE 66 Pa.C.S. § 523 REGARDING PERFORMANCE FACTOR?

A. Yes. The adjustment is shown on line 7 of page 2 of Schedule ROR-1. The testimonies for including the performance factor adjustment in the ROE for the Companies are sponsored by Valley's Witness Mr. Rogers, Citizens' Witness Mr. Johnson, and Wellsboro's Witness Farnsworth. The rate of return premium associated with the performance factor is 0.05%.

Q. HAS THE COMMISSION AWARDED THE COMPANIES A PERFORMANCE FACTOR ADJUSTMENT?

A. Yes, it has. In Docket Nos. R-2019-3008209 (Valley) and R-2019-3008212 (Citizens'), the Commission awarded the Companies performance factor adjustments of 0.05%.[41] As discussed by Valley's Witness Mr. Rogers, Citizens' Witness Mr. Johnson, and Wellsboro's Witness Farnsworth, it is their belief that the performance factor adjustment still applies.

[41] Docket No. R-2019-3008209 (Valley), at 118-120, and Docket No. R-2019-3008212 (Citizens'), at 108-110.

Q. WHAT IS THE INDICATED COST OF COMMON EQUITY AFTER YOUR COMPANY-SPECIFIC ADJUSTMENTS?

A. Applying the 1.00% and 0.85% size adjustments, and the 0.05% performance factor adjustment to the indicated costs of common equity of 10.29% - 11.92% and 10.32% - 11.84%, applicable to the Gas and Electric Utility Proxy Groups, respectively, results in a range of common equity cost rates of 11.34% - 12.97% for Valley, and 11.22% - 12.74% for Citizens' and Wellsboro. Based on those ranges, we recommend a cost of common equity rate of 11.65% for the Companies, which is reasonable and conservative.

X. CONCLUSION

Q. WHAT ARE YOUR RECOMMENDED OVERALL WACCS FOR THE COMPANIES?

A. Given the Companies' ratemaking capital structures and long-term debt cost rates expected at the end of the projected test year, as discussed above, in combination with our recommended cost of common equity of 11.65% for Valley, Citizens', and Wellsboro, we recommend that WACCs of 8.27%, 8.49%, and 8.18%, for Valley, Citizens', and Wellsboro, respectively, are allowed.

Q. IN YOUR OPINION, ARE YOUR PROPOSED WACCS FAIR AND REASONABLE TO THE COMPANIES AND THEIR CUSTOMERS?

A. Yes, they are.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

Summary

Dylan is an experienced consultant and a Certified Rate of Return Analyst (CRRA) and Certified Valuation Analyst (CVA). Dylan joined ScottMadden in 2016 and is a leading expert witness with respect to cost of capital, capital structure, and valuation. He has served as a consultant for investor-owned and municipal utilities and authorities for 16 years. Dylan has testified as an expert witness on over 150 occasions regarding rate of return, cost of service, rate design, and valuation before more than 40 regulatory jurisdictions in the United States and Canada, an American Arbitration Association panel, and the Superior Court of Rhode Island. He also maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured. Dylan holds a B.A. in economic history from the University of Pennsylvania and an M.B.A. with concentrations in finance and international business from Rutgers University.

Areas of Specialization

- Expert Witness Testimony
- Rates and Regulation
- Return on Equity
- Valuation
- Utility Regulations
- Rate Case Planning, Management, and Support
- Utility Benchmarking

Recent Articles and Speeches

- "Decoupling, Risk Impacts, and the Cost of Capital." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. The Electricity Journal. March 2020
- "Decoupling Impact and Public Utility Conservation Investment." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University and Pauline M. Ahern. Energy Policy Journal. 130 (2019), 311-319
- "Establishing Alternative Proxy Groups." Presentation before the Society of Utility and Regulatory Financial Analysts: 51st Financial Forum. April 4, 2019. New Orleans, LA
- "Past Is Prologue: Future Test Year." Presentation before the National Association of Water Companies 2017 Southeast Water Infrastructure Summit. May 2, 2017. Savannah, GA
- "Comparative Evaluation of the Predictive Risk Premium Model^{TM}, the Discounted Cash Flow Model and the Capital Asset Pricing Model." Co-authored with Richard A. Michelfelder, Ph.D., Rutgers University, Pauline M. Ahern, and Frank J. Hanley. The Electricity Journal. May 2013
- "Decoupling: Impact on the Risk and Cost of Common Equity of Public Utility Stocks." Presentation before the Society of Utility and Regulatory Financial Analysts: 45th Financial Forum. April 17-18, 2013. Indianapolis, IN

Recent Assignments

- Provided expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies
- Maintains the benchmark index against which the Hennessy Gas Utility Mutual Fund performance is measured
- Sponsored valuation testimony for a large municipal water company in front of an American Arbitration Association Board to justify the reasonability of their lease payments to the city
- Co-authored a valuation report on behalf of a large investor-owned utility in response to a new state regulation which allowed the appraised value of acquired assets into rate base

Sponsor	Date	Case/Applicant	Docket No.	Subject
Regulatory Commission of Alaska				
Goat Lake Hydro, Inc.	12/24	Goat Lake Hydro, Inc.	Docket No. TA7-521	Rate of Return
Alaska Power Company	08/23	Alaska Power Company	Docket No. TA 909-2 / U-23-054	Capital Structure
ENSTAR Natural Gas Company	08/22	ENSTAR Natural Gas Company	Docket No. TA334-4	Rate of Return
Cook Inlet Natural Gas Storage Alaska, LLC	07/21	Cook Inlet Natural Gas Storage Alaska, LLC	Docket No. TA45-733	Capital Structure
Alaska Power Company	09/20	Alaska Power Company; Goat Lake Hydro, Inc.; BBL Hydro, Inc.	Tariff Nos. TA886-2; TA6-521; TA4-573	Capital Structure
Alaska Power Company	07/16	Alaska Power Company	Docket No. TA857-2	Rate of Return
Alberta Utilities Commission				
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	02/23	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	Proceeding ID. 27084	Determination of Cost-of-Capital Parameters
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	01/20	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	2021 Generic Cost of Capital, Proceeding ID. 24110	Rate of Return
Arizona Corporation Commission				
EPCOR Water Arizona, Inc.	06/24	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-24-0130	Rate of Return
Arizona Water Company	05/24	Arizona Water Company – Northern Group	Docket No. W-01445A-24-0117	Rate of Return
Foothills Water & Sewer, LLC	10/23	Foothills Water & Sewer, LLC	Docket No. WS-21182A-23-0292	Rate of Return and Fair Value Rate Base
Arizona Water Company	12/22	Arizona Water Company – Eastern Group	Docket No. W-01445A-22-0286	Rate of Return
EPCOR Water Arizona, Inc.	08/22	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-22-0236	Rate of Return
EPCOR Water Arizona, Inc.	06/20	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-20-0177	Rate of Return
Arizona Water Company	12/19	Arizona Water Company – Western Group	Docket No. W-01445A-19-0278	Rate of Return
Arizona Water Company	08/18	Arizona Water Company – Northern Group	Docket No. W-01445A-18-0164	Rate of Return
Arkansas Public Service Commission				
Summit Utilities Arkansas, Inc.	01/24	Summit Utilities Arkansas, Inc.	Docket No. 23-079-U	Rate of Return
Southwestern Electric Power Co.	07/21	Southwestern Electric Power Co.	Docket No. 21-070-U	Return on Equity
CenterPoint Energy Resources Corp.	05/21	CenterPoint Arkansas Gas	Docket No. 21-004-U	Return on Equity
California Public Utilities Commission				
Southwest Gas Corporation	07/24	Southwest Gas Corporation	Docket No. A24-09-001	Return on Equity
San Gabriel Valley Water Company	05/23	San Gabriel Valley Water Company	Docket No. A23-05-001	Return on Equity
City of Edmonton, Canada				
EPCOR Water Services, Inc.	05/24	EPCOR Water Services, Inc.	Performance Based Regulation Application	Cost of Capital
Colorado Public Utilities Commission				
Atmos Energy Corporation	08/22	Atmos Energy Corporation	Docket No. 22AL-0348G	Rate of Return
Summit Utilities, Inc.	04/18	Colorado Natural Gas Company	Docket No. 18AL-0305G	Rate of Return
Atmos Energy Corporation	06/17	Atmos Energy Corporation	Docket No. 17AL-0429G	Rate of Return

Sponsor	Date	Case/Applicant	Docket No.	Subject
Commission of the Canada Energy Regulator				
Trans-Northern Pipelines Inc.	11/22	Trans-Northern Pipelines Inc.	Docket No. C-22197	Cost of Capital
Delaware Public Service Commission				
Delmarva Power & Light Co.	09/24	Delmarva Power & Light Co.	Docket No. 24-1044 (Gas)	Return on Equity
Tidewater Utilities, Inc.	08/24	Tidewater Utilities, Inc.	Docket No. 24-0991	Rate of Return
Delmarva Power & Light Co.	07/24	Delmarva Power & Light Co.	Docket No. 24-0868	Alternative Forms of Rate Regulation
Artesian Water Company, Inc.	04/23	Artesian Water Company, Inc.	Docket No. 23-0601	Rate of Return
Delmarva Power & Light Co.	12/22	Delmarva Power & Light Co.	Docket No. 22-0897 (Electric)	Return on Equity
Delmarva Power & Light Co.	01/22	Delmarva Power & Light Co.	Docket No. 22-002 (Gas)	Return on Equity
Delmarva Power & Light Co.	11/20	Delmarva Power & Light Co.	Docket No. 20-0149 (Electric)	Return on Equity
Delmarva Power & Light Co.	10/20	Delmarva Power & Light Co.	Docket No. 20-0150 (Gas)	Return on Equity
Tidewater Utilities, Inc.	11/13	Tidewater Utilities, Inc.	Docket No. 13-466	Capital Structure
Public Service Commission of the District of Columbia				
Washington Gas Light Company	08/24	Washington Gas Light Company	Formal Case No. 1180	Rate of Return
Washington Gas Light Company	04/22	Washington Gas Light Company	Formal Case No. 1169	Rate of Return
Washington Gas Light Company	09/20	Washington Gas Light Company	Formal Case No. 1162	Rate of Return
Federal Energy Regulatory Commission				
LS Power Grid California, LLC	10/20	LS Power Grid California, LLC	Docket No. ER21-195-000	Rate of Return
Florida Public Service Commission				
Tampa Electric Company	04/24	Tampa Electric Company	Docket No. 20240025-EI	Return on Equity
Peoples Gas System, Inc.	04/23	Peoples Gas System, Inc.	Docket No. 20230023-GU	Rate of Return
Tampa Electric Company	04/21	Tampa Electric Company	Docket No. 20210034-EI	Return on Equity
Peoples Gas System, Inc.	09/20	Peoples Gas System, Inc.	Docket No. 20200051-GU	Rate of Return
Utilities, Inc. of Florida	06/20	Utilities, Inc. of Florida	Docket No. 20200139-WS	Rate of Return
Hawaii Public Utilities Commission				
Launiupoko Irrigation Company, Inc.	12/20	Launiupoko Irrigation Company, Inc.	Docket No. 2020-0217 / Transferred to 2020-0089	Capital Structure
Lanai Water Company, Inc.	12/19	Lanai Water Company, Inc.	Docket No. 2019-0386	Cost of Service / Rate Design
Manele Water Resources, LLC	08/19	Manele Water Resources, LLC	Docket No. 2019-0311	Cost of Service / Rate Design
Kaupulehu Water Company	02/18	Kaupulehu Water Company	Docket No. 2016-0363	Rate of Return
Aqua Engineers, LLC	05/17	Puhi Sewer & Water Company	Docket No. 2017-0118	Cost of Service / Rate Design
Hawaii Resources, Inc.	09/16	Laie Water Company	Docket No. 2016-0229	Cost of Service / Rate Design
Illinois Commerce Commission				
Ameren Illinois Company d/b/a Ameren Illinois	01/25	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 25-0084 (Gas)	Return on Equity
Aqua Illinois, Inc.	01/24	Aqua Illinois, Inc.	Docket No. 24-0044	Rate of Return
Ameren Illinois Company d/b/a Ameren Illinois	01/23	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 23-0082 (Electric)	Return on Equity
Ameren Illinois Company d/b/a Ameren Illinois	01/23	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 23-0067 (Gas)	Return on Equity
Utility Services of Illinois, Inc.	02/21	Utility Services of Illinois, Inc.	Docket No. 21-0198	Rate of Return
Ameren Illinois Company d/b/a Ameren Illinois	07/20	Ameren Illinois Company d/b/a Ameren Illinois	Docket No. 20-0308	Return on Equity

scottmadden
MANAGEMENT CONSULTANTS

Appendix A - Resume and Testimony Listing of:
Dylan W. D'Ascendis, CRRA, CVA
Partner

Sponsor	Date	Case/Applicant	Docket No.	Subject
Utility Services of Illinois, Inc.	11/17	Utility Services of Illinois, Inc.	Docket No. 17-1106	Cost of Service / Rate Design
Aqua Illinois, Inc.	04/17	Aqua Illinois, Inc.	Docket No. 17-0259	Rate of Return
Utility Services of Illinois, Inc.	04/15	Utility Services of Illinois, Inc.	Docket No. 14-0741	Rate of Return
Indiana Utility Regulatory Commission				
Aqua Indiana, Inc.	03/16	Aqua Indiana, Inc. Aboite Wastewater Division	Docket No. 44752	Rate of Return
Twin Lakes, Utilities, Inc.	08/13	Twin Lakes, Utilities, Inc.	Docket No. 44388	Rate of Return
Kansas Corporation Commission				
Atmos Energy Corporation	07/19	Atmos Energy Corporation	19-ATMG-525-RTS	Rate of Return
Kentucky Public Service Commission				
Atmos Energy Corporation	09/24	Atmos Energy Corporation	2024-00276	Rate of Return
Bluegrass Water Utility Operating Company	02/23	Bluegrass Water Utility Operating Company	2022-00432	Return on Equity
Atmos Energy Corporation	07/22	Atmos Energy Corporation	2022-00222	PRP Rider Rate
Water Service Corporation of KY	06/22	Water Service Corporation of KY	2022-00147	Rate of Return
Atmos Energy Corporation	07/21	Atmos Energy Corporation	2021-00304	PRP Rider Rate
Atmos Energy Corporation	06/21	Atmos Energy Corporation	2021-00214	Rate of Return
Duke Energy Kentucky, Inc.	06/21	Duke Energy Kentucky, Inc.	2021-00190	Return on Equity
Bluegrass Water Utility Operating Company	10/20	Bluegrass Water Utility Operating Company	2020-00290	Return on Equity
Louisiana Public Service Commission				
Utilities, Inc. of Louisiana	05/21	Utilities, Inc. of Louisiana	Docket No. U-36003	Rate of Return
Southwestern Electric Power Company	12/20	Southwestern Electric Power Company	Docket No. U-35441	Return on Equity
Atmos Energy Corporation	04/20	Atmos Energy Corporation	Docket No. U-35535	Rate of Return
Louisiana Water Service, Inc.	06/13	Louisiana Water Service, Inc.	Docket No. U-32848	Rate of Return
Maine Public Utilities Commission				
Northern Utilities, Inc. d/b/a Unitil	05/23	Northern Utilities, Inc. d/b/a Unitil	Docket No. 2023-00051	Return on Equity
Summit Natural Gas of Maine, Inc.	03/22	Summit Natural Gas of Maine, Inc.	Docket No. 2022-00025	Rate of Return
The Maine Water Company	09/21	The Maine Water Company	Docket No. 2021-00053	Rate of Return
Maryland Public Service Commission				
Washington Gas Light Company	05/23	Washington Gas Light Company	Case No. 9704	Rate of Return
FirstEnergy Service Company	03/23	Potomac Edison Company	Case No. 9695	Rate of Return
Washington Gas Light Company	08/20	Washington Gas Light Company	Case No. 9651	Rate of Return
FirstEnergy Corporation	08/18	Potomac Edison Company	Case No. 9490	Rate of Return
Massachusetts Department of Public Utilities				
Unitil Corporation	09/23	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 23-80	Rate of Return
Unitil Corporation	09/23	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 23-81	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 19-130	Rate of Return
Unitil Corporation	12/19	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 19-131	Rate of Return
Liberty Utilities	07/15	Liberty Utilities d/b/a New England Natural Gas Company	D.P.U. 15-75	Rate of Return
Minnesota Public Utilities Commission				
Northern States Power Company	11/01	Northern States Power Company	Docket No. G002/GR-21-678	Return on Equity
Northern States Power Company	10/21	Northern States Power Company	Docket No. E002/GR-21-630	Return on Equity
Northern States Power Company	11/20	Northern States Power Company	Docket No. E002/GR-20-723	Return on Equity

scottmadden
MANAGEMENT CONSULTANTS

Appendix A - Resume and Testimony Listing of:
Dylan W. D'Ascendis, CRRA, CVA
Partner

Sponsor	Date	Case/Applicant	Docket No.	Subject
Mississippi Public Service Commission				
Great River Utility Operating Co.	07/22	Great River Utility Operating Co.	Docket No. 2022-UN-86	Rate of Return
Atmos Energy Corporation	03/19	Atmos Energy Corporation	Docket No. 2015-UN-049	Capital Structure
Atmos Energy Corporation	07/18	Atmos Energy Corporation	Docket No. 2015-UN-049	Capital Structure
Missouri Public Service Commission				
Confluence Rivers Utility Operating Company, Inc.	01/23	Confluence Rivers Utility Operating Company, Inc.	Case No. WR-2023-0006/SR-2023-0007	Rate of Return
Spire Missouri, Inc.	12/20	Spire Missouri, Inc.	Case No. GR-2021-0108	Return on Equity
Indian Hills Utility Operating Company, Inc.	10/17	Indian Hills Utility Operating Company, Inc.	Case No. SR-2017-0259	Rate of Return
Raccoon Creek Utility Operating Company, Inc.	09/16	Raccoon Creek Utility Operating Company, Inc.	Case No. SR-2016-0202	Rate of Return
Public Utilities Commission of Nevada				
Southwest Gas Corporation	09/23	Southwest Gas Corporation	Docket No. 23-09012	Return on Equity
Southwest Gas Corporation	09/21	Southwest Gas Corporation	Docket No. 21-09001	Return on Equity
Southwest Gas Corporation	08/20	Southwest Gas Corporation	Docket No. 20-02023	Return on Equity
New Hampshire Public Utilities Commission				
Aquarion Water Company of New Hampshire, Inc.	12/20	Aquarion Water Company of New Hampshire, Inc.	Docket No. DW 20-184	Rate of Return
New Jersey Board of Public Utilities				
Atlantic City Electric Company	11/24	Atlantic City Electric Company	Docket No. ER24110854	Rate of Return
New Jersey Natural Gas Company	01/24	New Jersey Natural Gas Company	Docket No. GR24010071	Rate of Return
Middlesex Water Company	05/23	Middlesex Water Company	Docket No. WR23050292	Rate of Return
FirstEnergy Service Company	03/23	Jersey Central Power & Light Co.	Docket No. ER23030144	Rate of Return
Atlantic City Electric Company	02/23	Atlantic City Electric Company	Docket No. ER23020091	Return on Equity
Middlesex Water Company	05/21	Middlesex Water Company	Docket No. WR21050813	Rate of Return
Atlantic City Electric Company	12/20	Atlantic City Electric Company	Docket No. ER20120746	Return on Equity
FirstEnergy Service Company	02/20	Jersey Central Power & Light Co.	Docket No. ER20020146	Rate of Return
Aqua New Jersey, Inc.	12/18	Aqua New Jersey, Inc.	Docket No. WR18121351	Rate of Return
Middlesex Water Company	10/17	Middlesex Water Company	Docket No. WR17101049	Rate of Return
Middlesex Water Company	03/15	Middlesex Water Company	Docket No. WR15030391	Rate of Return
The Atlantic City Sewerage Company	10/14	The Atlantic City Sewerage Company	Docket No. WR14101263	Cost of Service / Rate Design
Middlesex Water Company	11/13	Middlesex Water Company	Docket No. WR1311059	Capital Structure
New Mexico Public Regulation Commission				
New Mexico Gas Company	09/23	New Mexico Gas Company	Case No. 23-00255-UT	Return on Equity
Southwestern Public Service Co.	11/22	Southwestern Public Service Co.	Case No. 22-00286-UT	Return on Equity
Southwestern Public Service Co.	01/21	Southwestern Public Service Co.	Case No. 20-00238-UT	Return on Equity
North Carolina Utilities Commission				
Pluris Hampstead, LLC	09/24	Pluris Hampstead, LLC	Docket No. W-1305, Sub 38	Rate of Return
Old North State Water Co., Inc.	06/24	Old North State Water Co., Inc.	Docket No. W-1300, Sub 100	Rate of Return
Carolina Water Service, Inc.	07/22	Carolina Water Service, Inc.	Docket No. W-354 Sub 400	Rate of Return
Aqua North Carolina, Inc.	06/22	Aqua North Carolina, Inc.	Docket No. W-218 Sub 573	Rate of Return
Carolina Water Service, Inc.	07/21	Carolina Water Service, Inc.	Docket No. W-354 Sub 384	Rate of Return
Piedmont Natural Gas Co., Inc.	03/21	Piedmont Natural Gas Co., Inc.	Docket No. G-9, Sub 781	Return on Equity
Duke Energy Carolinas, LLC	07/20	Duke Energy Carolinas, LLC	Docket No. E-7, Sub 1214	Return on Equity
Duke Energy Progress, LLC	07/20	Duke Energy Progress, LLC	Docket No. E-2, Sub 1219	Return on Equity

Sponsor	Date	Case/Applicant	Docket No.	Subject
Aqua North Carolina, Inc.	12/19	Aqua North Carolina, Inc.	Docket No. W-218 Sub 526	Rate of Return
Carolina Water Service, Inc.	06/19	Carolina Water Service, Inc.	Docket No. W-354 Sub 364	Rate of Return
Carolina Water Service, Inc.	09/18	Carolina Water Service, Inc.	Docket No. W-354 Sub 360	Rate of Return
Aqua North Carolina, Inc.	07/18	Aqua North Carolina, Inc.	Docket No. W-218 Sub 497	Rate of Return
North Dakota Public Service Commission				
Northern States Power Company	09/21	Northern States Power Company	Case No. PU-21-381	Rate of Return
Northern States Power Company	11/20	Northern States Power Company	Case No. PU-20-441	Rate of Return
Public Utilities Commission of Ohio				
FirstEnergy	06/24	Ohio Edison Co., Cleveland Electric Illuminating Co., Toledo Edison Co.	Case No. 24-0468-EL-AIR	Rate of Return
Aqua Ohio, Inc.	11/22	Aqua Ohio, Inc.	Case No. 22-1094-WW-AIR	Rate of Return
Duke Energy Ohio, Inc.	10/21	Duke Energy Ohio, Inc.	Case No. 21-887-EL-AIR	Return on Equity
Aqua Ohio, Inc.	07/21	Aqua Ohio, Inc.	Case No. 21-0595-WW-AIR	Rate of Return
Aqua Ohio, Inc.	05/16	Aqua Ohio, Inc.	Case No. 16-0907-WW-AIR	Rate of Return
Pennsylvania Public Utility Commission				
FirstEnergy	04/24	Pennsylvania Electric Company	Docket No. R-2024-3047068	Rate of Return
Columbia Water Company	05/23	Columbia Water Company	Docket No. R-2023-3040258	Rate of Return
Borough of Ambler	06/22	Borough of Ambler – Bureau of Water	Docket No. R-2022-3031704	Rate of Return
Citizens' Electric Company of Lewisburg	05/22	C&T Enterprises	Docket No. R-2022-3032369	Rate of Return
Valley Energy Company	05/22	C&T Enterprises	Docket No. R-2022-3032300	Rate of Return
Community Utilities of Pennsylvania, Inc.	04/21	Community Utilities of Pennsylvania, Inc.	Docket No. R-2021-3025207	Rate of Return
Vicinity Energy Philadelphia, Inc.	04/21	Vicinity Energy Philadelphia, Inc.	Docket No. R-2021-3024060	Rate of Return
Delaware County Regional Water Control Authority	02/20	Delaware County Regional Water Control Authority	Docket No. A-2019-3015173	Valuation
Valley Energy, Inc.	07/19	C&T Enterprises	Docket No. R-2019-3008209	Rate of Return
Wellsboro Electric Company	07/19	C&T Enterprises	Docket No. R-2019-3008208	Rate of Return
Citizens' Electric Company of Lewisburg	07/19	C&T Enterprises	Docket No. R-2019-3008212	Rate of Return
Steelton Borough Authority	01/19	Steelton Borough Authority	Docket No. A-2019-3006880	Valuation
Mahoning Township, PA	08/18	Mahoning Township, PA	Docket No. A-2018-3003519	Valuation
SUEZ Water Pennsylvania Inc.	04/18	SUEZ Water Pennsylvania Inc.	Docket No. R-2018-000834	Rate of Return
Columbia Water Company	09/17	Columbia Water Company	Docket No. R-2017-2598203	Rate of Return
Veolia Energy Philadelphia, Inc.	06/17	Veolia Energy Philadelphia, Inc.	Docket No. R-2017-2593142	Rate of Return
Emporium Water Company	07/14	Emporium Water Company	Docket No. R-2014-2402324	Rate of Return
Columbia Water Company	07/13	Columbia Water Company	Docket No. R-2013-2360798	Rate of Return
Penn Estates Utilities, Inc.	12/11	Penn Estates, Utilities, Inc.	Docket No. R-2011-2255159	Capital Structure / Long-Term Debt Cost Rate
South Carolina Public Service Commission				
Blue Granite Water Co.	12/19	Blue Granite Water Company	Docket No. 2019-292-WS	Rate of Return
Carolina Water Service, Inc.	02/18	Carolina Water Service, Inc.	Docket No. 2017-292-WS	Rate of Return
Carolina Water Service, Inc.	06/15	Carolina Water Service, Inc.	Docket No. 2015-199-WS	Rate of Return
Carolina Water Service, Inc.	11/13	Carolina Water Service, Inc.	Docket No. 2013-275-WS	Rate of Return

Sponsor	Date	Case/Applicant	Docket No.	Subject
United Utility Companies, Inc.	09/13	United Utility Companies, Inc.	Docket No. 2013-199-WS	Rate of Return
Utility Services of South Carolina, Inc.	09/13	Utility Services of South Carolina, Inc.	Docket No. 2013-201-WS	Rate of Return
Tega Cay Water Services, Inc.	11/12	Tega Cay Water Services, Inc.	Docket No. 2012-177-WS	Capital Structure
South Dakota Public Service Commission				
Northern States Power Company	06/22	Northern States Power Company	Docket No. EL22-017	Rate of Return
Tennessee Public Utility Commission				
CSWR – Limestone Water Utility Operating Company	07/24	CSWR – Limestone Water Utility Operating Company	Docket No. 24-00044	Capital Structure, Cost of Debt, Return on Equity
Piedmont Natural Gas Company	07/20	Piedmont Natural Gas Company	Docket No. 20-00086	Return on Equity
Public Utility Commission of Texas				
CSWR TX Utility Operating Co, LLC	12/24	CSWR TX Utility Operating Co, LLC	Docket No. 57386	Rate of Return
BVRT Utility Holding Co., LLC	07/24	Texas Water Utilities, LP	Docket No. 56664	Rate of Return
Texas Water Utilities, LP	06/24	Texas Water Utilities, LP	Docket No. 56665	Rate of Return
Southwestern Public Service Co.	02/23	Southwestern Public Service Co.	Docket No. 54634	Return on Equity
CSWR – Texas Utility Operating Company, LLC	02/23	CSWR – Texas Utility Operating Company, LLC	Docket No. 54565	Rate of Return
Oncor Electric Delivery Co. LLC	05/22	Oncor Electric Delivery Co. LLC	Docket No. 53601	Return on Equity
Southwestern Public Service Co.	02/21	Southwestern Public Service Co.	Docket No. 51802	Return on Equity
Southwestern Electric Power Co.	10/20	Southwestern Electric Power Co.	Docket No. 51415	Rate of Return
Texas Railroad Commission				
Atmos Energy Corporation – Mid-Texas Division	11/24	Atmos Energy Corporation – Mid-Texas Division	Docket No. OS-24-00019196	Return on Equity
Atmos Energy Corporation – West Texas Division	10/24	Atmos Energy Corporation – West Texas Division	Docket No. OS-24-00018879	Return on Equity
Atmos Pipeline – Texas, a Division of Atmos Energy Corporation	05/23	Atmos Pipeline – Texas, a Division of Atmos Energy Corporation	Docket No. OS-23-00013758	Return on Equity
Virginia State Corporation Commission				
Aqua Virginia, Inc.	07/23	Aqua Virginia, Inc.	PUR-2023-00073	Rate of Return
Washington Gas Light Company	06/22	Washington Gas Light Company	PUR-2022-00054	Return on Equity
Virginia Natural Gas, Inc.	04/21	Virginia Natural Gas, Inc.	PUR-2020-00095	Return on Equity
Massanutten Public Service Corporation	12/20	Massanutten Public Service Corporation	PUE-2020-00039	Return on Equity
Aqua Virginia, Inc.	07/20	Aqua Virginia, Inc.	PUR-2020-00106	Rate of Return
WGL Holdings, Inc.	07/18	Washington Gas Light Company	PUR-2018-00080	Rate of Return
Atmos Energy Corporation	05/18	Atmos Energy Corporation	PUR-2018-00014	Rate of Return
Aqua Virginia, Inc.	07/17	Aqua Virginia, Inc.	PUR-2017-00082	Rate of Return
Massanutten Public Service Corp.	08/14	Massanutten Public Service Corp.	PUE-2014-00035	Rate of Return / Rate Design
Public Service Commission of West Virginia				
FirstEnergy Service Company	05/23	Monongahela Power Company and The Potomac Edison Company	Case No. 23-0460-E-42T	Return on Equity
FirstEnergy Service Company	12/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0857-E-CN (ELG)	Return on Equity
FirstEnergy Service Company	11/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0813-E-P (Solar)	Return on Equity

scottmadden
MANAGEMENT CONSULTANTS

Appendix B - Resume of:
Ryan M. Kucan, CRRA
Manager

Summary

Ryan Kucan first joined ScottMadden in 2016 as an analyst and rejoined in 2021 as an associate. The majority of his experience has been providing primary support for the preparation of cost-of-capital expert witness testimony to support utility rate case filings before multiple jurisdictions in the United States and Canada. Ryan earned a B.S. in business administration, with a double concentration in accounting and finance, at the D'Amore-McKim School of Business at Northeastern University and an M.B.A. at the University of Toronto's Rotman School of Management. Ryan also earned his Certified Rate of Return Analyst designation in 2023.

Areas of Specialization

- Rates and regulation
- Capital market assessment
- Valuation
- Regulatory strategy and analysis
- Rate-of-return analysis
- Financial modeling

Recent Assignments

- Performed a net-financing-benefits analysis to support utility procurement contracts of offshore wind generation
- Reviewed financial models and state regulatory conditions to assist a potential private equity acquisition of a utility
- Assisted with a market-based valuation of natural gas pipeline assets for a transaction between utilities
- Conducted an analysis to calculate the historical return on equity based on a new model outlined in FERC Opinion No. 531
- Supported expert testimony on the cost of capital for ratemaking purposes before numerous state utility regulatory agencies for electric, natural gas, and water utilities

PRIMARY TESTIMONY SUPPORT EXPERIENCE

Sponsor	Date	Case/Applicant	Docket No.	Subject
Alberta Utilities Commission				
AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	02/23	AltaLink, L.P., and EPCOR Distribution & Transmission, Inc.	Proceeding ID. 27804	Determination of Cost-of-Capital Parameters
Arizona Corporation Commission				
EPCOR Water Arizona, Inc.	06/24	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-24-0130	Rate of Return
Arizona Water Company	05/24	Arizona Water Company – Northern Group	Docket No. W-01445A-24-0117	Rate of Return
Foothills Water & Sewer, LLC	10/23	Foothills Water & Sewer, LLC	Docket No. WS-21182A-23-0292	Rate of Return
Arizona Water Company	12/22	Arizona Water Company – Eastern Group	Docket No. W-01445A-22-0286	Rate of Return
EPCOR Water Arizona, Inc.	08/22	EPCOR Water Arizona, Inc.	Docket No. WS-01303A-22-0236	Rate of Return
Arkansas Public Service Commission				
Summit Utilities Arkansas, Inc.	01/24	Summit Utilities Arkansas, Inc.	Docket No. 23-079-U	Rate of Return
Southwestern Electric Power Co.	07/21	Southwestern Electric Power Co.	Docket No. 21-070-U	Return on Equity
CenterPoint Energy Resources Corp.	05/21	CenterPoint Arkansas Gas	Docket No. 21-004-U	Return on Equity

California Public Utilities Commission				
Southwest Gas Corporation	07/24	Southwest Gas Corporation	Docket No. A24-09-001	Return on Equity
San Gabriel Valley Water Company	05/23	San Gabriel Valley Water Company	Docket No. A23-05-001	Return on Equity
City of Edmonton, Canada				
EPCOR Water Services, Inc.	05/24	EPCOR Water Services, Inc.	Performance Based Regulation Application	Cost of Capital
Commission of the Canada Energy Regulator				
Trans-Northern Pipelines Inc.	11/22	Trans-Northern Pipelines Inc.	Docket No. C-22197	Cost of Capital
Public Service Commission of the District of Columbia				
Washington Gas Light Company	08/24	Washington Gas Light Company	Formal Case No. 1180	Rate of Return
Washington Gas Light Company	04/22	Washington Gas Light Company	Formal Case No. 1169	Rate of Return
Florida Public Service Commission				
Tampa Electric Company	04/21	Tampa Electric Company	Docket No. 20210034-EI	Return on Equity
Illinois Commerce Commission				
Aqua Illinois, Inc.	01/24	Aqua Illinois, Inc.	Docket No. 24-0044	Rate of Return
Kentucky Public Service Commission				
Atmos Energy Corporation	07/22	Atmos Energy Corporation	2022-00222	PRP Rider Rate
Water Service Corporation of KY	06/22	Water Service Corporation of KY	2022-00147	Rate of Return
Atmos Energy Corporation	07/21	Atmos Energy Corporation	2021-00304	PRP Rider Rate
Atmos Energy Corporation	06/21	Atmos Energy Corporation	2021-00214	Rate of Return
Duke Energy Kentucky, Inc.	06/21	Duke Energy Kentucky, Inc.	2021-00190	Return on Equity
Louisiana Public Service Commission				
Utilities, Inc. of Louisiana	05/21	Utilities, Inc. of Louisiana	Docket No. U-36003	Rate of Return
Southwestern Electric Power Company	12/20	Southwestern Electric Power Company	Docket No. U-35441	Return on Equity
Maine Public Utilities Commission				
Northern Utilities, Inc. d/b/a Unitil	05/23	Northern Utilities, Inc. d/b/a Unitil	Docket No. 2023-00051	Return on Equity
Summit Natural Gas of Maine, Inc.	03/22	Summit Natural Gas of Maine, Inc.	Docket No. 2022-00025	Rate of Return
The Maine Water Company	09/21	The Maine Water Company	Docket No. 2021-00053	Rate of Return
Massachusetts Department of Public Utilities				
Unitil Corporation	08/23	Fitchburg Gas & Electric Co. (Elec.)	D.P.U. 23-80	Rate of Return
Unitil Corporation	08/23	Fitchburg Gas & Electric Co. (Gas)	D.P.U. 23-81	Rate of Return
Unitil Corporation	05/22	Fitchburg Gas & Electric Co.	D.P.U. 22-72	Remuneration Rate for Wind project
Maryland Public Service Commission				
Washington Gas Light Company	05/23	Washington Gas Light Company	Case No. 9704	Rate of Return
FirstEnergy Corporation	03/23	Potomac Edison Company	Case No. 9695	Rate of Return
Washington Gas Light Company	08/20	Washington Gas Light Company	Case No. 9651	Rate of Return
Mississippi Public Service Commission				
Great River Utility Operating Co.	07/22	Great River Utility Operating Co.	Docket No. 2022-UN-86	Rate of Return
Missouri Public Service Commission				
Spire Missouri, Inc.	12/20	Spire Missouri, Inc.	Case No. GR-2021-0108	Return on Equity
Public Utilities Commission of Nevada				
Southwest Gas Corporation	09/23	Southwest Gas Corporation	Docket No. 23-09012	Return on Equity
Southwest Gas Corporation	09/21	Southwest Gas Corporation	Docket No. 21-09001	Return on Equity
New Hampshire Public Utilities Commission				
Northern Utilities, Inc. d/b/a Unitil	08/21	Northern Utilities, Inc. d/b/a Unitil	D-DG-21-104	Rate of Return

New Jersey Board of Public Utilities				
FirstEnergy Service Company	03/23	Jersey Central Power & Light Co.	Docket No. ER23030144	Rate of Return
Middlesex Water Company	05/21	Middlesex Water Company	Docket No. WR21050813	Rate of Return
New Mexico Public Regulation Commission				
Southwestern Public Service Co.	01/21	Southwestern Public Service Co.	Case No. 20-00238-UT	Return on Equity
North Carolina Utilities Commission				
Pluris Hampstead, LLC	09/24	Pluris Hampstead, LLC	Docket No. W-1305, Sub 38	Rate of Return
Carolina Water Service, Inc.	07/22	Carolina Water Service, Inc.	Docket No. W-354 Sub 400	Rate of Return
Aqua North Carolina, Inc.	06/22	Aqua North Carolina, Inc.	Docket No. W-218 Sub 573	Rate of Return
Carolina Water Service, Inc.	07/21	Carolina Water Service, Inc.	Docket No. W-354 Sub 384	Rate of Return
Piedmont Natural Gas Co., Inc.	03/21	Piedmont Natural Gas Co., Inc.	Docket No. G-9, Sub 781	Return on Equity
Public Utilities Commission of Ohio				
FirstEnergy	06/24	Ohio Edison Co., Cleveland Electric Illuminating Co., Toledo Edison Co.	Case No. 24-0468-EL-AIR	Rate of Return
Aqua Ohio, Inc.	11/22	Aqua Ohio, Inc.	Case No. 22-1094-WW-AIR	Rate of Return
Duke Energy Ohio, Inc.	10/21	Duke Energy Ohio, Inc.	Case No. 21-887-EL-AIR	Return on Equity
Aqua Ohio, Inc.	07/21	Aqua Ohio, Inc.	Case No. 21-0595-WW-AIR	Rate of Return
Pennsylvania Public Utility Commission				
FirstEnergy	04/24	Pennsylvania Electric Company	Docket No. R-2024-3047068	Rate of Return
Borough of Ambler	06/22	Borough of Ambler – Bureau of Water	Docket No. R-2022-3031704	Rate of Return
Citizens' Electric Company of Lewisburg	05/22	C&T Enterprises	Docket No. R-2022-3032369	Rate of Return
Valley Energy Company	05/22	C&T Enterprises	Docket No. R-2022-3032300	Rate of Return
Community Utilities of Pennsylvania, Inc.	04/21	Community Utilities of Pennsylvania, Inc.	Docket No. R-2021-3025207	Rate of Return
Vicinity Energy Philadelphia, Inc.	04/21	Vicinity Energy Philadelphia, Inc.	Docket No. R-2021-3024060	Rate of Return
Public Utility Commission of Texas				
BVRT Utility Holding Co., LLC	07/24	Texas Water Utilities, LP	Docket No. 56664	Rate of Return
Texas Water Utilities, LP	06/24	Texas Water Utilities, LP	Docket No. 56665	Rate of Return
Southwestern Public Service Co.	02/23	Southwestern Public Service Co.	Docket No. 54634	Return on Equity
Oncor Electric Delivery Co. LLC	05/22	Oncor Electric Delivery Co. LLC	Docket No. 53601	Return on Equity
Southwestern Public Service Co.	02/21	Southwestern Public Service Co.	Docket No. 51802	Return on Equity
Virginia State Corporation Commission				
Washington Gas Light Company	06/22	Washington Gas Light Company	PUR-2022-00054	Return on Equity
Virginia Natural Gas, Inc.	04/21	Virginia Natural Gas, Inc.	PUR-2020-00095	Return on Equity
Public Service Commission of West Virginia				
FirstEnergy Corporation	05/23	Monongahela Power Company and The Potomac Edison Company	Case No. 23-0460-E-42T	Return on Equity
FirstEnergy Corporation	12/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0857-E-CN (ELG)	Return on Equity
FirstEnergy Corporation	11/21	Monongahela Power Company and The Potomac Edison Company	Case No. 21-0813-E-P (Solar)	Return on Equity

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company

Table of Contents

Supporting Exhibits Accompanying the Direct Testimony

of Dylan W. D'Ascendis and Ryan M. Kucan

	Schedule
Summary of Overall Cost of Capital and Recommended Return on Common Equity	ROR-1
Financial Profile of the Gas and Electric Utility Proxy Groups	ROR-2
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model	ROR-3
Indicated Common Equity Cost Rate Using the Risk Premium Model	ROR-4
Indicated Common Equity Cost Rate Using the Capital Asset Pricing Model	ROR-5
Basis of Selection for the Non-Price Regulated Companies Comparable in Total Risk to the Utility Proxy Group	ROR-6
Cost of Common Equity Models Applied to the Comparable Risk Non-Price Regulated Companies	ROR-7
Estimated Market Capitalization for Valley Energy, Inc., Citizens' Electric Company of Lewisburg, PA, and Wellsboro Electric Company and the Gas and Electric Utility Proxy Groups	ROR-8

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Recommended Capital Structure and Cost Rates
for Ratemaking Purposes

Valley Energy, Inc.

Type of Capital	Ratios(1)	Cost Rate		Weighted Cost Rate
Long-Term Debt	51.06%	5.03%	(2)	2.57%
Common Equity	48.94%	11.65%	(3)	5.70%
Total	100.00%			8.27%

Citizens' Electric Company of Lewisburg, PA

Type of Capital	Ratios(1)	Cost Rate		Weighted Cost Rate
Long-Term Debt	51.06%	5.47%	(2)	2.79%
Common Equity	48.94%	11.65%	(3)	5.70%
Total	100.00%			8.49%

Wellsboro Electric Company

Type of Capital	Ratios(1)	Cost Rate		Weighted Cost Rate
Long-Term Debt	51.06%	4.85%	(2)	2.48%
Common Equity	48.94%	11.65%	(3)	5.70%
Total	100.00%			8.18%

Notes:
(1) Capital structure based on 2024 capital structure maintained by the Companies' Parent, C&T Enterprises.
(2) Company-provided
(3) From page 2 of this Schedule.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Brief Summary of Common Equity Cost Rate

Line No.	Principal Methods	Proxy Group of Seven Natural Gas Distribution Companies	Proxy Group of Fifteen Electric Companies
1.	Discounted Cash Flow Model (DCF) (1)	10.29%	10.32%
2.	Risk Premium Model (RPM) (2)	10.86%	10.79%
3.	Capital Asset Pricing Model (CAPM) (3)	11.12%	10.75%
4.	Market Models Applied to Comparable Risk, Non-Price Regulated Companies (4)	11.92%	11.84%
5.	Indicated Common Equity Cost Rate before Adjustment for Unique Risk	10.29% - 11.92%	10.32% - 11.84%
6.	Size Risk Adjustment (5)	1.00%	0.85%
7.	Performance Factor Adjustment (6)	0.05%	0.05%
8.	Indicated Common Equity Cost Rate after Adjustment	11.34% - 12.97%	11.22% - 12.74%
9.	Recommended Common Equity Cost Rate	11.65%	11.65%

Notes:
(1) From page 1 of Schedule ROR-3.
(2) From page 1 of Schedule ROR-4.
(3) From page 1 of Schedule ROR-5.
(4) From page 1 of Schedule ROR-7.
(5) Adjustment to reflect Valley Energy, Inc.'s, Citizens' Electric Company, and Wellsboro Electric Company's greater business risk due to their smaller sizes relative to the Utility Proxy Groups as detailed in the Direct Testimony of Messrs. D'Ascendis and Kucan.
(6) Performance factor adjustment as explained in the Companies' Direct Testimony.

Proxy Group of Seven Natural Gas Distribution Companies
Capitalization and Financial Statistics (1)
2019 - 2023, Inclusive

	2023	2022	2021	2020	2019	5 YEAR AVERAGE
			(MILLIONS OF DOLLARS)			
Capitalization Statistics						
Amount of Capital Employed						
Total Permanent Capital	$9,183.685	$8,210.117	$7,442.590	$6,654.657	$5,863.473	
Short-Term Debt	$745.215	$823.046	$628.829	$300.871	$554.766	
Total Capital Employed	$9,928.900	$9,033.163	$8,071.419	$6,955.528	$6,418.239	
Indicated Average Capital Cost Rates (2)						
Total Debt	4.10 %	3.17 %	2.90 %	3.39 %	3.74 %	
Preferred Stock	5.22 %	4.84 %	5.33 %	6.19 %	4.60 %	
Capital Structure Ratios						
Based on Total Permanent Capital:						
Long-Term Debt	52.23 %	51.17 %	51.57 %	50.16 %	46.87 %	50.40 %
Preferred Stock	0.87	1.84	1.98	1.53	1.65	1.57
Common Equity	46.90	46.99	46.45	48.31	51.48	48.03
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Based on Total Capital:						
Total Debt, Including Short-Term Debt	54.91 %	55.90 %	56.24 %	53.27 %	51.14 %	54.24 %
Preferred Stock	0.75	1.64	1.87	1.43	1.45	1.42
Common Equity	44.34	42.46	41.89	45.30	47.41	44.34
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Financial Statistics						
Financial Ratios - Market Based						
Earnings / Price Ratio	5.42 %	4.18 %	5.24 %	3.85 %	3.97 %	4.53 %
Market / Average Book Ratio	156.78	180.83	170.62	184.68	219.63	182.51
Dividend Yield	3.79	3.29	3.46	3.14	2.60	3.26
Dividend Payout Ratio	70.31	58.56	61.19	78.10	67.01	67.03
Rate of Return on Average Book Common Equity	8.63 %	8.06 %	9.49 %	7.11 %	8.74 %	8.41 %
Total Debt / EBITDA (3)	5.18 x	5.39 x	5.59 x	5.72 x	4.81 x	5.34 x
Funds from Operations / Total Debt (4)	27.32 %	11.51 %	9.24 %	14.20 %	15.23 %	15.50 %
Total Debt / Total Capital	54.91 %	55.90 %	56.24 %	53.27 %	51.14 %	54.29 %

Notes:

(1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group, and are based upon financial statements as originally reported in each year.

(2) Computed by relating actual total debt interest or preferred stock dividends booked to average of beginning and ending total debt or preferred stock reported to be outstanding.

(3) Total debt relative to EBITDA (Earnings before Interest, Income Taxes, Depreciation and Amortization).

(4) Funds from operations (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC) plus interest charges as a percentage of total debt.

Source of Information: Company Annual Forms 10-K.

Proxy Group of Fifteen Electric Companies
Capitalization and Financial Statistics (1)
2019 - 2023, Inclusive

	2023	2022	2021	2020	2019	5 YEAR AVERAGE
			(MILLIONS OF DOLLARS)			
Capitalization Statistics						
Amount of Capital Employed						
Total Permanent Capital	$35,135.635	$33,005.151	$30,958.714	$28,756.784	$26,766.057	
Short-Term Debt	$1,060.785	$1,196.389	$998.605	$820.719	$880.673	
Total Capital Employed	$36,196.420	$34,201.540	$31,957.319	$29,577.503	$27,646.730	
Indicated Average Capital Cost Rates (2)						
Total Debt	4.33 %	3.78 %	3.65 %	4.09 %	4.13 %	
Preferred Stock	5.13 %	5.86 %	7.09 %	5.58 %	5.34 %	
Capital Structure Ratios						
Based on Total Permanent Capital:						
Long-Term Debt	58.19 %	57.43 %	56.89 %	55.65 %	54.09 %	56.45 %
Preferred Stock	0.53	0.49	0.54	0.71	0.83	0.62
Common Equity	41.28	42.08	42.57	43.64	45.08	42.93
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Based on Total Capital:						
Total Debt, Including Short-Term Debt	59.30 %	58.56 %	58.04 %	56.67 %	55.17 %	57.55 %
Preferred Stock	0.53	0.47	0.51	0.68	0.81	0.60
Common Equity	40.17	40.97	41.45	42.65	44.02	41.85
Total	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Financial Statistics						
Financial Ratios - Market Based						
Earnings / Price Ratio	5.41 %	4.95 %	5.43 %	4.30 %	5.31 %	5.08 %
Market / Average Book Ratio	177.32	194.85	194.85	184.99	193.03	189.01
Dividend Yield	3.93	3.79	3.77	3.68	3.40	3.71
Dividend Payout Ratio	79.39	79.13	69.93	64.92	66.11	71.89
Rate of Return on Average Book Common Equity	9.19 %	9.21 %	10.12 %	8.03 %	9.91 %	9.29 %
Total Debt / EBITDA (3)	5.53 x	5.51 x	5.31 x	5.98 x	4.73 x	5.41 x
Funds from Operations / Total Debt (4)	12.87 %	10.48 %	6.06 %	12.20 %	13.34 %	10.99 %
Total Debt / Total Capital	59.30 %	58.56 %	58.04 %	56.67 %	55.17 %	57.55 %

Notes:

(1) All capitalization and financial statistics for the group are the arithmetic average of the achieved results for each individual company in the group, and are based upon financial statements as originally reported in each year.

(2) Computed by relating actual total debt interest or preferred stock dividends booked to average of beginning and ending total debt or preferred stock reported to be outstanding.

(3) Total debt relative to EBITDA (Earnings before Interest, Income Taxes, Depreciation and Amortization).

(4) Funds from operations (sum of net income, depreciation, amortization, net deferred income tax and investment tax credits, less total AFUDC) plus interest charges as a percentage of total debt.

Source of Information: Company Annual Forms 10-K.

Capital Structure Based upon Total Permanent Capital for the
Proxy Group of Seven Natural Gas Distribution Companies
2019 - 2023, Inclusive

	2023	2022	2021	2020	2019	5 YEAR AVERAGE
Atmos Energy Corporation						
Long-Term Debt	37.62 %	37.96 %	39.35 %	40.02 %	38.03 %	38.60 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	62.38	62.04	60.65	59.98	61.97	61.40
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
New Jersey Resources Corporation						
Long-Term Debt	59.16 %	58.49 %	57.81 %	55.35 %	50.11 %	56.18 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	40.84	41.51	42.19	44.65	49.89	43.82
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
NiSource Inc.						
Long-Term Debt	57.26 %	55.77 %	57.09 %	61.64 %	56.79 %	57.71 %
Preferred Stock	2.51	9.03	9.55	5.87	6.35	6.66
Common Equity	40.23	35.20	33.36	32.49	36.86	35.63
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Northwest Natural Holding Company						
Long-Term Debt	55.11 %	53.21 %	52.12 %	51.81 %	50.43 %	52.54 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	44.89	46.79	47.88	48.19	49.57	47.46
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
ONE Gas, Inc.						
Long-Term Debt	44.05 %	42.10 %	41.74 %	41.76 %	37.65 %	41.46 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	55.95	57.90	58.26	58.24	62.35	58.54
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Southwest Gas Holdings, Inc.						
Long-Term Debt	58.43 %	59.25 %	59.90 %	50.90 %	49.58 %	55.61 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	41.57	40.75	40.10	49.10	50.42	44.39
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Spire Inc.						
Long-Term Debt	54.01 %	51.42 %	52.98 %	49.62 %	45.49 %	50.70 %
Preferred Stock	3.53	3.84	4.28	4.83	5.19	4.34
Common Equity	42.46	44.74	42.74	45.55	49.32	44.96
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Proxy Group of Seven Natural Gas Distribution Companies						
Long-Term Debt	52.23 %	51.17 %	51.57 %	50.16 %	46.87 %	50.40 %
Preferred Stock	0.87	1.84	1.98	1.53	1.65	1.57
Common Equity	46.90	46.99	46.45	48.31	51.48	48.03
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Source of Information
Annual Forms 10-K

Capital Structure Based upon Total Permanent Capital for the
Proxy Group of Fifteen Electric Companies
2019 - 2023, Inclusive

	2023	2022	2021	2020	2019	5 YEAR AVERAGE
Alliant Energy Corporation						
Long-Term Debt	57.14 %	56.27 %	55.16 %	53.51 %	53.39 %	55.09 %
Preferred Stock	0.00	0.00	0.00	1.58	1.72	0.66
Common Equity	42.86	43.73	44.84	44.91	44.89	44.25
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Ameren Corporation						
Long-Term Debt	58.18 %	56.87 %	57.07 %	54.97 %	53.29 %	56.08 %
Preferred Stock	0.47	0.52	0.56	0.70	0.81	0.61
Common Equity	41.35	42.61	42.37	44.33	45.90	43.31
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
American Electric Power Corporation						
Long-Term Debt	61.39 %	59.85 %	59.86 %	60.19 %	57.30 %	59.72 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	38.61	40.15	40.14	39.81	42.70	40.28
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Duke Energy Corporation						
Long-Term Debt	60.51 %	59.08 %	56.43 %	55.52 %	55.39 %	57.38 %
Preferred Stock	1.58	1.63	1.73	1.82	1.87	1.73
Common Equity	37.91	39.29	41.84	42.66	42.74	40.89
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Edison International						
Long-Term Debt	66.99 %	65.60 %	61.49 %	56.44 %	54.21 %	60.95 %
Preferred Stock	4.95	4.21	4.63	5.19	6.48	5.09
Common Equity	28.06	30.19	33.88	38.37	39.31	33.96
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Entergy Corporation						
Long-Term Debt	62.66 %	66.13 %	68.58 %	66.68 %	63.04 %	65.42 %
Preferred Stock	0.85	0.81	0.58	0.76	0.90	0.78
Common Equity	36.49	33.06	30.84	32.56	36.06	33.80
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Evergy, Inc.						
Long-Term Debt	55.09 %	52.17 %	51.17 %	52.48 %	51.77 %	52.54 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	44.91	47.83	48.83	47.52	48.23	47.46
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
IDACORP, Inc.						
Long-Term Debt	49.29 %	43.87 %	42.85 %	43.86 %	42.70 %	44.51 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	50.71	56.13	57.15	56.14	57.30	55.49
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Capital Structure Based upon Total Permanent Capital for the
Proxy Group of Fifteen Electric Companies
2019 - 2023, Inclusive

	2023	2022	2021	2020	2019	5 YEAR AVERAGE
North Western Corporation						
Long-Term Debt	49.99 %	49.56 %	52.09 %	52.72 %	52.27 %	51.33 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	50.01	50.44	47.91	47.28	47.73	48.67
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
OGE Energy Corporation						
Long-Term Debt	49.03 %	50.75 %	52.57 %	49.04 %	43.56 %	48.99 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	50.97	49.25	47.43	50.96	56.44	51.01
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Pinnacle West Capital Corporation						
Long-Term Debt	57.67 %	56.30 %	54.46 %	52.85 %	50.91 %	54.44 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	42.33	43.70	45.54	47.15	49.09	45.56
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Portland General Electric Company						
Long-Term Debt	54.56 %	56.75 %	54.82 %	53.83 %	50.06 %	54.00 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	45.44	43.25	45.18	46.17	49.94	46.00
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Southern Company						
Long-Term Debt	65.50 %	64.37 %	64.99 %	63.22 %	61.70 %	63.96 %
Preferred Stock	0.00	0.00	0.36	0.38	0.40	0.23
Common Equity	34.50	35.63	34.65	36.40	37.90	35.81
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
TXNM Energy, Inc.						
Long-Term Debt	65.72 %	64.92 %	62.92 %	61.52 %	64.02 %	63.82 %
Preferred Stock	0.17	0.18	0.20	0.22	0.25	0.20
Common Equity	34.11	34.90	36.88	38.26	35.73	35.98
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Xcel Energy Inc.						
Long-Term Debt	59.11 %	58.97 %	58.91 %	57.93 %	57.77 %	58.54 %
Preferred Stock	0.00	0.00	0.00	0.00	0.00	0.00
Common Equity	40.89	41.03	41.09	42.07	42.23	41.46
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
Proxy Group of Fifteen Electric Companies						
Long-Term Debt	58.19 %	57.43 %	56.89 %	55.65 %	54.09 %	56.45 %
Preferred Stock	0.53	0.49	0.54	0.71	0.83	0.62
Common Equity	41.28	42.08	42.57	43.64	45.08	42.93
Total Capital	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Source of Information
Annual Forms 10-K

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Indicated Common Equity Cost Rate Using the Discounted Cash Flow Model for the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Proxy Group of Seven Natural Gas Distribution Companies	[1] Average Dividend Yield (1)	[2] Value Line Projected Five Year Growth in EPS (2)	[3] Zack's Five Year Projected Growth Rate in EPS	[4] S&P Capital IQ Projected Five Year Growth in EPS	[5] Average Projected Five Year Growth in EPS (3)	[6] Adjusted Dividend Yield (4)	[7] Indicated Common Equity Cost Rate (5)
Atmos Energy Corporation	2.44 %	6.00 %	7.10 %	7.44 %	6.85 %	2.52 %	9.37 %
New Jersey Resources Corporation	3.82	5.00	NA	5.90	5.45	3.92	9.37
NiSource Inc.	2.98	9.50	8.20	7.93	8.54	3.11	11.65
Northwest Natural Holding Company	4.84	6.50	NA	5.50	6.00	4.99	10.99
ONE Gas, Inc.	3.77	4.00	4.70	2.63	3.78	3.84	7.62
Southwest Gas Holdings, Inc.	3.37	10.00	6.60	10.55	9.05	3.52	12.57
Spire Inc.	4.47	4.50	5.80	6.82	5.71	4.60	10.31
						Average	10.27 %
		NA= Not Available				Median	10.31 %
						Average of Mean and Median	10.29 %

Proxy Group of Fifteen Electric Companies	[1] Average Dividend Yield (1)	[2] Value Line Projected Five Year Growth in EPS (2)	[3] Zack's Five Year Projected Growth Rate in EPS	[4] S&P Capital IQ Projected Five Year Growth in EPS	[5] Average Projected Five Year Growth in EPS (3)	[6] Adjusted Dividend Yield (4)	[7] Indicated Common Equity Cost Rate (5)
Alliant Energy Corporation	3.38 %	6.00 %	6.40 %	6.73 %	6.38 %	3.49 %	9.87 %
Ameren Corporation	3.05	6.50	6.70	6.79	6.66	3.15	9.81
American Electric Power Corporation	3.82	6.50	6.00	6.59	6.36	3.94	10.30
Duke Energy Corporation	3.77	6.00	6.30	6.33	6.21	3.89	10.10
Edison International	5.01	6.50	8.50	8.25	7.75	5.20	12.95
Entergy Corporation	3.03	0.50	9.50	8.40	6.13	3.12	9.25
Evergy, Inc.	4.19	7.50	5.90	5.68	6.36	4.32	10.68
IDACORP, Inc.	3.09	6.00	8.40	7.00	7.13	3.20	10.33
North Western Corporation	4.95	4.50	6.10	5.73	5.44	5.08	10.52
OGE Energy Corporation	3.97	6.50	6.10	6.09	6.23	4.09	10.32
Pinnacle West Capital Corporation	4.09	4.00	5.60	6.38	5.33	4.20	9.53
Portland General Electric Company	4.64	5.50	12.30	7.83	8.54	4.84	13.38 (6)
Southern Company	3.41	6.50	6.80	6.62	6.64	3.52	10.16
TXNM Energy, Inc.	3.33	4.00	3.00	5.68	4.23	3.40	7.63 (6)
Xcel Energy Inc.	3.36	6.50	6.90	7.35	6.92	3.48	10.40
						Average	10.33 %
		NA= Not Available				Median	10.30 %
						Average of Mean and Median	10.32 %

Notes:

(1) Indicated dividend at 02/28/2025 divided by the average closing price of the last 60 trading days ending 02/28/2025 for each company.
(2) From pages 2 through 23 of this Schedule.
(3) Average of columns 2 through 4 excluding negative growth rates.
(4) This reflects a growth rate component equal to one-half the conclusion of growth rate (from column 5) x column 1 to reflect the periodic payment of dividends (Gordon Model) as opposed to the continuous payment. Thus, for Atmos Energy Corporation, 2.44% x (1+(1/2 x 6.85%)) = 2.52%.
(5) Column 5 + Column 6.
(6) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Source of Information:
Value Line Investment Survey
www.zacks.com Downloaded on 02/28/2025
S&P Capital IQ

ATMOS ENERGY CORP. NYSE-ATO

RECENT PRICE 142.28 | P/E RATIO 19.8 (Trailing: 20.3 Median: 20.0) | RELATIVE P/E RATIO 1.08 | DIV'D YLD 2.5% | VALUE LINE

TIMELINESS 3 Raised 1/17/25
SAFETY 1 Raised 6/6/14
TECHNICAL 3 Lowered 1/24/25
BETA .90 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$124-$185	$155 (10%)

2028-30 PROJECTIONS

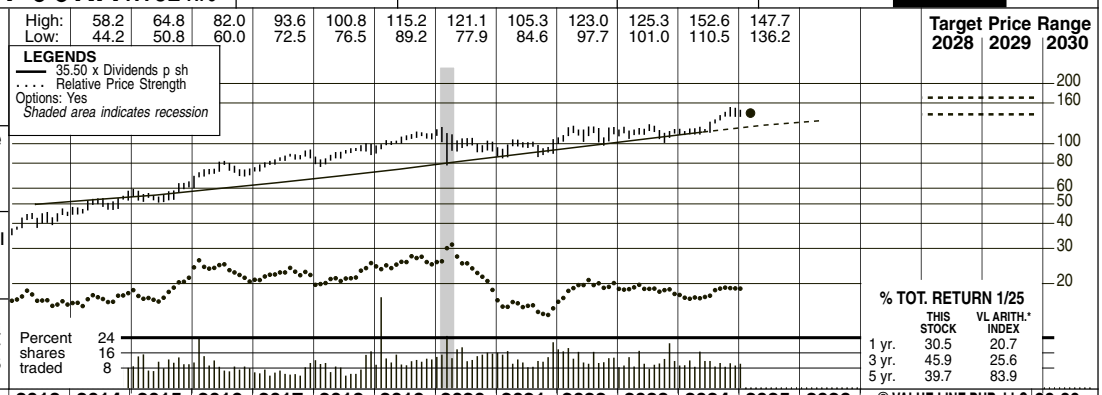
	Price	Gain	Ann'l Total Return
High	170	(+20%)	*7%*
Low	140	(Nil)	*3%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	367	342	357
to Sell	292	311	315
Hld's(000)	137412	144146	162641

	2028	2029	2030
Target Price Range			

	2025	2026
High:	147.7	
Low:	136.2	



% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	30.5	20.7
3 yr.	45.9	25.6
5 yr.	39.7	83.9

2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
53.69	53.12	48.15	38.10	42.88	49.22	40.82	32.23	26.01	28.00	24.32	22.41	25.73	29.82	28.79	26.83	***26.30***	***26.20***	Revenues per sh [A]	***32.45***
4.29	4.64	4.72	4.76	5.14	5.42	5.81	6.19	6.62	7.24	7.57	8.03	8.64	9.30	10.04	11.03	***11.55***	***12.25***	"Cash Flow" per sh	***13.90***
1.97	2.16	2.26	2.10	2.50	2.96	3.09	3.38	3.60	4.00	4.35	4.72	5.12	5.60	6.10	6.83	***7.20***	***7.60***	Earnings per sh [AB]	***8.65***
1.32	1.34	1.36	1.38	1.40	1.48	1.56	1.68	1.80	1.94	2.10	2.30	2.50	2.72	2.96	3.22	***3.48***	***3.68***	Div'ds Decl'd per sh [C]■	***4.45***
5.51	6.02	6.90	8.12	9.32	8.32	9.61	10.46	10.72	13.19	14.19	15.38	14.87	17.35	18.90	18.92	***22.70***	***22.60***	Cap'l Spending per sh	***21.60***
23.52	24.16	24.98	26.14	28.47	30.74	31.48	33.32	36.74	42.87	48.18	53.95	59.71	66.85	73.20	78.31	***83.50***	***85.70***	Book Value per sh	***97.30***
92.55	90.16	90.30	90.24	90.64	100.39	101.48	103.93	106.10	111.27	119.34	125.88	132.42	140.90	148.49	155.26	***163.00***	***168.00***	Common Shs Outst'g [D]	***185.00***
12.5	13.2	14.4	15.9	15.9	16.1	17.5	20.8	22.0	21.7	23.2	22.3	18.8	19.3	18.7	17.3	***Bold figures are Value Line estimates***		Avg Ann'l P/E Ratio	***18.0***
.83	.84	.90	1.01	.89	.85	.88	1.09	1.11	1.17	1.24	1.15	1.02	1.12	1.08	.90			Relative P/E Ratio	***1.00***
5.3%	4.7%	4.2%	4.1%	3.5%	3.1%	2.9%	2.4%	2.3%	2.2%	2.1%	2.2%	2.6%	2.5%	2.6%	2.7%			Avg Ann'l Div'd Yield	***2.9%***
4142.1	3349.9	2759.7	3115.5	2901.8	2821.1	3407.5	4201.7	4275.4	4165.2	***4290***	***4400***	Revenues ($mill) [A]	***6000***
315.1	350.1	382.7	444.3	511.4	580.5	665.6	774.4	885.9	1042.9	***1150***	***1255***	Net Profit ($mill)	***1575***
38.3%	36.4%	36.6%	27.0%	21.4%	19.5%	18.8%	9.1%	11.4%	15.6%	***18.5%***	***19.0%***	Income Tax Rate	***25.0%***
7.6%	10.5%	13.9%	14.3%	17.6%	20.6%	19.5%	18.4%	20.7%	25.0%	***26.8%***	***28.5%***	Net Profit Margin	***26.3%***
43.5%	38.7%	44.0%	34.3%	38.0%	40.0%	38.4%	37.9%	37.9%	39.3%	***40.0%***	***40.0%***	Long-Term Debt Ratio	***40.0%***
56.5%	61.3%	56.0%	65.7%	62.0%	60.0%	61.6%	62.1%	62.1%	60.7%	***60.0%***	***60.0%***	Common Equity Ratio	***60.0%***
5650.2	5651.8	6965.7	7263.6	9279.7	11323	12837	15180	17509	20018	***22750***	***24000***	Total Capital ($mill)	***30000***
7430.6	8280.5	9259.2	10371	11788	13355	15064	17240	19607	22204	***24600***	***26000***	Net Plant ($mill)	***32000***
6.6%	7.2%	6.4%	6.9%	6.1%	5.5%	5.5%	5.4%	5.5%	5.7%	***6.5%***	***6.5%***	Return on Total Cap'l	***6.5%***
9.9%	10.1%	9.8%	9.3%	8.9%	8.5%	8.4%	8.2%	8.1%	8.6%	***8.5%***	***8.5%***	Return on Shr. Equity	***9.0%***
9.9%	10.1%	9.8%	9.3%	8.9%	8.5%	8.4%	8.2%	8.1%	8.6%	***8.5%***	***8.5%***	Return on Com Equity	***9.0%***
4.9%	5.1%	4.9%	4.8%	4.6%	4.4%	4.3%	4.2%	4.2%	4.5%	***4.5%***	***4.5%***	Retained to Com Eq	***4.0%***
51%	50%	50%	48%	48%	49%	49%	49%	49%	47%	***49%***	***49%***	All Div'ds to Net Prof	***52%***

CAPITAL STRUCTURE as of 12/31/24
Total Debt $8510.1 mill. **Due in 5 Yrs** $1170.0 mill.
LT Debt $8490.2 mill. **LT Interest** $190.0 mill.
(LT interest earned: 7.5x; total interest coverage: 7.5x)
Leases, Uncapitalized Annual rentals $43.2 mill.

Pfd Stock None

Pension Assets-9/24 $595.2 mill.
Oblig. $470.9 mill.
Common Stock 158,728,197 shs.
as of 1/31/25

MARKET CAP: $22.6 billion (Large Cap)

CURRENT POSITION ($MILL.)	2023	2024	12/31/24
Cash Assets	15.4	307.3	584.5
Other	870.4	825.0	1243.6
Current Assets	885.8	1132.3	1828.1
Accts Payable	336.1	445.4	453.0
Debt Due	253.4	9.9	19.9
Other	763.1	750.6	701.9
Current Liab.	1352.6	1205.9	1174.8
Fix. Chg. Cov.	1059%	914%	930%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-4.0%	2.0%	*2.0%*
"Cash Flow"	7.0%	7.0%	*5.5%*
Earnings	9.5%	9.0%	*6.0%*
Dividends	7.5%	9.0%	*7.0%*
Book Value	10.0%	11.5%	*5.0%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) [A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	1012.8	1649.8	816.4	722.7	4201.7
2023	1484.0	1541.0	662.7	587.7	4275.4
2024	1158.5	1647.2	701.5	658.0	4165.2
2025	1176.0	***1700***	***740***	***674***	***4290***
2026	***1210***	***1730***	***760***	***700***	***4400***

Fiscal Year Ends	EARNINGS PER SHARE [A B E] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	1.86	2.37	.92	.51	5.60
2023	1.91	2.48	.94	.80	6.10
2024	2.08	2.85	1.08	.86	6.83
2025	2.23	***2.92***	***1.15***	***.90***	***7.20***
2026	***2.34***	***3.01***	***1.25***	***1.00***	***7.60***

Calendar	QUARTERLY DIVIDENDS PAID [C]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.625	.625	.625	.68	2.56
2022	.68	.68	.68	.74	2.78
2023	.74	.74	.74	.805	3.03
2024	.805	.805	.805	.87	3.29
2025	.87				

BUSINESS: Atmos Energy Corporation is engaged primarily in the distribution and sale of natural gas to over 3.3 million customers through six regulated natural gas utility operations: Louisiana Division, West Texas Division, Mid-Tex Division, Mississippi Division, Colorado-Kansas Division, and Kentucky/Mid-States Division. Gas sales breakdown for fiscal 2024: 68.8%, residential; 27.1%, commercial; 2.7%, industrial; and 1.4% other. The company sold Atmos Energy Marketing, 1/17. Officers and directors own approximately .5% of common stock (12/24 Proxy). President and Chief Executive Officer: Kevin Akers. Incorporated: Texas. Address: Three Lincoln Centre, Suite 1800, 5430 LBJ Freeway, Dallas, Texas 75240. Telephone: 972-934-9227. Internet: www.atmosenergy.com.

Atmos Energy Corporation got off to a decent start in fiscal 2025. (The year concludes on September 30th.) Indeed, for the first quarter, the bottom line advanced 7.2%, to $2.23 per share, which matched our target, compared to fiscal 2024's tally of $2.08. One contributor was the distribution segment, supported partly by rate adjustments and benefits of residential customer growth (both occurring primarily in the Mid-Tex Division). Furthermore, the pipeline and storage unit was aided, among other factors, by the Gas Reliability Infrastructure Program filing approved in May 2024 and the System Safety and Integrity Rider filing approved in November 2024. But the company's results were weighed down, to a certain extent, by increases in bad-debt expense, depreciation, and property taxes, as well as higher interest expense. Nevertheless, we believe that full-year profits will finish in the vicinity of $7.20 a share (unchanged from the estimate in our last report three months ago). That would mark a 5% increase from fiscal 2024's $6.83 figure. Regarding the next fiscal year, earnings per share may grow at a similar percentage rate, to $7.60, assuming additional expansion of operating margins.

The Financial Strength rating is solid, at A. When the December period ended, cash and equivalents were $584.5 million. Moreover, long-term borrowings seemed reasonable (40% of total capital) and short-term debt was only $19.9 million. Too, $6.3 billion in common stock and/or debt securities remained available for issuance (out of $8.0 billion) under a shelf registration statement expiring in December, 2027. Finally, the company had four undrawn revolving credit facilities aggregating $3.1 billion plus a $1.5 billion commercial paper program.

These top-quality shares offer unspectacular long-term total return potential. The dividend yield does not stand out when measured against the average of *Value Line's* Natural Gas Utility group. Also, capital gains potential for the pull to 2028-2030 is nothing to write home about. That's because the stock is already trading within our Target Price Range. Meanwhile, the Timeliness rank resides at just 3 (Average).

Frederick L. Harris, III February 21, 2025

(A) Fiscal year ends Sept. 30th. **(B)** Diluted shrs. Excl. nonrec. gains (loss): '10, 5¢; '11, (1¢); '18, $1.43; '20, 17¢. Excludes discontinued operations: '11, 10¢; '12, 27¢; '13, 14¢; '17, 13¢. Next earnings report due early May. **(C)** Dividends historically paid in early March, June, Sept., and Dec. ■ Div. reinvestment plan. Direct stock purchase plan avail. **(D)** In millions. **(E)** Qtrs may not add due to change in shrs outstanding.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

NEW JERSEY RES. NYSE-NJR

RECENT PRICE **45.81** | P/E RATIO **14.8** (Trailing: 13.8 Median: 17.0) | RELATIVE P/E RATIO **0.80** | DIV'D YLD **3.9%** | **VALUE LINE**

TIMELINESS 4 Raised 3/29/24
SAFETY 2 Lowered 4/17/20
TECHNICAL 2 Raised 1/3/25
BETA 1.00 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$39-$63	$51 (10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+65%)	*16%*
Low	55	(+20%)	*8%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	167	167	196
to Sell	140	139	134
Hld's(000)	70181	71950	88596

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	32.1	34.1	38.9	45.4	51.8	51.2	44.7	44.4	51.4	55.8	51.9	48.3						
Low:	21.9	26.8	30.5	33.7	35.6	40.3	21.1	33.3	37.8	38.9	39.4	44.9						

LEGENDS
0.40 x Dividends p sh divided by Interest Rate
Relative Price Strength
2-for-1 split 3/15
Options: Yes
Shaded area indicates recession

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	27.8	20.7
3 yr.	39.0	25.6
5 yr.	46.2	83.9

Percent shares traded

© VALUE LINE PUB. LLC	28-30
Revenues per sh [A]	*21.45*
"Cash Flow" per sh	*6.05*
Earnings per sh [B]	*3.90*
Div'ds Decl'd per sh [C]■	*2.20*
Cap'l Spending per sh	*6.50*
Book Value per sh [D]	*27.00*
Common Shs Outst'g [E]	*105.00*
Avg Ann'l P/E Ratio	*17.0*
Relative P/E Ratio	*.95*
Avg Ann'l Div'd Yield	*3.4%*
Revenues ($mill) [A]	*2250*
Net Profit ($mill)	*410*
Income Tax Rate	*22.0%*
Net Profit Margin	*18.2%*
Long-Term Debt Ratio	*55.0%*
Common Equity Ratio	*45.0%*
Total Capital ($mill)	*6300*
Net Plant ($mill)	*6800*
Return on Total Cap'l	*6.5%*
Return on Shr. Equity	*14.5%*
Return on Com Equity	*14.5%*
Retained to Com Eq	*6.5%*
All Div'ds to Net Prof	*56%*

Bold figures are Value Line estimates

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
	31.17	32.05	36.30	27.08	38.38	44.40	32.09	21.90	26.28	33.24	29.01	20.39	22.71	30.19	20.12	18.06	*18.30*	*18.80*
	1.58	1.63	1.70	1.86	1.93	2.73	2.52	2.46	2.68	3.72	2.99	3.30	3.36	3.84	4.28	4.59	*4.90*	*5.10*
	1.20	1.23	1.29	1.36	1.37	2.08	1.78	1.61	1.73	2.72	1.96	2.07	2.16	2.50	2.71	2.95	*3.10*	*3.20*
	.62	.68	.72	.77	.81	.86	.93	.98	1.04	1.11	1.19	1.27	1.36	1.45	1.56	1.71	*1.80*	*1.95*
	.90	1.05	1.13	1.26	1.33	1.52	3.76	4.15	3.80	4.39	5.83	4.65	5.42	5.81	5.13	5.26	*5.50*	*5.75*
	8.29	8.81	9.36	9.80	10.65	11.48	12.99	13.58	14.33	16.18	17.37	19.26	17.18	18.88	20.40	22.12	*23.05*	*23.80*
	83.17	82.35	82.89	83.05	83.32	84.20	85.19	85.88	86.32	87.69	89.34	95.80	94.95	96.25	97.58	99.46	*101.00*	*102.50*
	14.9	15.0	16.8	16.8	16.0	11.7	16.6	21.3	22.4	15.6	24.3	17.7	17.5	17.0	17.6	14.9		
	.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.29	.91	.95	.98	.98	.77		
	3.5%	3.7%	3.3%	3.4%	3.7%	3.5%	3.1%	2.9%	2.7%	2.6%	2.5%	3.5%	3.6%	3.4%	3.3%	3.9%		
	2734.0	1880.9	2268.6	2915.1	2592.0	1953.7	2156.6	2906.0	1963.0	1796.5	*1850*	*1925*						
	153.7	138.1	149.4	240.5	175.0	196.2	207.7	240.3	264.7	290.8	*315*	*330*						
	26.3%	15.5%	17.2%	--	--	--	10.3%	22.0%	15.9%	23.0%	*21.5%*	*22.0%*						
	5.6%	7.3%	6.6%	8.2%	6.7%	10.0%	9.6%	8.3%	13.5%	16.2%	*16.9%*	*17.0%*						
	43.2%	47.7%	44.6%	45.4%	49.8%	55.1%	57.0%	57.8%	58.2%	56.7%	*56.5%*	*56.0%*						
	56.8%	52.3%	55.4%	54.6%	50.2%	44.9%	43.0%	42.2%	41.8%	43.3%	*43.5%*	*44.0%*						
	1950.6	2230.1	2233.7	2599.6	3088.9	4104.2	3793.0	4302.6	4758.8	5079.9	*5350*	*5550*						
	2128.3	2407.7	2609.7	2651.0	3041.2	3983.0	4213.5	4649.9	5022.1	5403.2	*5750*	*6000*						
	8.6%	6.9%	7.7%	10.1%	6.4%	5.6%	6.5%	6.8%	5.5%	5.7%	*6.0%*	*6.0%*						
	13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	12.7%	13.2%	13.3%	13.2%	*13.5%*	*13.5%*						
	13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	12.7%	13.2%	13.3%	13.2%	*13.5%*	*13.5%*						
	7.0%	4.8%	5.0%	10.2%	4.6%	4.3%	5.6%	6.2%	5.7%	5.7%	*5.5%*	*5.0%*						
	50%	60%	59%	40%	59%	60%	56%	53%	58%	58%	*58%*	*61%*						

CAPITAL STRUCTURE as of 12/31/24
Total Debt $3418.1 mill. **Due in 5 Yrs** $660 mill.
LT Debt $2989.5 mill. **LT Interest** $130 mill.
Incl. $8.4 mill. capitalized leases.

Pension Assets-9/24 $641 mill.
Oblig. $624 mill.

Pfd Stock None

Common Stock 100,289,422 shs.
as of 1/31/25

MARKET CAP: $4.6 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2023	2024	12/31/24
Cash Assets	1.0	1.0	1.9
Other	531.1	553.6	728.8
Current Assets	532.1	554.6	730.7
Accts Payable	203.1	169.2	112.5
Debt Due	368.3	480.8	428.6
Other	235.2	237.8	277.6
Current Liab.	806.6	887.8	818.7
Fix. Chg. Cov.	331%	480%	695%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	-4.5%	-5.0%	*2.5%*
"Cash Flow"	7.0%	6.5%	*5.0%*
Earnings	5.5%	5.0%	*5.0%*
Dividends	7.0%	7.0%	*5.0%*
Book Value	7.0%	5.0%	*4.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.) [A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	675.9	912.3	552.3	765.5	2906.0
2023	723.6	644.0	264.1	331.3	1963.0
2024	467.2	657.9	275.6	395.8	1796.5
2025	488.4	*675*	*285*	*401.6*	*1850*
2026	*510*	*700*	*295*	*420*	*1925*

Fiscal Year Ends	EARNINGS PER SHARE [A B] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	.69	1.36	d.04	.49	2.50
2023	1.14	1.16	.10	.31	2.71
2024	.74	1.41	d.09	.89	2.95
2025	1.28	*1.50*	*.Nil*	*.32*	*3.10*
2026	*1.00*	*1.70*	*.10*	*.40*	*3.20*

Calendar	QUARTERLY DIVIDENDS PAID [C]■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.3325	.3325	.3325	.3625	1.36
2022	.3625	.3625	.3625	.3625	1.45
2023	.39	.39	.39	.39	1.56
2024	.42	.42	.42	.45	1.71
2025	.45				

BUSINESS: New Jersey Resources Corp. is a holding company providing retail/wholesale energy svcs. to customers in NJ, and in states from the Gulf Coast to New England, and Canada. New Jersey Natural Gas had 583,000 cust. at 9/30/24. Fiscal 2024 volume: 158 bill. cu. ft. (16% interruptible, 41% residential, commercial & firm transportation, 43% other). N.J. Natural Energy subsidiary provides unregulated retail/wholesale natural gas and related energy svcs. 2024 dep. rate: 3.2%. Has 1,370 empls. Off./dir. own less than 1% of common; BlackRock, 17.3%; Vanguard, 11.9% (12/24 Proxy). CEO, President & Director: Steven D. Westhoven. Incorporated: New Jersey. Address: 1415 Wyckoff Road, Wall, NJ 07719. Telephone: 732-938-1480. Web: www.njresources.com.

New Jersey Resources finished fiscal 2024 in good shape. (Year ended September 30th.) The company closed out the year with a better-than-expected bottom-line result in the fiscal fourth quarter. Full year earnings per share advanced a solid 9%, to $2.95. September's significant year-over-year increase came from wider fuel margins and lower operations and maintenance expense, offset somewhat by an uptick in depreciation. The company invested more than $500 million over the year, with over 40% of capital expenditures providing immediate returns. Operations at Clean Energy Ventures accelerated throughout the year, with its residential solar portfolio selling out, generating $135 million that will be reinvested, and over 70 megawatts of solar projects either completed or under construction (of 1 gigawatt in the pipeline). The Storage and Transportation business also showed strengths, highlighted by a recent rate case filed for the recovery of investments in the Adelphia Gateway project. The company did well setting up good growth opportunities.

The first quarter of fiscal 2025 was also a standout. The bottom line advanced to $1.28 from $0.74 in the year before. A $157 million annual revenue increase from the natural gas utility rate case settlement, effective November 21st, was a contributing factor. Favorable winter conditions also contributed to the strong operating performance.

We have raised out earnings targets. Notably, we've lifted our fiscal 2025 bottom-line estimate by $0.20, to $3.10 per share. This is in line with management's predictions. We have also initiated targets for 2026 and upped our 3- to 5-year calls. The company is set to invest roughly $1.5 billion over the next two years, targeting infrastructure improvements, clean energy expansion, and storage and transportation efficiency. We also look for the Adelphia rate case to conclude in the current year.

The stock may appeal to conservative long-term accounts. NJR's earnings growth, rooted in a strong regional energy economy, is a solid foundation for returns. Too, the company's steady dividend growth trajectory adds to its overall value. The issue is untimely, however.

Earl B. Humes *February 21, 2025*

(A) Fiscal year ends Sept. 30th.
(B) Diluted earnings. Qtly. revenues and egs. may not sum to total due to rounding and change in shares outstanding. Next earnings report due early May.
(C) Dividends historically paid in early Jan., April, July, and October. ■ Dividend reinvestment plan available.
(D) Includes regulatory assets in 2024: $612.6 million, $6.16/share.
(E) In millions, adjusted for 3/15 split.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	40
Earnings Predictability	65

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

NISOURCE INC. NYSE-NI

RECENT PRICE **38.11** | P/E RATIO **21.3** (Trailing: 21.3 Median: 21.0) | RELATIVE P/E RATIO **1.16** | DIV'D YLD **2.9%** | **VALUE LINE**

TIMELINESS 4 Lowered 9/6/24
SAFETY 2 Raised 2/23/24
TECHNICAL 2 Lowered 2/21/25
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$26-$44	$35 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	55	(+45%)	*12%*
Low	40	(+5%)	*5%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	331	328	334
to Sell	236	249	286
Hld's(000)	425705	439719	484273

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	44.9	49.2	26.9	27.8	28.1	30.7	30.5	27.8	32.6	29.0	38.6	38.8						
Low:	32.1	16.0	19.0	21.7	22.4	24.7	19.6	21.1	23.8	22.9	24.8	35.5						
Revenues per sh	24.02	22.99	21.33	16.31	18.04	20.47	14.58	13.90	14.46	13.74	13.63	11.95	12.09	14.20	12.31	*12.45*	*13.00*	*13.50*
"Cash Flow" per sh	2.96	3.19	2.98	3.13	3.41	3.60	2.27	2.71	2.07	2.86	3.17	3.15	3.26	3.56	3.63	*3.90*	*4.00*	*4.15*
Earnings per sh A	.84	1.06	1.05	1.37	1.57	1.67	.63	1.00	.39	1.30	1.31	1.32	1.37	1.47	1.60	*1.75*	*1.85*	*2.00*
Div'd Decl'd per sh B ■	.92	.92	.92	.94	.98	1.02	.83	.64	.70	.78	.80	.84	.88	.94	1.00	1.06	*1.12*	*1.20*
Cap'l Spending per sh	2.81	2.88	3.99	4.83	5.99	6.42	4.26	4.57	5.03	4.88	4.72	4.49	4.53	5.35	5.91	*5.25*	*5.50*	*6.00*
Book Value per sh C	17.54	17.63	17.71	17.90	18.77	19.54	12.04	12.60	12.82	13.08	13.36	12.44	13.33	14.63	17.40	*22.35*	*23.20*	*23.50*
Common Shs Outst'g D	276.79	279.30	282.18	310.28	313.68	316.04	319.11	323.16	337.02	372.36	382.14	391.76	405.30	412.14	447.38	*470.00*	*485.00*	*500.00*
Avg Ann'l P/E Ratio	14.3	15.3	19.4	17.9	18.9	22.7	37.3	23.2	64.4	19.3	21.3	18.7	18.0	19.6	16.8	*17.5*	*Bold figures are Value Line estimates*	
Relative P/E Ratio	.95	.97	1.22	1.14	1.06	1.19	1.88	1.22	3.24	1.04	1.13	.96	.97	1.13	.93	*.97*		
Avg Ann'l Div'd Yield	7.6%	5.7%	4.5%	3.8%	3.3%	2.7%	3.5%	2.8%	2.8%	3.1%	2.9%	3.4%	3.6%	3.3%	3.7%	3.5%		
Revenues ($mill)							4651.8	4492.5	4874.6	5114.5	5208.9	4681.7	4899.6	5850.6	5505.4	*5850*	*6300*	*6750*
Net Profit ($mill)							198.6	328.1	128.6	478.3	549.8	562.6	626.3	703.3	759.1	*825*	*895*	*1000*
Income Tax Rate							41.6%	35.7%	71.0%	19.7%	17.0%	18.3%	15.7%	16.5%	17.8%	*19.0%*	*19.0%*	*19.0%*
AFUDC % to Net Profit							--	--	--	--	--	--	--	--	2.3%	*3.0%*	*2.5%*	*2.5%*
Long-Term Debt Ratio							60.7%	59.8%	63.5%	55.3%	56.8%	61.6%	56.9%	55.7%	57.2%	*54.0%*	*54.0%*	*55.0%*
Common Equity Ratio							39.3%	40.2%	36.5%	37.9%	36.9%	32.5%	33.5%	35.3%	40.3%	*46.0%*	*46.0%*	*45.0%*
Total Capital ($mill)							9792.0	10129	11832	12856	13843	14972	16131	17099	19325	*22800*	*24450*	*26100*
Net Plant ($mill)							12112	13068	14360	15543	16912	16620	17882	19843	22275	*25750*	*27350*	*29300*
Return on Total Cap'l							4.0%	5.0%	2.6%	5.1%	5.3%	5.0%	4.9%	5.1%	5.0%	*3.5%*	*3.5%*	*4.0%*
Return on Shr. Equity							5.2%	8.1%	3.0%	8.3%	9.2%	9.8%	9.0%	9.3%	9.2%	*8.0%*	*8.0%*	*8.5%*
Return on Com Equity							5.2%	8.1%	3.0%	9.6%	9.7%	10.4%	10.6%	10.8%	9.2%	*8.0%*	*8.0%*	*8.5%*
Retained to Com Eq							NMF	3.0%	NMF	4.0%	3.8%	3.8%	4.2%	4.4%	3.9%	*3.0%*	*3.0%*	*3.5%*
All Div'ds to Net Prof							NMF	63%	NMF	60%	64%	67%	64%	62%	60%	*61%*	*61%*	*60%*

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	51.3	20.7
3 yr.	44.3	25.6
5 yr.	52.8	83.9

© VALUE LINE PUB. LLC 28-30

CAPITAL STRUCTURE as of 9/30/24
Total Debt $13614.5 mill. **Due in 5 Yrs** $4536 mill.
LT Debt $12086.3 mill. **LT Interest** $505 mill.
(Interest cov. earned: 5.5x) (54% of Cap'l)

Leases, Uncapitalized Annual rentals $9.6 mill.
Pension Assets-12/23 $1.4 bill. **Oblig.** $1.4 bill.

Common Stock 466,778,943 shs.
as of 10/22/24

MARKET CAP: $17.8 billion (Large Cap)

CURRENT POSITION ($MILL.)	2022	2023	9/30/24
Cash Assets	40.8	2245.4	126.2
Other	2543.5	2254.0	1489.8
Current Assets	2584.3	4499.4	1616.0
Accts Payable	899.5	749.4	614.6
Debt Due	1791.9	3072.4	1528.2
Other	1969.1	1443.3	1342.7
Current Liab.	4660.5	5265.1	3485.5
Fix. Chg. Cov.	255%	225%	445%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	-3.5%	-1.5%	*5.5%*
"Cash Flow"	1.0%	6.5%	*5.5%*
Earnings	1.0%	10.5%	*9.5%*
Dividends	--	6.0%	*4.5%*
Book Value	-2.0%	3.5%	*5.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1873	1183	1089	1704	5850.6
2023	1966	1090	1027	1422	5505.4
2024	1706	1085	1076	*1983*	*5850*
2025	*1840*	*1170*	*1160*	*2130*	*6300*
2026	*1970*	*1255*	*1245*	*2280*	*6750*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.75	.12	.10	.50	1.47
2023	.77	.11	.19	.53	1.60
2024	.85	.21	.20	*.49*	*1.75*
2025	*.85*	*.25*	*.20*	*.55*	*1.85*
2026	*.85*	*.30*	*.20*	*.65*	*2.00*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.22	.22	.22	.22	.88
2022	.235	.235	.235	.235	.94
2023	.25	.25	.25	.25	1.00
2024	.265	.265	.265	.265	1.06
2025	.28				

BUSINESS: NiSource Inc. is a holding company for Northern Indiana Public Service Company (NIPSCO), which supplies electricity and gas to the northern third of Indiana. Customers: 488,833 electric in Indiana, 3,200,000 gas in Indiana, Ohio, Pennsylvania, Kentucky, Virginia, Maryland, through its Columbia subsidiaries. Revenue breakdown, 2023: electrical, 32%; gas, 67%; other, less than 1%. Generating capacity, coal, 69.4%; purchased & other, 30.6%. 2023 reported depreciation rates: 3.5% electric, 2.4% gas. Has 7,364 employees. Chairman: Richard L. Thompson. President & Chief Executive Officer: Lloyd Yates. Incorporated: Indiana. Address: 801 East 86th Avenue, Merrillville, Indiana 46410. Telephone: 877-647-5990. Internet: www.nisource.com.

NiSource likely posted good results in 2024. (Note: the company was scheduled to report its fourth-quarter numbers as we went to press with this Issue.) Earnings per share probably advanced upwards of 9% in the year. This follows a cycle of heavy capital investments over the past few years, that the company is now earning returns on. NiSource is positioned across the mid-Atlantic and mid-West regions of the United States, and much of its operating areas have experienced strong growth, particularly from new data centers and industrial hubs. The utility may have invested as much as $2.5 billion in 2024 on projects including infrastructure hardening and clean energy programs. In addition to some regulatory success with rate cases, the utility is also enjoying wider fuel margins, bolstering profits, although higher depreciation and interest expenses have offset this to a degree. The company's good performance and strong positioning have led to a roughly 50% increase in its stock price over the past year, as investors see the utility as an increasingly attractive safe haven for funds.

The year ahead may see growth slow slightly. We've raised our 2025 earnings target by $0.05 per share, to $1.85, owing to good fundamental conditions and ongoing net-plant expansion. However, an uptick in volatility from new economic policies could bring about some near-term headwinds as businesses readjust to the emerging regulatory environment. We expect the utility will remain fairly aggressive through the current capital investment cycle while growing its rate base.

Over the long run we expect fairly steady growth. Rate-base growth is likely to follow a high-single-digit trajectory, in line with other associated metrics, including net plant and earnings per share. The company's transition away from coal and investment in clean energy and infrastructure hardening should provide a substantial growth ramp to late decade.

The shares have much of the gains we foresee already baked into the price. The stock offers below-average 3- to 5-year appreciation potential. We think there are more appealing selections out there, though the issue may interest conservative accounts.

Earl B. Humes *February 21, 2025*

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	70

(A) Dil. EPS. Excl. gains (losses) on disc. ops.: '08, ($1.14); '15, (30¢); '18, ($1.48). Next egs. report due early May. Qtl'y egs. may not sum to total due to rounding.
(B) Div'ds historically paid in mid-Feb., May, Aug., Nov. ■ Div'd reinv. avail.
(C) Incl. intang in '23: $1485.9 million, $3.33/sh.
(D) In mill.
(E) Spun off Columbia Pipeline Group (7/15)

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

N.W. NATURAL NYSE-NWN

RECENT PRICE **40.00** | P/E RATIO **14.1** (Trailing: 18.9 Median: 24.0) | RELATIVE P/E RATIO **0.77** | DIV'D YLD **4.9%** | **VALUE LINE**

TIMELINESS 4 Lowered 11/29/24
SAFETY 2 Raised 2/23/24
TECHNICAL 2 Raised 1/3/25
BETA .90 (1.00 = Market)

18-Month Target Price Range

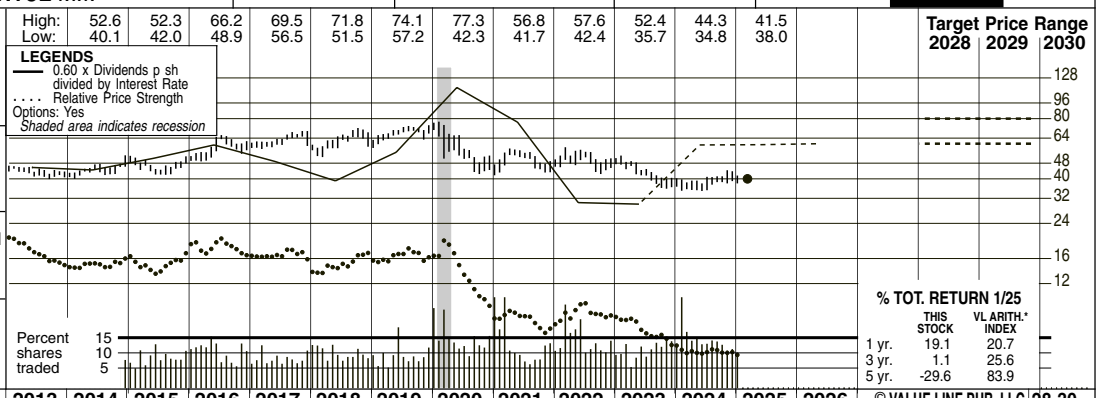
Low-High	Midpoint (% to Mid)
$27-$47	$37 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	80	(+100%)	*22%*
Low	60	(+50%)	*14%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	131	132	119
to Sell	105	104	118
Hld's(000)	28777	29331	37328



% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	19.1	20.7
3 yr.	1.1	25.6
5 yr.	-29.6	83.9

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
High:	52.6	52.3	66.2	69.5	71.8	74.1	77.3	56.8	57.6	52.4	44.3	41.5								
Low:	40.1	42.0	48.9	56.5	51.5	57.2	42.3	41.7	42.4	35.7	34.8	38.0								
	38.17	30.56	31.72	27.14	28.02	27.64	26.39	23.61	26.52	24.45	24.49	25.29	27.64	29.20	31.82	*28.05*	*29.20*	*30.20*	Revenues per sh	*30.00*
	5.20	5.18	5.00	4.94	5.04	5.05	4.91	4.93	1.04	5.28	5.15	5.69	6.17	5.71	5.83	*5.45*	*6.50*	*6.65*	"Cash Flow" per sh	*7.45*
	2.83	2.73	2.39	2.22	2.24	2.16	1.96	2.12	d1.94	2.33	2.19	2.30	2.56	2.54	2.59	*2.30*	*3.00*	*3.10*	Earnings per sh [A]	*3.45*
	1.60	1.68	1.75	1.79	1.83	1.85	1.86	1.87	1.88	1.89	1.90	1.91	1.92	1.93	1.94	1.95	*1.96*	*1.97*	Div'ds Decl'd per sh [B]■	*2.00*
	5.09	9.35	3.76	4.91	5.13	4.40	4.37	4.87	7.43	7.43	7.95	9.18	9.49	9.53	8.70	*9.75*	*9.50*	*10.00*	Cap'l Spending per sh	*11.50*
	24.88	26.08	26.70	27.23	27.77	28.12	28.47	29.71	25.85	26.41	28.42	29.05	30.04	33.09	34.12	*36.50*	*37.60*	*40.30*	Book Value per sh [D]	*44.20*
	26.53	26.58	26.76	26.92	27.08	27.28	27.43	28.63	28.74	28.88	30.47	30.59	31.13	35.53	37.63	*41.00*	*43.00*	*45.00*	Common Shs Outst'g [C]	*50.00*
	15.2	17.0	19.0	21.1	19.4	20.7	23.7	26.9	- -	26.6	30.9	25.0	19.5	19.6	16.6	*16.8*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
	1.01	1.08	1.19	1.34	1.09	1.09	1.19	1.41	- -	1.44	1.65	1.28	1.05	1.13	.92	*.93*			Relative P/E Ratio	*1.10*
	3.7%	3.6%	3.9%	3.8%	4.2%	4.1%	4.0%	3.3%	3.0%	3.0%	2.8%	3.3%	3.8%	3.9%	4.5%	5.1%			Avg Ann'l Div'd Yield	*2.9%*
							723.8	676.0	762.2	706.1	746.4	773.7	860.4	1037.4	1197.5	*1150*	*1255*	*1360*	Revenues ($mill)	*1500*
							53.7	58.9	d55.6	67.3	65.3	70.3	78.7	86.3	93.9	*95.0*	*130*	*140*	Net Profit ($mill)	*175*
							40.0%	40.9%	- -	26.4%	16.2%	23.1%	25.8%	25.2%	25.6%	*25.0%*	*25.0%*	*25.0%*	Income Tax Rate	*25.0%*
							7.4%	8.7%	NMF	9.5%	8.8%	9.1%	9.1%	8.3%	7.8%	*8.2%*	*10.3%*	*10.3%*	Net Profit Margin	*11.5%*
							42.5%	44.4%	47.9%	48.1%	48.2%	49.2%	52.8%	51.5%	52.6%	*52.5%*	*55.0%*	*55.0%*	Long-Term Debt Ratio	*55.0%*
							57.5%	55.6%	52.1%	51.9%	51.8%	50.8%	47.2%	48.5%	47.4%	*47.5%*	*45.0%*	*45.0%*	Common Equity Ratio	*45.0%*
							1357.7	1529.8	1426.0	1468.9	1672.0	1748.8	1979.7	2421.6	2709.3	*3150*	*3600*	*4030*	Total Capital ($mill)	*4915*
							2182.7	2260.9	2255.0	2421.4	2438.9	2654.8	2871.4	3114.4	3358.1	*3750*	*4150*	*4535*	Net Plant ($mill)	*5320*
							5.5%	5.1%	NMF	5.8%	5.2%	5.2%	5.1%	4.7%	4.9%	*3.0%*	*3.5%*	*3.5%*	Return on Total Cap'l	*3.5%*
							6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	7.3%	7.3%	*6.5%*	*8.0%*	*7.5%*	Return on Shr. Equity	*8.0%*
							6.9%	6.9%	NMF	8.8%	7.5%	7.9%	8.4%	7.3%	7.3%	*6.5%*	*8.0%*	*7.5%*	Return on Com Equity	*8.0%*
							.6%	.9%	NMF	2.1%	1.4%	1.7%	2.4%	2.0%	2.1%	*1.0%*	*2.5%*	*2.5%*	Retained to Com Eq	*2.5%*
							92%	87%	NMF	76%	82%	79%	71%	73%	72%	*85%*	*65%*	*64%*	All Div'ds to Net Prof	*58%%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $1736 mill. **Due in 5 Yrs** $1395 mill.
LT Debt $1555 mill. **LT Interest** $80 mill.

(Total interest coverage: 5.0x)

Pension Assets-12/23 $283.0 mill.
Oblig. $425.5 mill.

Pfd Stock None

Common Stock 40,132,048 shares
as of 10/31/24

MARKET CAP $1.6 billion (Small Cap)

CURRENT POSITION ($MILL.)	**2022**	**2023**	**9/30/24**
Cash Assets	29.3	32.9	35.0
Other	714.9	568.5	373.9
Current Assets	744.2	601.4	408.9
Accts Payable	180.7	145.4	96.3
Debt Due	348.9	240.7	180.6
Other	369.1	310.8	290.5
Current Liab.	898.7	696.9	567.4
Fix. Chg. Cov.	320%	240%	350%

ANNUAL RATES of change (per sh)	**Past 10 Yrs.**	**Past 5 Yrs.**	**Est'd '21-'23 to '28-'30**
Revenues	- -	3.5%	*4.5%*
"Cash Flow"	1.5%	9.5%	*5.0%*
Earnings	1.0%	25.0%	*6.5%*
Dividends	1.0%	.5%	*.5%*
Book Value	2.0%	3.5%	*4.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	350.3	195.0	116.8	375.3	1037.4
2023	462.4	237.9	141.5	355.7	1197.5
2024	433.5	211.7	136.9	*367.9*	*1150*
2025	*475*	*230*	*150*	*400*	*1255*
2026	*515*	*250*	*165*	*430*	*1360*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.80	.05	d.56	1.36	2.54
2023	2.01	.03	d.65	1.21	2.59
2024	1.69	d.07	d.71	*1.39*	*2.30*
2025	*2.10*	*.05*	*d.60*	*1.45*	*3.00*
2026	*2.15*	*.05*	*d.65*	*1.55*	*3.10*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.48	.48	.48	.483	1.92
2022	.483	.483	.483	.485	1.93
2023	.485	.485	.485	.488	1.94
2024	.488	.488	.488	.49	1.95
2025	.49				

BUSINESS: Northwest Natural Holding Co. distributes natural gas to 1,000 communities, 795,000 customers, in Oregon (88% of customers) and in southwest Washington state. Principal cities served: Portland and Eugene, OR; Vancouver, WA. Service area population: 3.7 mill. (77% in OR). Company buys gas supply from Canadian and U.S. producers; has transportation rights on Northwest Pipeline system. Owns local underground storage. Rev. breakdown: residential, 38%; commercial, 23%; industrial, gas transportation, 39%. Employs 1,380. BlackRock Inc. owns 17.6% of shares; Vanguard, 12.4%; Off./Dir., .84% (4/24 proxy). CEO: David H. Anderson. Inc.: Oregon. Address: 220 NW 2nd Ave., Portland, OR 97209. Tel.: 503-226-4211. Internet: www.nwnatural.com.

Northwest Natural probably had a weak performance in 2024. (Note: The company was scheduled to release its full-year results as we went to press with this Issue.) Fourth-quarter earnings probably compared favorably versus years past, driven by the resolution of an Oregon gas utility rate case in October. The company's revenue requirement increased $93 million as a result. Unfortunately, regulators did not approve recovery for $14 million of investments in line extensions, which were previously allowed, and will result in a noncash disallowance charge in the quarter. A new rate case was filed for about half as much, expected to take effect in late 2025. Customer expansion and various auxilliary water and waste-water business additions completed this year probably contributed to some growth. However, earnings for the full year likely decreased to around $2.30 per share, after having plataued at roughly $2.55 for the past three years. This is in large part due to regulatory lag that was partially resolved in the recent rate case, as well as specific non-recurring other income and taxes.

We expect earnings to rebound in the year ahead. The bottom line should find support from a mix of factors. The company has diversified market exposure to various geographies across natural gas, water, and renewables, which improves its ability to capitalize on several growth opportunities. Furthermore, its positioning in strong geographies adds to this expansion potential with single-family housing permits in the Portland area up 13% and relatively low unemployment lending strong underlying economic trends. We think the company could achieve earnings of $3.00 per share in 2025.

Long-term growth will likely be in the high-single digits. The company has room for further expansion through system buildouts, maintenance and innovation associated with an increasing focus on climate resiliency, which should help to drive investment out to late decade.

The stock offers solid recovery potential out three to five years, and boasts a high dividend yield. However, recent weakness makes this a below-average pick for year-ahead performance (Timeliness 4).

Earl B. Humes *February 21, 2025*

(A) Diluted earnings per share. Excludes nonrecurring items: '08, ($0.03); '09, $0.06; May not sum due to rounding. Next earnings report due in early May.
(B) Dividends historically paid in mid-February, May, August, and November.
■ Dividend reinvestment plan available.
(C) In millions.
(D) Includes intangibles. In 2023: $163 million, $4.33/share.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	20
Earnings Predictability	20

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

ONE GAS, INC. NYSE-OGS

RECENT PRICE 70.20 | P/E RATIO 16.9 (Trailing: 18.3 Median: 21.0) | RELATIVE P/E RATIO 0.92 | DIV'D YLD 3.8% | VALUE LINE

TIMELINESS 4 Lowered 11/22/24
SAFETY 2 New 6/2/17
TECHNICAL 3 Lowered 2/21/25
BETA .85 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$44-$83	$64 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	110	(+55%)	*15%*
Low	80	(+15%)	*7%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	170	143	152
to Sell	147	160	146
Hld's(000)	51905	53086	62020

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	44.3	51.8	67.4	79.5	87.8	96.7	97.0	81.9	92.3	84.3	78.9	73.9
Low:	31.9	38.9	48.0	61.4	62.2	75.8	63.7	62.5	68.9	55.5	57.7	66.4

LEGENDS
35.00 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2028 2029 2030

Percent shares traded 21 14 7

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.9	20.7
3 yr.	2.6	25.6
5 yr.	-10.8	83.9

The shares of ONE Gas, Inc. began trading "regular-way" on the New York Stock Exchange on February 3, 2014. That happened as a result of the separation of ONEOK's natural gas distribution operation. Regarding the details of the spinoff, on January 31, 2014, ONEOK distributed one share of OGS common stock for every four shares of ONEOK common stock held by ONEOK shareholders of record as of the close of business on January 21. It should be mentioned that ONEOK did not retain any ownership interest in the new company.

CAPITAL STRUCTURE as of 9/30/24
Total Debt $3365.3 mill. **Due in 5 Yrs** $890.0 mill.
LT Debt $2384.9 mill. **LT Interest** $120.0 mill.
(LT interest earned: 3.4x; total interest coverage: 3.4x)
Leases, Uncapitalized Annual rentals $6.7 mill.
Pfd Stock None
Pension Assets-12/23 $977.0 mill. **Oblig.** $962.1 mill.
Common Stock 56,655,256 shs.
as of 10/28/24
MARKET CAP: $4.0 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2022	2023	9/30/24
Cash Assets	9.7	18.8	18.8
Other	1207.9	746.4	671.7
Current Assets	1217.6	765.2	690.5
Accts Payable	360.5	278.1	146.8
Debt Due	572.7	888.9	980.4
Other	256.2	310.2	260.4
Current Liab.	1189.4	1477.2	1387.6
Fix. Chg. Cov.	540%	390%	405%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	- -	7.0%	*7.5%*
"Cash Flow"	- -	7.0%	*9.5%*
Earnings	- -	6.0%	*4.0%*
Dividends	- -	8.5%	*2.5%*
Book Value	- -	4.5%	*6.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	971.5	428.9	359.4	818.2	2578.0
2023	1032.1	398.1	335.8	606.0	2372.0
2024	758.3	354.1	340.4	*617.2*	*2070*
2025	*800*	*375*	*350*	*675*	*2200*
2026	*825*	*400*	*380*	*725*	*2330*

Calendar	EARNINGS PER SHARE [A] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.83	.59	.44	1.23	4.08
2023	1.84	.58	.45	1.27	4.14
2024	1.75	.48	.34	*1.28*	*3.85*
2025	*1.85*	*.58*	*.44*	*1.38*	*4.25*
2026	*1.94*	*.63*	*.48*	*1.45*	*4.50*

Calendar	QUARTERLY DIVIDENDS PAID [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.58	.58	.58	.58	2.32
2022	.62	.62	.62	.62	2.48
2023	.65	.65	.65	.65	2.60
2024	.66	.66	.66	.66	2.64
2025	.67				

© VALUE LINE PUB. LLC	28-30
Revenues per sh	*67.55*
"Cash Flow" per sh	*15.55*
Earnings per sh [A]	*5.25*
Div'ds Decl'd per sh [B] ■	*2.90*
Cap'l Spending per sh	*12.75*
Book Value per sh	*69.45*
Common Shs Outst'g [C]	*57.00*
Avg Ann'l P/E Ratio	*18.0*
Relative P/E Ratio	*1.00*
Avg Ann'l Div'd Yield	*3.1%*
Revenues ($mill)	*3850*
Net Profit ($mill)	*300*
Income Tax Rate	*20.0%*
Net Profit Margin	*7.8%*
Long-Term Debt Ratio	*45.0%*
Common Equity Ratio	*55.0%*
Total Capital ($mill)	*7200*
Net Plant ($mill)	*8500*
Return on Total Cap'l	*5.5%*
Return on Shr. Equity	*7.5%*
Return on Com Equity	*7.5%*
Retained to Com Eq	*3.5%*
All Div'ds to Net Prof	*55%*

Bold figures are Value Line estimates

BUSINESS: ONE Gas, Inc. provides natural gas distribution services to more than two million customers. There are three divisions: Oklahoma Natural Gas, Kansas Gas Service, and Texas Gas Service. The company purchased 160 Bcf of natural gas supply in 2023, compared to 165 Bcf in 2022. Total volumes delivered by customer (fiscal 2023): transportation, 59.3%; residential, 29.7%; commercial & industrial, 10.6%; other, .4%. ONE Gas has around 3,900 employees. BlackRock owns 14.5% of common stock; The Vanguard Group, 11.6%; American Century Investment, 7.5%; officers and directors, 1.5% (4/24 Proxy). CEO: Robert S. McAnnally. Incorporated: Oklahoma. Address: 15 East Fifth Street, Tulsa, Oklahoma 74103. Tel.: 918-947-7000. Internet: www.onegas.com.

Earnings for ONE Gas likely took a turn for the worse in 2024. (Please be aware that fourth-quarter results were not released to the public when this report went to press.) Recall that during the first nine months, the bottom line retreated 10.5%, to $2.57 per share, relative to the $2.87 tally that was posted for the same period in 2023. This stemmed partially from higher employee-related costs, given planned investments in the company's workforce and ongoing in-sourcing efforts. Depreciation & amortization expense climbed, too, reflecting additional capital investments. Furthermore, sales volumes decreased and interest charges rose. So, it appears that earnings per share finished in the vicinity of $3.85 for the full year. That would mark a 7% decline from 2023's $4.14 total.

We believe that a recovery is possible in 2025, however. New rates should be one contributing factor. Benefits arising from additional expansion of the customer base ought to lift results, as well. Operating expenses (including those already mentioned) stand to continue to mount, but that is to be expected as the company grows. Consequently, profits might advance around 10%, to $4.25 a share. Regarding 2026, we look for the bottom line to increase another 6% or so, to $4.50 per share, assuming that business conditions cooperate.

The quarterly dividend was raised by one cent, to $0.67 a share. ONE Gas states that it intends to keep the average annual dividend growth rate between 1% and 2% through fiscal 2029. We think that significantly slower increase, compared to previous years, is partially because of climbing operating costs. In any case, the payout ratio out to the beginning of the next decade should be reasonable, in the neighborhood of 55%.

What about OGS shares? The dividend yield is decent when measured against those of other stocks in *Value Line's* Natural Gas Utility category. But, at the recent quotation, capital appreciation potential over the 3- to 5-year horizon is nothing to write home about. Meanwhile, the equity is pegged to trail the market for the next six to 12 months (Timeliness rank 4: Below Average).

Frederick L. Harris, III February 21, 2025

(A) Diluted EPS. Excludes nonrecurring gain: 2017, $0.06. Next earnings report due early May. Quarterly EPS figures for 2022 don't equal total due to rounding.
(B) Dividends historically paid in early March, June, Sept., and Dec. ■ Dividend reinvestment plan. Direct stock purchase plan.
(C) In millions.

Company's Financial Strength	B++
Stock's Price Stability	85
Price Growth Persistence	40
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

SOUTHWEST GAS NYSE-SWX

RECENT PRICE 76.38 | P/E RATIO 19.7 (Trailing: 30.7 Median: 21.0) | RELATIVE P/E RATIO 1.07 | DIV'D YLD 3.2% | VALUE LINE

TIMELINESS — Suspended 11/17/23
SAFETY 2 Raised 2/23/24
TECHNICAL — Suspended 11/17/23
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$50-$90	$70 (-10%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	100	(+30%)	*10%*
Low	75	(Nil)	*3%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	122	141	144
to Sell	149	131	138
Hld's(000)	65977	66812	73232

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
High:	64.2	63.7	79.6	86.9	86.0	92.9	81.6	73.5	95.6	68.0	80.3	76.9								
Low:	47.2	50.5	53.5	72.3	62.5	73.3	45.7	57.0	59.5	53.8	57.6	67.9								
Revenues per sh	42.00	40.18	41.07	41.77	42.08	45.61	52.00	51.82	53.00	54.31	56.72	57.68	60.91	73.90	75.93	*71.55*	*73.95*	*78.75*	Revenues per sh	*84.00*
"Cash Flow" per sh	6.16	6.46	6.81	7.73	8.24	8.47	8.62	9.29	8.83	8.14	9.40	9.87	9.46	3.98	8.27	*8.75*	*9.85*	*10.51*	"Cash Flow" per sh	*11.85*
Earnings per sh A	1.94	2.27	2.43	2.86	3.11	3.01	2.92	3.18	3.62	3.68	3.94	4.14	3.39	d3.10	2.13	*2.80*	*3.60*	*4.00*	Earnings per sh A	*4.85*
Div'ds Decl'd per sh B■†	.95	1.00	1.06	1.18	1.32	1.46	1.62	1.80	1.98	2.08	2.18	2.28	2.38	2.46	2.48	2.48	*2.48*	*2.48*	Div'ds Decl'd per sh B■†	*3.00*
Cap'l Spending per sh	4.81	4.73	8.29	8.57	7.86	8.53	10.30	11.15	12.97	14.44	17.06	14.43	11.84	12.80	12.19	*11.80*	*12.50*	*13.50*	Cap'l Spending per sh	*14.50*
Book Value per sh	24.44	25.62	26.66	28.35	30.47	31.95	33.61	35.03	37.74	42.47	45.56	46.77	48.89	45.57	46.25	*51.70*	*54.25*	*55.50*	Book Value per sh	*58.65*
Common Shs Outst'g C	45.09	45.56	45.96	46.15	46.36	46.52	47.38	47.48	48.09	53.03	55.01	57.19	60.42	67.12	71.56	*72.00*	*73.00*	*73.00*	Common Shs Outst'g C	*75.00*
Avg Ann'l P/E Ratio	12.2	14.0	15.7	15.0	15.8	17.9	19.4	21.6	22.2	20.6	21.3	16.8	19.9	- -	29.0	*25.5*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
Relative P/E Ratio	.81	.89	.98	.95	.89	.94	.98	1.13	1.12	1.11	1.13	.86	1.08	- -	1.61	*1.42*			Relative P/E Ratio	*1.00*
Avg Ann'l Div'd Yield	4.0%	3.2%	2.8%	2.8%	2.7%	2.7%	2.9%	2.6%	2.5%	2.7%	2.6%	3.3%	3.5%	3.2%	4.0%	3.5%			Avg Ann'l Div'd Yield	*3.4%*
Revenues ($mill)	2463.6	2460.5	2548.8	2880.0	3119.9	3298.9	3680.5	4960.0	5434.0	*5150*	*5400*	*5750*	Revenues ($mill)	*6300*
Net Profit ($mill)	138.3	152.0	173.8	182.3	213.9	232.3	200.8	d203.3	150.9	*200*	*265*	*290*	Net Profit ($mill)	*365*
Income Tax Rate	36.4%	33.9%	32.8%	25.3%	20.5%	21.6%	16.1%	- -	21.2%	*21.0%*	*21.0%*	*21.0%*	Income Tax Rate	*21.0%*
Net Profit Margin	5.6%	6.2%	6.8%	6.3%	6.9%	7.0%	5.5%	NMF	2.8%	*3.9%*	*4.9%*	*5.1%*	Net Profit Margin	*5.8%*
Long-Term Debt Ratio	49.3%	48.2%	49.8%	48.3%	47.9%	50.5%	58.2%	59.0%	58.2%	*55.0%*	*55.0%*	*55.0%*	Long-Term Debt Ratio	*56.0%*
Common Equity Ratio	50.7%	51.8%	50.2%	51.7%	52.1%	49.5%	41.8%	41.0%	41.8%	*45.0%*	*45.0%*	*45.0%*	Common Equity Ratio	*44.0%*
Total Capital ($mill)	3143.5	3213.5	3613.3	4359.3	4806.4	5407.2	7069.5	7462.1	7919.9	*8200*	*8800*	*9000*	Total Capital ($mill)	*10000*
Net Plant ($mill)	3891.1	4132.0	4523.7	5093.2	5685.2	6176.1	7594.0	7024.5	7518.2	*8100*	*8700*	*9275*	Net Plant ($mill)	*10450*
Return on Total Cap'l	5.5%	5.8%	5.8%	5.2%	5.4%	5.3%	3.4%	NMF	3.8%	*2.5%*	*3.0%*	*3.0%*	Return on Total Cap'l	*3.5%*
Return on Shr. Equity	8.7%	9.1%	9.6%	8.1%	8.5%	8.7%	6.8%	NMF	4.6%	*5.5%*	*6.5%*	*7.0%*	Return on Shr. Equity	*8.5%*
Return on Com Equity	8.7%	9.1%	9.6%	8.1%	8.5%	8.7%	6.8%	NMF	4.6%	*5.5%*	*6.5%*	*7.0%*	Return on Com Equity	*8.5%*
Retained to Com Eq	4.0%	4.1%	4.5%	3.6%	3.9%	4.0%	2.1%	NMF	NMF	*.5%*	*2.0%*	*2.5%*	Retained to Com Eq	*3.0%*
All Div'ds to Net Prof	54%	55%	53%	55%	54%	54%	69%	NMF	116%	*89%*	*70%*	*62%*	All Div'ds to Net Prof	*62%*

Target Price Range 2028 | 2029 | 2030: 200, 160, 100, 80, 60, 50, 40, 30, 20

LEGENDS
0.80 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: Yes
Shaded area indicates recession

Percent shares traded: 15, 10, 5

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	29.2	20.7
3 yr.	18.6	25.6
5 yr.	13.6	83.9

CAPITAL STRUCTURE as of 9/30/24
Total Debt $5045.1 mill. **Due in 5 Yrs** $1008 mill.
LT Debt $4382.1 mill. **LT Interest** $300 mill.
(Total interest coverage: 2.6x) (55% of Cap'l)

Leases, Uncapitalized Annual rentals $24.9 mill.
Pension Assets-12/23 $1202.0 mill.
Oblig. $1352.2 mill.

Pfd Stock None

Common Stock 71,743,666 shs.
as of 10/25/24

MARKET CAP: $5.5 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2022	2023	9/30/24
Cash Assets	123.1	106.5	456.6
Other	3584.6	1774.6	998.8
Current Assets	3707.7	1881.1	1455.4
Accts Payable	662.1	346.9	227.0
Debt Due	1587.4	671.1	663.0
Other	1173.5	666.8	812.7
Current Liab.	1173.5	1684.8	1702.7
Fix. Chg. Cov.	265%	145%	225%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	5.5%	6.5%	*6.0%*
"Cash Flow"	-3.0%	-7.0%	*8.5%*
Earnings	- -	- -	*10.0%*
Dividends	6.5%	3.5%	*5.5%*
Book Value	4.5%	2.0%	*7.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1267.4	1146.1	1125.6	1420.9	4960.0
2023	1603.3	1293.6	1169.5	1387.6	5454.0
2024	1581.0	1182.2	1079.2	*1307.6*	*5150*
2025	*1660*	*1240*	*1225*	*1275*	*5400*
2026	*1770*	*1320*	*1305*	*1355*	*5750*

Calendar	EARNINGS PER SHARE A D Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.58	d.10	d.18	d4.18	d3.10
2023	.67	.40	.04	1.02	2.13
2024	1.22	.25	- -	*1.33*	*2.80*
2025	*1.75*	*.65*	*.15*	*1.05*	*3.60*
2026	*1.95*	*.70*	*.15*	*1.20*	*4.00*

Calendar	QUARTERLY DIVIDENDS PAID B■† Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.570	.595	.595	.595	2.36
2022	.595	.62	.62	.62	2.46
2023	.62	.62	.62	.62	2.48
2024	.62	.62	.62	.62	2.48
2025	.62				

BUSINESS: Southwest Gas Holdings, Inc. is the parent holding company of Southwest Gas. Centuri Group spun-off 4/22/24. Southwest Gas is a regulated gas distributor serving 2.2 million customers in Arizona, Nevada, and California. 2023 margin mix: residential 68%; small commercial, 20%; large commercial and industrial, 8%; transportation, 4%. Total throughput: 2.2 billion therms. Southwest has 2,371 employees; Centuri 12,572. Off. & dir. own .4% of common stock; Carl C. Icahn, 15.4%; BlackRock, 13.0%; The Vanguard Group, 10.1%; (3/24 Proxy). Chairman: Michael J. Melarkey. Pres. & CEO: Karen S. Haller. Inc.: DE. Addr.: 8360 S. Durango Drive, P.O. Box 98510 Las Vegas, Nevada 89193. Telephone: 702-876-7237. Internet: www.swgas.com.

Southwest Gas Holdings' performance has been affected by significant corporate restructuring over the past two years. In early 2023 the company sold its MountainWest Pipeline business, then spun off Centuri Group's infrastructure services operation in an early 2024 initial public offering, although it still retains a significant portion of the newly issued stock. These changes have contributed to many unique charges and uneven results over the past few years. All of this is in the aim of transitioning into a fully regulated natural gas utility. We think this strategy will likely enhance operating efficiency and maximize shareholder value over the long run. The sale of these auxiliary businesses has also helped to provide capital to invest and optimize the capital structure.

The pure-play utility likely had a good showing for 2024. We expect the company reported net income of at least $200 million, though management's more optimistic guidance range calls for this figure in the range of roughly $235 million to $245 million. Capital expenditures likely totaled $850 million.

Southwest has a fairly bright outlook for the years ahead. One key strength is in the company's strong geographic positioning. Southwest's operating footprint includes some of the fastest growing regions in the country in Arizona and Nevada. These areas also offer good potential for semiconductor manufacturing and data centers. To help meet new and existing demand, management has a robust pipeline of capital investments and projects rate base growth of 10% per year. The company also operates in a more favorable regulatory environment with respect to rate case executions.

The stock appears to price in many of these good qualities. The equity has increased roughly 30% over the past year, significantly diminishing long-term upside potential at the recent quotation. The stock's dividend yield is above average, but many industry peers offer more appeal. Too, there is still significant uncertainties regarding the company's future performance as a stand-alone utility group. Ultimately, we think most investors will want to turn the page.

Earl B. Humes *February 21, 2025*

(A) Diluted earnings. Excl. nonrec. gains (losses): '22, 10¢. Next egs. report due early May. **(B)** Dividends historically paid early March, June, September, and December. ■† Div'd reinvestment and stock purchase plan avail. **(C)** In millions. **(D)** Totals may not sum due to rounding. **(E)** Rank suspended 11/17/2023 for spin-off of the Centuri Group.

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	5

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

SPIRE INC. NYSE-SR

RECENT PRICE **71.88** | P/E RATIO **18.2** (Trailing: 17.4 Median: 18.0) | RELATIVE P/E RATIO **0.99** | DIV'D YLD **4.4%** | **VALUE LINE**

TIMELINESS 3 Raised 2/14/25
SAFETY 2 Raised 6/20/03
TECHNICAL 3 Lowered 1/24/25
BETA .90 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$53-$83	$68 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+45%)	*13%*
Low	80	(+10%)	*7%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	135	160	159
to Sell	134	108	130
Hld's(000)	48507	49797	57334

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	55.2	61.0	71.2	82.9	81.1	88.0	88.0	77.9	79.2	75.8	73.6	73.5						
Low:	44.0	49.1	57.1	62.3	60.1	71.7	50.6	59.3	61.5	53.8	56.4	65.1						
Revenues per sh [A]	85.49	77.83	71.48	49.90	31.10	37.68	45.59	33.68	36.07	38.78	38.30	35.96	43.24	41.88	50.12	44.94	*41.75*	*41.95*
"Cash Flow" per sh	4.56	4.11	4.62	4.58	3.12	3.87	6.15	6.16	6.54	7.55	7.12	5.25	9.09	8.44	8.60	8.92	*8.90*	*9.35*
Earnings per sh [A B]	2.92	2.43	2.86	2.79	2.02	2.35	3.16	3.24	3.43	4.33	3.52	1.44	4.96	3.95	3.85	4.19	*3.95*	*4.15*
Div'ds Decl'd per sh [C ■]	1.53	1.57	1.61	1.66	1.70	1.76	1.84	1.96	2.10	2.25	2.37	2.49	2.60	2.74	2.88	3.02	*3.14*	*3.26*
Cap'l Spending per sh	2.36	2.56	3.02	4.83	4.00	3.96	6.68	6.42	9.08	9.86	16.15	12.37	12.09	10.52	12.45	14.93	*13.15*	*13.25*
Book Value per sh [D]	23.32	24.02	25.56	26.67	32.00	34.93	36.30	38.73	41.26	44.51	45.14	44.19	46.74	49.08	50.29	51.83	*53.05*	*54.55*
Common Shs Outst'g [E]	22.17	22.29	22.43	22.55	32.70	43.18	43.36	45.65	48.26	50.67	50.97	51.60	51.70	52.50	53.20	57.70	*60.00*	*62.00*
Avg Ann'l P/E Ratio	13.4	13.7	13.0	14.5	21.3	19.8	16.5	19.6	19.8	16.7	22.8	51.1	13.6	17.5	17.3	14.6		
Relative P/E Ratio	.89	.87	.82	.92	1.20	1.04	.83	1.03	1.00	.90	1.21	2.62	.73	1.01	1.00	.76		
Avg Ann'l Div'd Yield	3.9%	4.7%	4.3%	4.1%	4.0%	3.8%	3.5%	3.1%	3.1%	3.1%	3.0%	3.4%	3.8%	4.0%	4.3%	4.9%		
Revenues ($mill) [A]	1976.4	1537.3	1740.7	1965.0	1952.4	1855.4	2235.5	2198.5	2666.3	2593.0	*2505*	*2600*						
Net Profit ($mill)	136.9	144.2	161.6	214.2	184.6	88.6	271.7	220.8	217.5	250.9	*235*	*255*						
Income Tax Rate	31.2%	32.5%	32.4%	--	15.7%	12.3%	20.1%	21.1%	15.1%	19.0%	*19.0%*	*19.5%*						
Net Profit Margin	6.9%	9.4%	9.3%	10.9%	9.5%	4.8%	12.2%	10.0%	8.2%	9.7%	*9.4%*	*9.8%*						
Long-Term Debt Ratio	53.0%	50.9%	50.0%	45.7%	45.0%	49.0%	52.5%	51.2%	54.9%	53.4%	*53.0%*	*53.0%*						
Common Equity Ratio	47.0%	49.1%	50.0%	54.3%	49.7%	46.1%	43.2%	44.6%	41.3%	43.1%	*43.0%*	*43.0%*						
Total Capital ($mill)	3345.1	3601.9	3986.3	4155.5	4625.6	4946.0	5597.3	5777.0	6471.3	6937.1	*7400*	*7865*						
Net Plant ($mill)	2941.2	3300.9	3665.2	3970.5	4352.0	4680.1	5055.7	5370.4	5778.9	6243.3	*6550*	*6860*						
Return on Total Cap'l	5.1%	4.9%	5.0%	6.3%	5.1%	2.9%	5.8%	4.9%	4.8%	5.1%	*5.0%*	*5.0%*						
Return on Shr. Equity	8.7%	8.2%	8.1%	9.5%	7.3%	3.5%	10.2%	7.8%	7.5%	7.8%	*7.5%*	*7.5%*						
Return on Com Equity	8.7%	8.2%	8.1%	9.5%	7.9%	3.2%	10.6%	8.0%	7.6%	7.9%	*7.5%*	*7.5%*						
Retained to Com Eq	3.7%	3.3%	3.3%	4.7%	2.7%	NMF	5.1%	2.5%	1.9%	2.3%	*1.0%*	*1.0%*						
All Div'ds to Net Prof	58%	59%	60%	51%	66%	NMF	54%	71%	76%	72%	*86%*	*85%*						

Bold figures are Value Line estimates

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 1/25

	THIS STOCK	VL ARITH.* INDEX
1 yr.	40.1	20.7
3 yr.	31.3	25.6
5 yr.	10.8	83.9

© VALUE LINE PUB. LLC 28-30

CAPITAL STRUCTURE as of 12/31/24
Total Debt $4898.2 mill. **Due in 5 Yrs**$1766.0 mill.
LT Debt $3697.7 mill. **LT Interest** $185.0 mill.
(Total interest coverage: 2.5x)

Leases, Uncapitalized Annual rentals $9.8 mill.
Pension Assets-9/24 $704.5 mill.
Oblig. $887.3 mill.
Pfd Stock $242.0 mill. **Pfd Div'd** $14.8 mill.
Common Stock 58,345,839 shs.
as of 1/31/25

MARKET CAP: $4.2 billion (Mid Cap)

CURRENT POSITION ($MILL.)	2023	2024	12/31/24
Cash Assets	5.6	4.5	11.5
Other	1071.3	766.8	976.5
Current Assets	1076.9	771.3	988.0
Accts Payable	253.1	237.2	292.3
Debt Due	1112.1	989.0	1200.5
Other	390.2	477.7	498.4
Current Liab.	1755.4	1703.9	1991.2
Fix. Chg. Cov.	294%	305%	310%

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '22-'24 to '28-'30
Revenues	1.5%	4.0%	*1.0%*
"Cash Flow"	8.5%	4.0%	*4.0%*
Earnings	5.5%	1.0%	*4.5%*
Dividends	5.5%	5.0%	*4.0%*
Book Value	5.0%	3.0%	*2.5%*

Fiscal Year Ends	QUARTERLY REVENUES ($ mill.)[A] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	555.4	880.9	448.0	314.2	2198.5
2023	814.0	1123.4	418.5	310.4	2666.3
2024	756.6	1128.5	414.1	293.8	2593.0
2025	669.1	*1120.9*	*415*	*300*	*2505*
2026	*715*	*1135*	*430*	*320*	*2600*

Fiscal Year Ends	EARNINGS PER SHARE [A B F] Dec.31	Mar.31	Jun.30	Sep.30	Full Fiscal Year
2022	1.01	3.27	d.10	d.20	3.95
2023	1.66	3.33	d.48	d.66	3.85
2024	1.52	3.58	d.28	d.51	4.19
2025	1.34	*3.40*	*d.30*	*d.49*	*3.95*
2026	*1.43*	*3.47*	*d.27*	*d.48*	*4.15*

Calendar	QUARTERLY DIVIDENDS PAID [C ■] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.65	.65	.65	.65	2.60
2022	.685	.685	.685	.685	2.74
2023	.72	.72	.72	.72	2.88
2024	.755	.755	.755	.755	3.02
2025	.785				

BUSINESS: Spire Inc., formerly known as the Laclede Group, Inc., is a holding company for natural gas utilities, which distributes natural gas across Missouri, including the cities of St. Louis and Kansas City, Alabama, and Mississippi. Has roughly 1.7 million customers. Acquired Missouri Gas 9/13, Alabama Gas Co 9/14. Utility therms sold and transported in fiscal 2024: 3.1 bill. Revenue mix for regulated operations: residential, 66%; commercial and industrial, 24%; transportation, 5%; other, 5%. Officers and directors own 2.3% of common shares; BlackRock, 11.9%; The Vanguard Group, 9.6% (12/24 proxy). Chairman: Edward Glotzbach; CEO: Steve Lindsey. Inc.: Missouri. Address: 700 Market Street, St. Louis, Missouri 63101. Tel.: 314-342-0500. Internet: www.spireenergy.com.

Spire got off to a rather uninspiring start in fiscal 2025 (ends September 30th). First-quarter earnings per share slipped 11.8%, to $1.34, versus the prior year's $1.52 result. That stemmed partially from diminished profits in the Gas Marketing division, given less favorable market conditions coupled with increased transportation and storage fees. There was a greater number of diluted shares outstanding, too. But the Gas Utility unit and Midstream segment had better showings during the period. Still, for the full year, we think the company's bottom line will retreat about 6%, to $3.95 per share, relative to fiscal 2024's $4.19 figure. Concerning fiscal 2026, however, earnings stand to recover around 5%, to $4.15 a share. That is based, to a certain degree, on our assumption that the business climate brightens. Improvements in operating efficiencies should lend further support.

Capital expenditures for this year are anticipated to be $790 million. (That's 8.3% lower than the fiscal 2024 level of $861.3 million.) The bulk of the funds are being deployed to infrastructure upgrades, the installation of advanced meters, plus new business development initiatives at the utilities. Management adds that it expects total capital spending from fiscal 2025 through fiscal 2034 to be $7.4 billion. If the balance sheet remains in sound condition, we believe that Spire will have minimal difficulty accomplishing these objectives.

The quarterly common stock dividend was raised about 4%, to $0.785 per share. That was made possible, no doubt, by the company's solid capital position. What's more, we anticipate additional steady hikes in the distribution out to 2028-2030. The payout ratio over that span should be manageable, in the neighborhood of 74%. It is worth mentioning that the dividend yield looks attractive when compared to the average of all Natural Gas Utility equities within the *Value Line* universe.

Besides the generous income component, there's not much else here, right now. At the recent quotation, 3- to 5-year capital appreciation possibilities are limited. Meanwhile, SR shares are ranked just 3 (Average) for Timeliness.

Frederick L. Harris, III February 21, 2025

(A) Fiscal year ends Sept. 30th.
(B) Based on diluted shares outstanding. Next earnings report due late April.
(C) Dividends paid in early January, April, July, and October. ■ Dividend reinvestment plan available.
(D) Includes deferred charges. In '24: $1,171.6 mill., $20.31/sh.
(E) In millions.
(F) Quarterly earnings may not sum due to rounding or change in shares outstanding.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	25
Earnings Predictability	50

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

ALLIANT ENERGY NDQ-LNT

RECENT PRICE **63.63** | P/E RATIO **19.9** (Trailing: 22.6 Median: 21.0) | RELATIVE P/E RATIO **1.04** | DIV'D YLD **3.0%** | **VALUE LINE**

TIMELINESS 3 Raised 5/3/24
SAFETY 1 Raised 9/6/24
TECHNICAL 3 Lowered 11/29/24
BETA .90 (1.00 = Market)

18-Month Target Price Range

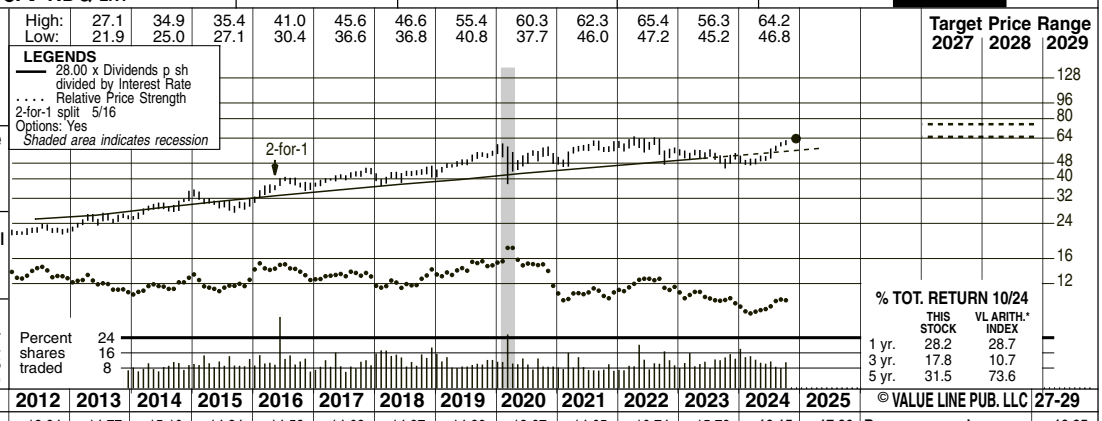
Low-High	Midpoint (% to Mid)
$46-$73	$60 (-5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+20%)	7%
Low	65	(Nil)	4%

Institutional Decisions

	4Q2023	1Q2024	2Q2024
to Buy	312	290	314
to Sell	279	311	265
Hld's(000)	209105	208018	205430



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
16.67	15.51	15.40	16.51	13.94	14.77	15.10	14.34	14.58	14.62	14.97	14.89	13.67	14.65	16.74	15.72	*16.15*	*17.30*	Revenues per sh	*18.35*
2.28	2.10	2.60	2.75	2.95	3.34	3.49	3.45	3.43	3.97	4.32	4.59	4.92	5.25	5.40	5.38	*5.55*	*5.85*	"Cash Flow" per sh	*6.50*
1.27	.95	1.38	1.38	1.53	1.65	1.74	1.69	1.65	1.99	2.19	2.33	2.47	2.63	2.73	2.78	*2.95*	*3.25*	Earnings per sh A	*3.90*
.70	.75	.79	.85	.90	.94	1.02	1.10	1.18	1.26	1.34	1.42	1.52	1.61	1.71	1.81	*1.92*	*2.04*	Div'd Decl'd per sh B ■ †	*2.43*
3.98	5.43	3.91	3.03	5.22	3.32	3.78	4.25	5.26	6.34	6.92	6.69	5.47	4.67	5.91	7.24	*5.80*	*5.60*	Cap'l Spending per sh	*5.40*
12.78	12.54	13.05	13.57	14.12	14.79	15.54	16.41	16.96	18.08	19.43	21.24	22.76	23.91	24.99	26.46	*27.65*	*28.85*	Book Value per sh C	*31.90*
220.90	221.31	221.79	222.04	221.97	221.89	221.87	226.92	227.67	231.35	236.06	245.02	249.87	250.47	251.14	256.10	*256.70*	*256.70*	Common Shs Outst'g D	*257.00*
13.4	13.9	12.5	14.5	14.5	15.3	16.6	18.1	22.3	20.6	19.1	21.2	21.2	21.2	21.4	18.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
.81	.93	.80	.91	.92	.86	.87	.91	1.17	1.04	1.03	1.13	1.09	1.15	1.24	1.05			Relative P/E Ratio	*1.00*
4.1%	5.7%	4.6%	4.3%	4.1%	3.7%	3.5%	3.6%	3.2%	3.1%	3.2%	2.9%	2.9%	2.9%	2.9%	3.5%			Avg Ann'l Div'd Yield	*3.7%*
3350.3	3253.6	3320.0	3382.2	3534.5	3647.7	3416.0	3669.0	4205.0	4027.0	*4150*	*4440*	Revenues ($mill)	*4720*
395.7	390.9	384.0	466.1	522.3	567.4	624.0	674.0	686.0	703.0	*755*	*835*	Net Profit ($mill)	*975*
10.1%	15.3%	13.4%	12.5%	8.4%	10.8%	- -	- -	3.1%	.6%	*2.0%*	*2.0%*	Income Tax Rate	*2.0%*
8.8%	9.4%	16.3%	10.7%	14.5%	16.3%	8.8%	3.7%	8.7%	14.2%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*4.0%*
49.7%	47.3%	51.5%	47.8%	52.3%	50.6%	53.5%	52.9%	55.0%	54.8%	*56.5%*	*55.0%*	Long-Term Debt Ratio	*52.0%*
47.5%	50.0%	46.1%	49.8%	45.7%	47.6%	44.9%	47.1%	45.0%	45.2%	*43.5%*	*45.0%*	Common Equity Ratio	*48.0%*
7257.2	7446.3	8377.6	8392.8	10032	10938	12657	12725	13944	15002	*16220*	*16530*	Total Capital ($mill)	*17070*
6442.0	8970.2	9809.9	10798	12462	13527	14336	14987	16247	17157	*18300*	*18600*	Net Plant ($mill)	*19180*
6.5%	6.3%	5.6%	6.7%	6.3%	6.3%	5.9%	6.3%	6.1%	6.0%	*6.0%*	*6.5%*	Return on Total Cap'l	*7.0%*
10.8%	10.0%	9.5%	10.6%	10.9%	10.5%	10.6%	11.3%	10.9%	10.4%	*11.0%*	*11.5%*	Return on Shr. Equity	*12.0%*
11.2%	10.2%	9.7%	10.9%	11.2%	10.7%	10.8%	11.0%	10.9%	10.4%	*11.0%*	*11.5%*	Return on Com Equity E	*12.0%*
4.6%	3.6%	2.8%	4.0%	4.4%	4.2%	4.2%	4.3%	4.1%	3.6%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
60%	66%	72%	64%	62%	61%	62%	62%	62%	65%	*63%*	*63%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $10679 mill. **Due in 5 Yrs** $2984 mill.
LT Debt $9245 mill. **LT Interest** $370 mill.
(LT interest earned: 2.8x)

Leases, Uncapitalized Annual rentals $3 mill.

Pension Assets-12/23 $732 mill.
Oblig $876 mill.

Pfd Stock None

Common Stock 256,599,202 shs.

MARKET CAP: $16.3 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+3.7	-.7	
Avg. Indust. Use (MWH)	11696	11494	11435
Avg. Indust. Revs. per KWH (¢)	7.64	8.39	8.47
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	5486	5629	5856
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.8	+.7	+.7
Fixed Charge Cov. (%)	259	NA	NA

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	.5%	1.5%	*2.5%*
"Cash Flow"	6.0%	6.5%	*2.0%*
Earnings	6.0%	7.0%	*6.0%*
Dividends	6.5%	6.5%	*6.0%*
Book Value	6.0%	6.5%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	901	817	1024	927	3669
2022	1068	943	1135	1059	4205
2023	1077	912	1077	961	4027
2024	1031	894	1081	*1144*	*4150*
2025	*1065*	*1005*	*1185*	*1185*	*4440*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.68	.57	1.02	.35	2.63
2022	.77	.63	.90	.43	2.73
2023	.65	.64	1.02	.47	2.78
2024	.62	.57	1.15	*.61*	*2.95*
2025	*.74*	*.69*	*1.14*	*.68*	*3.25*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.38	.38	.38	.38	1.52
2021	.4025	.4025	.4025	.4025	1.61
2022	.4275	.4275	.4275	.4275	1.71
2023	.4525	.4525	.4525	.4525	1.81
2024	.48	.48	.48	.48	

BUSINESS: Alliant Energy Corporation is the parent company of Interstate Power and Light Company (IPL) and Wisconsin Power and Light Company (WPL). Together, the utility subsidiaries serve approximately one million electric and 425,000 natural gas customers in Wisconsin and Iowa. Electric revenue: residential, 36%; commercial, 25%; industrial, 29%; wholesale, 8%; other, 2%. Generating sources: coal, 32%; gas, 32%; wind, 16%; other, 1%; purchased, 19%. Fuel costs: 25% of revenues. '23 reported depreciation rates: 2.9%-6.1%. Has 3,300 employees. Chairman, President & CEO: John O. Larsen. Incorporated: Wisconsin. Address: 4902 N. Biltmore Lane, Madison, WI 53718-2148. Telephone: 608-458-3311. Internet: www.alliantenergy.com.

Alliant Energy could very well enjoy a strong boost in power demand, beginning in 2028. To that point, management recently announced that the electric utility was preparing to bring two "prestigious" data-center (DC) customers on board, both of which would operate out of Alliant's Big Cedar Industrial Center in Cedar Rapids, Iowa. As we understand it, the first phase of the Big Cedar DC opportunity is likely to increase peak demand by 1.1 gigawatts and go live sometime in late 2028. What's more, assuming Alliant continues to have success attracting commercial customers to the Hawkeye State, a second phase could be launched, potentially by decade's end.

Alliant remains focused on reducing its reliance on fossil fuels. To wit, its Interstate Power & Light subsidiary continues to target 400 megawatts of solar power generation by the end of 2024. Meantime, Wisconsin Power & Light was recently expected to complete the last of several projects that will increase the utility's overall solar-power capacity in the Badger State to 1.1 gigawatts. Importantly, these solar projects have zero fuel costs, thus reducing Alliant's susceptibility to swings in natural-gas prices and the like. Its investments in "green" power also yield significant tax credits that can be sold to regional manufacturers and other third parties looking to maintain compliance with restrictions on harmful carbon emissions. In 2025 alone, Alliant could realize as much as $400 million from the sale of tax credits.

The power company is likely to get a bit leaner. Indeed, in the December quarter, Alliant initiated a voluntary employee separation program that may very well result in a 5% reduction in its overall workforce. More than 160 workers could be impacted.

Alliant Energy shares remain neutrally ranked for relative year-ahead price performance. And with the stock up 23% in price year to date, long-term appreciation potential no longer stands out. Still, the utility company boasts an attractive, well-covered dividend that could hold some appeal for income-oriented accounts (current yield: 3.0% versus 1.9% for the *Value Line* universe as a whole).

Nils C. Van Liew *December 6, 2024*

(A) Diluted EPS. Excl. nonrecurring losses: '11, 1¢; '12, 8¢. '20 & '21 EPS don't sum due to rounding. Next earnings report due late Feb. **(B)** Dividends historically paid in mid-Feb., May, Aug., and Nov. ■ Dividend reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '21: $1,980 mill., $7.91/sh. **(D)** In millions, adj. for split. **(E)** Rate base: Orig. cost. Rates all'd on com. eq. in IA in '20: various; in WI in '22: 10%; earned on avg. com. eq., '21: 11.3%. Regulatory Climate: Wisconsin, Above Average; Iowa, Average.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	55
Earnings Predictability	100

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

AMEREN NYSE-AEE

RECENT PRICE **82.57** | P/E RATIO **17.1** (Trailing: 18.7 Median: 20.0) | RELATIVE P/E RATIO **0.93** | DIV'D YLD **3.2%** | **VALUE LINE**

TIMELINESS 4 Lowered 12/29/23
SAFETY 1 Raised 9/10/21
TECHNICAL 5 Lowered 8/2/24
BETA .90 (1.00 = Market)

18-Month Target Price Range

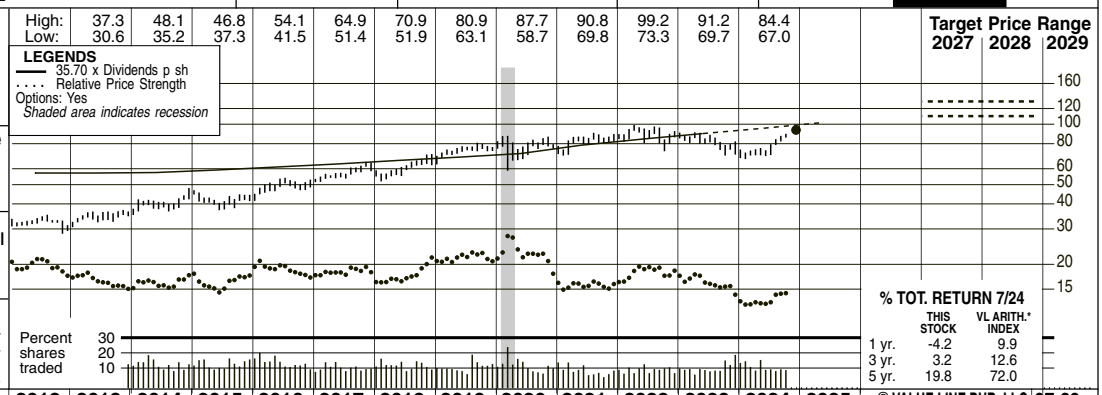
Low-High	Midpoint (% to Mid)
$61-$95	$78 (-5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	130	(+55%)	*14%*
Low	110	(+35%)	*9%*

Institutional Decisions

	3Q2023	4Q2023	1Q2024
to Buy	280	283	274
to Sell	314	321	321
Hld's(000)	210352	215268	218776



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
36.92	29.87	31.77	31.04	28.14	24.06	24.95	25.13	25.04	25.46	25.73	24.00	22.87	24.81	30.37	28.10	*28.45*	*29.80*	Revenues per sh	*33.35*
6.44	6.06	6.33	5.87	5.87	5.25	5.77	6.08	6.59	6.80	7.64	7.83	8.08	8.89	9.59	9.99	*10.50*	*11.15*	"Cash Flow" per sh	*12.35*
2.88	2.78	2.77	2.47	2.41	2.10	2.40	2.38	2.68	2.77	3.32	3.35	3.50	3.84	4.14	4.37	*4.60*	*4.90*	Earnings per sh [A]	*6.00*
2.54	1.54	1.54	1.56	1.60	1.60	1.61	1.66	1.72	1.78	1.85	1.92	2.00	2.20	2.36	2.52	*2.68*	*2.86*	Div'd Decl'd per sh [B] ■	*3.30*
9.75	7.51	4.66	4.50	5.49	5.87	7.66	8.12	8.78	9.05	9.56	9.92	13.02	13.67	12.79	12.87	*12.55*	*12.80*	Cap'l Spending per sh	*13.00*
32.80	33.08	32.15	32.64	27.27	26.97	27.67	28.63	29.27	29.61	31.21	32.73	35.29	37.64	40.11	40.26	*42.90*	*45.95*	Book Value per sh [C]	*52.65*
212.30	237.40	240.40	242.60	242.63	242.63	242.63	242.63	242.63	242.63	244.50	246.20	253.30	257.70	262.00	267.00	*267.00*	*272.00*	Common Shs Outst'g [D]	*285.00*
14.2	9.3	9.7	11.9	13.4	16.5	16.7	17.5	18.3	20.6	18.3	22.1	22.2	21.4	21.5	18.8	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*20.0*
.85	.62	.62	.75	.85	.93	.88	.88	.96	1.04	.99	1.18	1.14	1.16	1.24	1.07			Relative P/E Ratio	*1.10*
6.2%	6.0%	5.8%	5.3%	5.0%	4.6%	4.0%	4.0%	3.5%	3.1%	3.0%	2.6%	2.6%	2.7%	2.7%	3.3%			Avg Ann'l Div'd Yield	*3.0%*
6053.0	6098.0	6076.0	6177.0	6291.0	5910.0	5794.0	6394.0	7957.0	7500.0	*7600*	*8100*	Revenues ($mill)	*9500*
593.0	585.0	659.0	683.0	821.0	834.0	877.0	995.0	1074.0	1152.0	*1230*	*1335*	Net Profit ($mill)	*1710*
38.9%	38.3%	36.7%	38.2%	22.4%	17.9%	15.0%	13.6%	14.0%	12.0%	*12.0%*	*12.0%*	Income Tax Rate	*12.0%*
5.7%	5.1%	4.1%	5.6%	6.9%	5.8%	5.5%	6.0%	5.0%	6.0%	*5.0%*	*5.0%*	AFUDC % to Net Profit	*4.0%*
47.2%	49.3%	47.7%	49.2%	50.3%	52.1%	55.0%	56.1%	56.6%	55.7%	*53.5%*	*52.5%*	Long-Term Debt Ratio	*51.0%*
51.7%	49.7%	51.3%	49.8%	48.8%	47.1%	44.3%	43.3%	43.4%	43.8%	*46.0%*	*47.0%*	Common Equity Ratio	*48.5%*
12975	13968	13840	14420	15632	17116	20158	22391	24193	24847	*25750*	*26450*	Total Capital ($mill)	*29500*
17424	18799	20113	21466	22810	24376	26807	29261	31262	33776	*35000*	*36300*	Net Plant ($mill)	*38400*
5.8%	5.3%	6.0%	6.0%	6.4%	6.0%	5.3%	5.3%	5.4%	5.5%	*5.0%*	*5.0%*	Return on Total Cap'l	*6.0%*
8.7%	8.3%	9.1%	9.3%	10.6%	10.2%	9.7%	10.1%	10.2%	11.0%	*11.0%*	*11.0%*	Return on Shr. Equity	*10.0%*
8.7%	8.3%	9.2%	9.4%	10.7%	10.3%	9.7%	10.2%	10.2%	11.0%	*11.0%*	*11.0%*	Return on Com Equity [E]	*10.0%*
2.9%	2.5%	3.3%	3.4%	4.8%	4.4%	4.2%	4.4%	4.4%	5.0%	*5.0%*	*5.0%*	Retained to Com Eq	*4.0%*
67%	70%	64%	64%	56%	57%	57%	57%	57%	57%	*56%*	*56%*	All Div'ds to Net Prof	*60%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $16722 mill. **Due in 5 Yrs** $2789 mill.
LT Debt $16422 mill. **LT Interest** $450 mill.
(LT interest earned: 3.8x)
Pension Assets-12/23 $5745 mill.
Oblig $5457 mill.
Pfd Stock $129 mill. **Pfd Div'd** $5 mill.
807,595 sh. $3.50 to $5.50 cum. (no par), $100 stated val., redeem. $102.176-$110/sh.; 487,508 sh. 4.00% to 5.16%, $100 par, redeem. $100-$104.30/sh.
Common Stock 266,927,767 shs.
as of 10/31/24
MARKET CAP: $22.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-5.6	+2.1	+3.2
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	291	325	334

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	-1.5%	.5%	*4.0%*
"Cash Flow"	4.0%	6.5%	*5.5%*
Earnings	4.0%	8.0%	*6.5%*
Dividends	3.5%	5.0%	*6.5%*
Book Value	2.0%	5.5%	*6.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1566	1472	1811	1545	6394
2022	1879	1726	2306	2046	7957
2023	2062	1760	2060	1618	7500
2024	1816	1693	2173	*1918*	*7600*
2025	*1950*	*1800*	*2250*	*2100*	*8100*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.91	.80	1.65	.48	3.84
2022	.97	.80	1.74	.63	4.14
2023	1.00	.90	1.87	.60	4.37
2024	.98	.97	1.87	*.78*	*4.60*
2025	*1.10*	*1.00*	*1.95*	*.85*	*4.90*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.495	.495	.495	.515	2.00
2021	.55	.55	.55	.55	2.20
2022	.59	.59	.59	.59	2.36
2023	.63	.63	.63	.63	2.52
2024	.67	.67	.67	.67	

BUSINESS: Ameren Corporation is a holding company formed through the merger of Union Electric and CIPSCO. Has 1.2 million electric and 127,000 gas customers in Missouri; 1.2 million electric and 813,000 gas customers in Illinois. Discontinued nonregulated power-generation operation in '13. Electric revenue breakdown: residential, 49%; commercial, 34%; industrial, 8%; other, 9%. Generating sources: coal, 73%; nuclear, 11%; hydro & other, 9%; purchased, 7%. Fuel costs: 25% of revenues. Has approximately 9,250 employees. Chairman: Warner L. Baxter. President & CEO: Martin J. Lyons, Jr. Inc.: Missouri. Address: One Ameren Plaza, 1901 Chouteau Ave., P.O. Box 66149, St. Louis, MO 63166-6149. Tel.: 314-621-3222. Internet: www.ameren.com.

Ameren is poised to report solid results in 2024. The utility is benefiting from elevated power demand, strategic infrastructure investments, and disciplined cost management. Our profit estimate remains at $4.60 per share, which is right near the midpoint of management's updated target range of $4.55-$4.69. Ameren looks to close out the year with significant year-over-year operations and maintenance cost reductions from several savings initiatives. Meanwhile, these shares have jumped nicely in value as of late. Indeed, the stock is up nearly 15% over the past three months and has risen more than 30% in 2024, thanks to solid financial results and a strong outlook in the coming years.

We look for sharper top- and bottom-line growth next year. The utility is well positioned to benefit from clean energy advancements and its three solar facilities, as well as additional rate relief from its transmission and Illinois Electric operations over that interim. Indeed, Ameren recently received approval to build an 800 megawatt (mw) natural gas energy center, which is expected to be operational in 2027. The utility also acquired the Huck Finn renewable energy center, a 200 mw solar facility in Missouri. Ameren is also well positioned over that interim to benefit from increased demand for power from data centers and artificial intelligence innovations. Accordingly, we look for 2025 earnings of $4.90 per share, indicating an increase of 7% from our 2024 estimate. We also raised our top-line target by $100 million to reflect clean energy and regulatory advancements.

We think that the quarterly disbursement will be boosted by $0.04 a share (6%) in 2025. Ameren's goals for the dividend include hikes in line with profit growth and a payout ratio of 55%-70%.

These shares are suitable for conservative, income-oriented investors. Both short- and long-term capital gains prospects are below average at this juncture. But, the 1 (Highest) Safety rank and top (100) Earnings Predictability score should appeal to risk-averse accounts. The stock's dividend is perhaps its most notable feature, though it is about average by utility standards.

Zachary J. Hodgkinson *December 6, 2024*

(A) Diluted EPS. Excl. nonrec. gain (losses): '10, ($2.19); '11, (32¢); '12, ($6.42); '17, (63¢); gain (loss) from discontinued ops.: '13, (92¢); '15, 21¢. Next earnings report due early Feb.

(B) Div'ds paid late Mar., June, Sept., & Dec. ■ Div'd reinvest. plan avail. **(C)** Incl. intang. In '23: $6.60/sh. **(D)** In mill. **(E)** Rate base: Orig. cost depr. Rate allowed on com. eq. in MO in '23: elec. & gas, none specified; in IL: electric, varies; in '23: gas, 9.68%; earned on avg. com. eq., '23: 10.5%.

Company's Financial Strength	A+
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	100

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

AMERICAN ELEC. PWR. NDQ-AEP

RECENT PRICE **99.02** | P/E RATIO **16.8** (Trailing: 17.9 Median: 18.0) | RELATIVE P/E RATIO **0.92** | DIV'D YLD **3.6%** | **VALUE LINE**

TIMELINESS 4 Lowered 6/14/24
SAFETY 1 Raised 3/17/17
TECHNICAL 3 Lowered 8/2/24
BETA .85 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$71-$114	$93 (-5%)

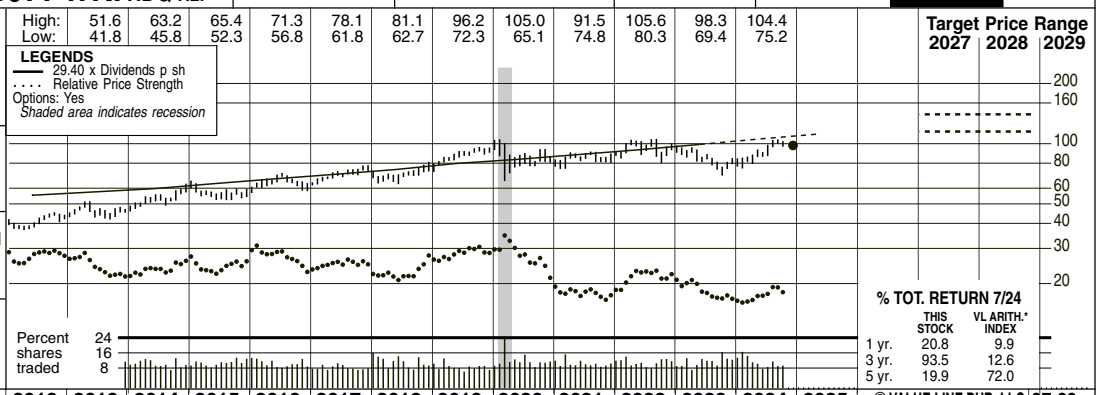
2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	140	(+40%)	*12%*
Low	115	(+15%)	*7%*

Institutional Decisions

	3Q2023	4Q2023	1Q2024
to Buy	599	628	661
to Sell	557	609	572
Hld's(000)	391405	398265	402930

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
High:	51.6	63.2	65.4	71.3	78.1	81.1	96.2	105.0	91.5	105.6	98.3	104.4								
Low:	41.8	45.8	52.3	56.8	61.8	62.7	72.3	65.1	74.8	80.3	69.4	75.2								
	35.56	28.22	30.01	31.27	30.77	31.48	34.78	33.51	33.31	31.35	32.84	31.49	30.04	33.30	38.20	36.08	***37.70***	***40.20***	Revenues per sh	***41.80***
	6.84	6.32	6.29	6.83	6.92	7.02	7.57	7.98	8.47	7.95	8.77	9.35	10.28	10.98	10.72	10.92	***11.75***	***12.20***	"Cash Flow" per sh	***15.05***
	2.99	2.97	2.60	3.13	2.98	3.18	3.34	3.59	4.23	3.62	3.90	4.08	4.42	4.96	5.09	5.24	***5.65***	***5.85***	Earnings per sh A	***7.05***
	1.64	1.64	1.71	1.85	1.88	1.95	2.03	2.15	2.27	2.39	2.53	2.71	2.84	3.00	3.17	3.37	***3.60***	***3.81***	Div'd Decl'd per sh B ■ †	***4.16***
	9.83	6.19	5.07	5.74	6.45	7.75	8.68	9.37	9.98	11.79	12.89	12.43	12.72	11.43	13.18	13.89	***14.15***	***14.10***	Cap'l Spending per sh	***14.00***
	26.33	27.49	28.33	30.33	31.37	32.98	34.37	36.44	35.38	37.17	38.58	39.73	41.38	44.49	46.60	48.46	***55.05***	***58.90***	Book Value per sh C	***62.55***
	406.07	478.05	480.81	483.42	485.67	487.78	489.40	491.05	491.71	492.01	493.25	494.17	496.60	504.21	513.87	526.18	***533.00***	***535.00***	Common Shs Outst'g D	***550.00***
	13.1	10.0	13.4	11.9	13.8	14.5	15.9	15.8	15.2	19.3	18.0	21.4	19.6	17.1	21.1	16.2	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***18.0***
	.79	.67	.85	.75	.88	.81	.84	.80	.80	.97	.97	1.14	1.01	.92	1.23	.93			Relative P/E Ratio	***1.00***
	4.2%	5.5%	4.9%	5.0%	4.6%	4.2%	3.8%	3.8%	3.5%	3.4%	3.6%	3.1%	3.3%	3.5%	3.3%	4.5%			Avg Ann'l Div'd Yield	***3.3%***
	17020	16453	16380	15425	16196	15561	14919	16792	19640	18982	***20100***	***21500***	Revenues ($mill)	***23000***
	1634.0	1763.4	2073.6	1783.2	1923.8	2019.0	2200.1	2448.1	2307.2	2208.1	***3010***	***3130***	Net Profit ($mill)	***3880***
	37.8%	35.1%	26.8%	33.7%	5.8%	.7%	1.9%	4.6%	NMF	NMF	***21.0%***	***21.0%***	Income Tax Rate	***21.0%***
	9.0%	11.0%	8.0%	8.0%	10.7%	12.7%	9.7%	7.8%	7.0%	7.0%	***7.0%***	***6.5%***	AFUDC % to Net Profit	***5.0%***
	49.0%	49.8%	50.0%	51.5%	53.2%	56.1%	58.5%	58.3%	58.5%	58.2%	***58.0%***	***58.0%***	Long-Term Debt Ratio	***57.5%***
	51.0%	50.2%	50.0%	48.5%	46.8%	43.9%	41.5%	41.7%	42.0%	42.0%	***42.0%***	***42.0%***	Common Equity Ratio	***42.5%***
	33001	35633	34775	37707	40677	44759	49537	53734	57520	62837	***68900***	***70730***	Total Capital ($mill)	***75900***
	44117	46133	45639	50262	55099	60138	63902	66001	71283	76693	***78000***	***81250***	Net Plant ($mill)	***87300***
	6.3%	6.1%	7.2%	5.9%	5.9%	5.6%	5.6%	5.6%	4.0%	3.6%	***4.5%***	***4.5%***	Return on Total Cap'l	***5.0%***
	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	***10.0%***	***10.0%***	Return on Shr. Equity	***11.0%***
	9.7%	9.9%	11.9%	9.8%	10.1%	10.3%	10.7%	11.1%	9.7%	8.7%	***10.0%***	***10.0%***	Return on Com Equity	***11.0%***
	3.8%	3.9%	5.5%	3.2%	3.5%	3.4%	3.8%	4.3%	2.9%	2.4%	***4.0%***	***4.0%***	Retained to Com Eq	***4.5%***
	61%	60%	54%	67%	65%	67%	65%	61%	70%	63%	***63%***	***63%***	All Div'ds to Net Prof	***61%***



CAPITAL STRUCTURE as of 9/30/24
Total Debt $41974 mill. **Due in 5 Yrs** $12886 mill.
LT Debt $39148 mill. **LT Interest** $1400 mill.

Leases, Uncapitalized Annual rentals $119.6 mill.

Pfd Stock None

Common Stock 532,565,335 shs.

MARKET CAP: $52.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	- -	+3.0	- -
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	NA	NA
Fixed Charge Cov. (%)	243	272	285

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	.5%	-.5%	*3.0%*
"Cash Flow"	5.0%	5.5%	*5.5%*
Earnings	5.0%	4.0%	*6.5%*
Dividends	5.0%	5.0%	*5.5%*
Book Value	3.5%	3.5%	*6.0%*

QUARTERLY REVENUES ($ mill.) E

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	4281	3826	4623	4061	16792
2022	4593	4640	5526	4881	19640
2023	4690	4373	5342	4577	18982
2024	5026	4579	5420	***5075***	***20100***
2025	***5250***	***4850***	***5800***	***5600***	***21500***

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1.15	1.15	1.59	1.07	4.96
2022	1.22	1.20	1.62	1.05	5.09
2023	1.11	1.13	1.77	1.23	5.24
2024	1.27	1.25	1.85	***1.28***	***5.65***
2025	***1.30***	***1.40***	***1.85***	***1.30***	***5.85***

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.70	.70	.70	.74	2.84
2021	.74	.74	.74	.78	3.00
2022	.78	.78	.78	.83	3.17
2023	.83	.83	.83	.88	3.37
2024	.88	.88	.88	.93	

BUSINESS: American Electric Power Company Inc. (AEP), through 10 operating utilities, serves 5.5 million customers in Arkansas, Kentucky, Indiana, Louisiana, Michigan, Ohio, Oklahoma, Tennessee, Texas, Virginia, & West Virginia. Has a transmission subsidiary. Electric revenue breakdown: residential, 43%; commercial, 23%; industrial, 18%; wholesale, 10%; other, 6%. Sold commercial barge operation in '15. Generating sources not available. Fuel costs: 33% of revenues. '23 reported depreciation rates (utility): 2.6%-12.5%. Has approximately 16,700 employees. Interim Chief Executive Officer: Benjamin G.S. Fowke III. Incorporated: New York. Address: 1 Riverside Plaza, Columbus, Ohio 43215-2373. Telephone: 614-716-1000. Internet: www.aep.com.

American Electric Power is on track to post a strong profit increase this year. Increased investments in its transmission business, elevated volume and power demand, along with a number of pending rate cases, should continue to benefit performance through the end of 2024. Third-quarter earnings of $1.85 per share outperformed our and Wall Street's call of $1.80 due to the aforementioned tailwinds. And, management narrowed its 2024 target range to $5.58-$5.68 a share, right near our unchanged midpoint.

Earnings growth will likely slow down in 2025, though. Despite anticipated growth in the regulated utilities and a significant boost in power demand, lower contributions from the generation and marketing segments due to reduced activities and lower retail and wholesale margins should negatively impact results. Accordingly, we have lowered our 2025 earnings estimate by $0.15 a share, which is at the midpoint of management's updated target range of $5.75-$5.95 a share. We have also slightly pared our 2027-2029 projections by $0.05 a share, and now look for profits of $7.05 a share over that interim. Meanwhile, AEP unveiled a new long-term growth rate of 6%-8% based off its 2025 profit outlook range.

The board of directors raised the dividend, effective with the December payment. This is the typical timing for increases for AEP. The hike was $0.05 a share (6%), in line with the company's 6%-7% long-term earnings growth range and within AEP's target for a payout ratio of 60%-70%.

This issue is best suited for risk-averse investors seeking income. These shares are ranked 4 (Below Average) for Timeliness, making them a weak selection for the year ahead. What's more, intermediate- and long-term capital appreciation potential is nothing to write home about. Indeed, the recent quotation is already above the midpoint of our 18-month Target Price Range. And, over the 2027-2029 period, return prospects are also limited as we look for the stock to trade between $115-$140 over that interim. But, the dividend yield of 3.6% stands above the industrywide average and remains AEP's most notable feature.

Zachary J. Hodgkinson *December 6, 2024*

(A) Diluted EPS. Excl. nonrec. gains (losses): '08, 40¢; '10, (7¢); '11, 89¢; '12, (38¢); '13, (14¢); '16, ($2.99); '17, 26¢; '19, (20¢); gains (loss) from disc. ops.: '08, 3¢; '15, 58¢; '16, (1¢); '22, (58¢); '23, (34¢). Next earnings report due late February. **(B)** Div'ds paid early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder invest. plan avail. **(C)** Incl. intang. In '23: $52.5 million **(D)** In mill. **(E)** Rev. may not sum due to rounding.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	70
Earnings Predictability	90

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

DUKE ENERGY NYSE-DUK

RECENT PRICE 112.62 | P/E RATIO 17.8 (Trailing: 19.6 Median: 18.0) | RELATIVE P/E RATIO 0.97 | DIV'D YLD 3.7% | VALUE LINE

TIMELINESS 4 Lowered 10/4/24
SAFETY 2 New 6/1/07
TECHNICAL 2 Lowered 1/24/25
BETA .90 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$85-$127	$106 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	155	(+40%)	*11%*
Low	115	(Nil)	*4%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	893	923	984
to Sell	830	811	849
Hld's(000)	503341	507258	578742

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	87.3	90.0	87.8	91.8	91.4	97.4	103.8	108.4	116.3	106.4	121.3	112.8						
Low:	67.1	65.5	70.2	76.1	72.0	82.5	62.1	85.6	83.8	83.1	90.1	105.2						

LEGENDS
27.0 x Dividends p sh
Relative Price Strength
1-for-3 Rev split 7/12
Options: Yes
Shaded area indicates recession

Target Price Range 2028 | 2029 | 2030

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.6	13.6
3 yr.	17.1	14.7
5 yr.	44.7	70.9

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
	29.18	32.22	32.63	27.88	34.84	33.84	34.10	32.49	33.66	33.73	34.21	31.04	32.64	37.36	37.69	*39.60*	*41.00*	*42.50*	Revenues per sh	*47.25*
	7.58	8.49	8.68	6.80	8.56	9.11	9.40	9.20	10.01	11.05	12.12	12.04	12.60	12.86	13.45	*14.15*	*15.05*	*15.75*	"Cash Flow" per sh	*18.50*
	3.39	4.02	4.14	3.71	3.98	4.13	4.10	3.71	4.22	4.72	5.06	5.12	5.24	5.27	5.56	*5.90*	*6.35*	*6.70*	Earnings per sh [A]	*8.00*
	2.82	2.91	2.97	3.03	3.09	3.15	3.24	3.36	3.49	3.64	3.75	3.82	3.90	3.98	4.06	4.14	*4.22*	*4.30*	Div'd Decl'd per sh [B] ■	*5.00*
	9.85	10.84	9.80	7.81	7.83	7.62	9.83	11.29	11.50	12.91	15.17	12.88	12.63	14.76	16.35	*17.50*	*17.75*	*18.00*	Cap'l Spending per sh	*18.75*
	49.85	50.84	51.14	58.04	58.54	57.81	57.74	58.62	59.63	60.27	61.20	59.82	61.55	61.51	61.15	*63.00*	*65.15*	*67.75*	Book Value per sh [C]	*76.25*
	436.29	442.96	445.29	704.00	706.00	707.00	688.00	700.00	700.00	727.00	733.00	769.00	769.00	770.00	771.00	*772.50*	*773.00*	*774.00*	Common Shs Outst'g [D]	*777.00*
	13.3	12.7	13.8	17.5	17.4	17.9	18.2	21.3	19.9	17.0	17.7	17.1	18.9	19.8	16.9	*17.8*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.0*
	.89	.81	.87	1.11	.98	.94	.92	1.12	1.00	.92	.94	.88	1.02	1.14	.94	*.99*			Relative P/E Ratio	*.95*
	6.2%	5.7%	5.2%	4.7%	4.4%	4.3%	4.3%	4.3%	4.2%	4.5%	4.2%	4.4%	3.9%	3.8%	4.3%	4.0%			Avg Ann'l Div'd Yield	*3.7%*
							23459	22743	23565	24521	25079	23868	25097	28768	29060	*30610*	*31700*	*32900*	Revenues ($mill)	*36800*
							2854.0	2560.0	2963.0	3339.0	3747.0	3878.0	4133.0	4166.0	4391.0	*4655*	*5010*	*5290*	Net Profit ($mill)	*6320*
							32.2%	31.0%	30.4%	14.1%	12.7%	.3%	5.1%	7.4%	9.2%	*9.0%*	*9.0%*	*9.0%*	Income Tax Rate	*9.0%*
							9.2%	11.7%	12.3%	11.4%	8.0%	6.9%	5.9%	7.6%	9.1%	*9.0%*	*9.0%*	*9.0%*	AFUDC % to Net Profit	*8.0%*
							48.6%	52.6%	54.0%	53.8%	54.0%	53.7%	55.1%	57.6%	59.6%	*61.0%*	*62.0%*	*62.5%*	Long-Term Debt Ratio	*62.5%*
							51.4%	47.4%	46.0%	46.2%	44.1%	44.4%	43.1%	40.7%	38.8%	*38.0%*	*37.5%*	*37.0%*	Common Equity Ratio	*37.0%*
							77222	86609	90774	94940	101807	103589	109744	116383	121564	*127650*	*134525*	*141400*	Total Capital ($mill)	*160500*
							75709	82520	86391	91694	102127	106782	111408	111748	115315	*122425*	*129400*	*136300*	Net Plant ($mill)	*156000*
							4.8%	4.0%	4.3%	4.6%	4.7%	4.8%	4.8%	4.6%	4.9%	*5.0%*	*5.0%*	*5.0%*	Return on Total Cap'l	*5.0%*
							7.2%	6.2%	7.1%	7.6%	8.0%	8.1%	8.4%	8.4%	8.9%	*9.5%*	*10.0%*	*10.0%*	Return on Shr. Equity	*10.5%*
							7.2%	6.2%	7.1%	7.6%	8.3%	8.2%	8.5%	8.6%	9.1%	*9.5%*	*9.5%*	*10.0%*	Return on Com Equity [E]	*10.5%*
							1.5%	.6%	1.2%	2.0%	2.4%	2.3%	1.9%	2.1%	2.4%	*3.0%*	*3.5%*	*3.5%*	Retained to Com Eq	*4.0%*
							79%	91%	83%	74%	71%	73%	78%	76%	74%	*71%*	*67%*	*65%*	All Div'ds to Net Prof	*63%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $84068 mill. **Due in 5 Yrs** $18322 mill.
LT Debt $76524 mill. **LT Interest** $3020 mill.
Incl. $639 mill. finance leases.
(Total Interest Coverage: 2.5x)
Leases, Uncapitalized Annual rentals $268 mill.
Pension Assets-12/23 $7162 mill.
Oblig. $6299 mill.
Pfd Stock $973 mill. **Pfd Div'd** $106 mill.

Common Stock 772,482,405 shs.
as of 10/31/24

MARKET CAP: $87.0 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (GWH)	+2.5	+4.5%	-4.8%
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (avg.)	+1.6%	+1.8%	+1.7
Fixed Charge Cov. (%)	210	229	209

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	1.5%	2.0%	*4.0%*
"Cash Flow"	5.0%	3.5%	*5.0%*
Earnings	3.0%	3.0%	*6.0%*
Dividends	2.5%	2.0%	*3.5%*
Book Value	.5%	.5%	*3.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	7132	6685	7968	6983	28768
2023	7276	6578	7994	7212	29060
2024	7671	7172	8154	*7613*	*30610*
2025	*7950*	*7425*	*8450*	*7875*	*31700*
2026	*8250*	*7700*	*8775*	*8175*	*32900*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	1.29	1.09	1.78	1.11	5.27
2023	1.20	.91	1.94	1.51	5.56
2024	1.44	1.18	1.62	*1.66*	*5.90*
2025	*1.50*	*1.25*	*1.90*	*1.70*	*6.35*
2026	*1.57*	*1.33*	*2.00*	*1.80*	*6.70*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.965	.965	.985	.985	3.90
2022	.985	.985	1.005	1.005	3.98
2023	1.005	1.005	1.025	1.025	4.06
2024	1.025	1.025	1.045	1.045	4.14
2025					

BUSINESS: Duke Energy Corporation is a holding company for utilities with 7.6 mill. elec. customers in NC, FL, IN, SC, OH, and KY, and 1.6 mill. gas customers in OH, KY, NC, SC, and TN. Owns independent power plants & has 25% stake in National Methanol in Saudi Arabia. Acq'd Progress Energy 7/12; Piedmont Natural Gas 10/16; discontinued most int'l ops. in '16. Elec. rev. breakdown: residential, 45%; commercial, 28%; industrial, 13%; other, 14%. Generating sources: gas, 32%; nuclear, 30%; coal, 18%; other, 1%; purchased, 19%. Fuel costs: 28% of revs. '22 reported deprec. rate: 3.6%. Has 27,600 employees. Chairman, President & CEO: Lynn J. Good. Inc.: DE. Address: 550 South Tryon St., Charlotte, NC 28202-1803. Tel.: 704-382-3853. Internet: www.duke-energy.com.

For 2025 and 2026, we expect Duke Energy will continue to build on its solid track record of consecutive annual earnings gains. This assumes that the final tally for 2024, which will be reported on February 13th, is near our $5.90 estimate. The utility is apt to continue to take advantage of strong weather-adjusted electric volume growth and constructive regulatory outcomes over the intermediate term. Solid population growth in its service territories, at three to four times the national average of 0.5%, is a key part of the story. This is largely being driven by strong migration trends in the Carolinas and Florida. The company is also likely to keep benefiting from rate relief (higher regulated price adjustments) as outlined below. Leadership continues to affirm its earnings growth rate of 5%-7% per annum through 2028. As such, we're comfortable with our respective 2025 and 2026 share-earnings projections of $6.35 and $6.70.

Duke Energy has been making steady progress in a number of recent and pending general rate cases (GRC). In the Sunshine State, the Florida Public Service Commission approved a settlement which will increase Duke Energy Florida's base electric rates and assist in the building of solar-energy facilities. The decision will increase rates by $203 million in 2025 and another $59 million in 2026. It also included up to $141 million for a dozen new solar plants as they are completed. The settlement dictates that Duke uses roughly $50 million in federal tax credits to offset the need for a base-rate hike in 2027. Meanwhile, the final order in Duke's South Carolina GRC became effective in August of last year and will increase rates by 13% over a two-year period. The GRC includes $215 million of new investments in highly efficient natural gas, solar, nuclear, and hydroelectric units over a seven-year period. In addition, delivery rates in North Carolina recently increased by 2.9%. Duke also has pending GRCs in Ohio and Indiana with decisions due in the next few quarters.

This equity is untimely. The 3.7% dividend yield is right on the peer-group average. Annual total return prospects are not favorable from the recent valuation.

Anthony J. Glennon *February 7, 2025*

(A) Dil. EPS. Excl. net nonrec. losses: '12, 64¢; '13, 22¢; '14, 59¢; '15, 5¢; '16, 60¢; '18, 96; '20, $3.40; '21, 30¢; '22, $2.10; '23, $2.02; net nonrec. gain: '17, 14¢. Qtly. EPS may not sum to annual figure due to rounding. Next egs. due Feb 13th. **(B)** Div'ds paid mid-Mar., June, Sept., & Dec. ■ Div'd reinv. plan avail. **(C)** Incl. intang. In '23: $42.70/sh. **(D)** In mill., **(E)** Rate base: Net orig. cost. Rate all'd on com. eq. in '21 in NC: 9.6%; 9.5%; in '20 in FL: 9.5%-11.5%; in '20 in IN: 9.7%. in '19 in SC:9.5%; Reg. Clim.: NC, SC Avg.; OH, IN Above Avg.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

EDISON INTERNAT'L NYSE-EIX

RECENT PRICE **78.44** | P/E RATIO **15.0** (Trailing: 15.2 Median: 14.0) | RELATIVE P/E RATIO **0.83** | DIV'D YLD **4.3%** | **VALUE LINE**

TIMELINESS 4 Lowered 10/18/24
SAFETY 2 Raised 10/18/24
TECHNICAL 2 Raised 1/3/25
BETA 1.05 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$63-$97	$80 (-5%)

2027-29 PROJECTIONS

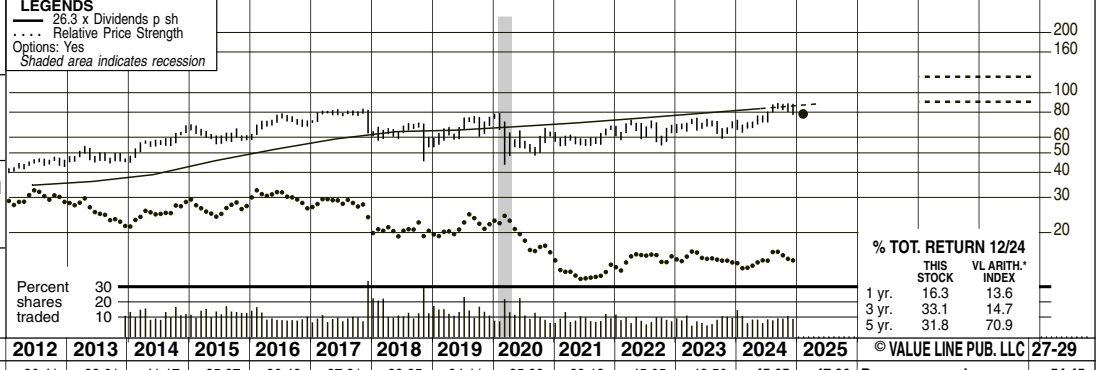
	Price	Gain	Ann'l Total Return
High	120	(+55%)	*15%*
Low	90	(+15%)	*8%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	368	403	454
to Sell	329	300	325
Hld's(000)	344659	343961	379213

High:	54.2	68.7	69.6	78.7	83.4	71.0	76.4	78.9	68.6	73.3	74.9	88.8
Low:	44.3	44.7	55.2	58.0	62.7	45.5	53.4	43.6	53.9	54.4	58.8	63.2

LEGENDS
26.3 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.3	13.6
3 yr.	33.1	14.7
5 yr.	31.8	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
43.31	37.98	38.09	39.16	36.41	38.61	41.17	35.37	36.43	37.81	38.85	34.11	35.83	39.18	45.05	42.56	*45.05*	*47.30*	Revenues per sh	*54.45*
8.08	7.96	8.41	9.03	9.63	8.80	9.95	10.35	10.43	11.03	4.69	9.39	9.80	10.59	11.51	11.80	*12.80*	*13.60*	"Cash Flow" per sh	*15.10*
3.68	3.24	3.35	3.23	4.55	3.78	4.33	4.15	3.94	4.51	d1.26	4.70	4.52	4.59	4.63	4.76	*4.95*	*5.50*	Earnings per sh [A]	*6.75*
1.23	1.25	1.27	1.29	1.31	1.37	1.48	1.73	1.98	2.23	2.43	2.48	2.58	2.69	2.84	2.99	3.17	*3.36*	Div'd Decl'd per sh [B] ■	*4.00*
8.67	10.07	13.94	14.76	12.73	11.05	11.99	12.97	11.46	11.75	13.84	13.47	14.47	14.47	15.12	14.19	*15.70*	*16.20*	Cap'l Spending per sh	*16.75*
29.21	30.20	32.44	30.86	28.95	30.50	33.64	34.89	36.82	35.82	32.10	36.75	37.08	36.57	35.70	36.02	*38.05*	*40.35*	Book Value per sh [C]	*48.60*
325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	325.81	361.99	378.91	380.38	382.21	383.93	*387.20*	*389.00*	Common Shs Outst'g [D]	*395.00*
12.4	9.7	10.3	11.8	9.7	12.7	13.0	14.8	17.9	17.2	- -	14.1	13.3	12.9	14.0	14.4	*15.4*		Avg Ann'l P/E Ratio	*15.5*
.75	.65	.66	.74	.62	.71	.68	.75	.94	.87	- -	.75	.68	.70	.81	.80	*.85*		Relative P/E Ratio	*.85*
2.7%	4.0%	3.7%	3.4%	3.0%	2.8%	2.6%	2.8%	2.8%	2.9%	3.8%	3.7%	4.3%	4.5%	4.4%	4.4%	4.1%		Avg Ann'l Div'd Yield	*3.8%*
13413	11524	11869	12320	12657	12347	13578	14905	17220	16338	*17440*	*18400*	Revenues ($mill)	*21500*
1539.0	1480.0	1422.0	1603.0	d290.0	1716.0	1818.0	1907.0	1977.0	2035.0	*2120*	*2345*	Net Profit ($mill)	*2880*
22.4%	6.6%	11.1%	5.0%	- -	1.2%	5.0%	18.0%	12.5%	14.9%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
5.8%	8.0%	6.8%	7.2%	- -	9.6%	9.6%	8.8%	9.6%	11.4%	*11.0%*	*10.0%*	AFUDC % to Net Profit	*10.0%*
44.1%	45.0%	41.8%	45.6%	53.6%	53.5%	55.2%	57.6%	60.7%	62.8%	*64.0%*	*64.0%*	Long-Term Debt Ratio	*63.5%*
47.2%	46.7%	49.2%	45.8%	38.3%	39.9%	39.5%	33.2%	30.6%	28.7%	*28.0%*	*28.5%*	Common Equity Ratio	*30.0%*
23216	24352	24362	25506	27284	33360	35581	41959	44547	48260	*52225*	*55375*	Total Capital ($mill)	*66000*
32981	35085	37000	39050	41348	44285	47839	50700	53486	56084	*59100*	*62250*	Net Plant ($mill)	*72200*
7.7%	7.1%	6.9%	7.3%	.1%	6.4%	6.3%	5.6%	5.7%	5.8%	*5.0%*	*5.5%*	Return on Total Cap'l	*5.5%*
11.9%	11.1%	10.0%	11.6%	NMF	11.1%	11.4%	10.7%	11.3%	11.3%	*11.0%*	*12.0%*	Return on Shr. Equity	*12.5%*
13.0%	12.0%	10.8%	12.7%	NMF	12.0%	12.0%	12.5%	12.9%	13.1%	*13.0%*	*13.5%*	Return on Com Equity [E]	*14.0%*
8.8%	7.2%	5.6%	6.6%	NMF	5.9%	5.4%	5.4%	5.2%	5.0%	*4.5%*	*5.5%*	Retained to Com Eq	*5.5%*
37%	44%	53%	52%	NMF	54%	58%	61%	64%	66%	*68%*	*65%*	All Div'ds to Net Prof	*62%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $35419 mill. **Due in 5 Yrs** $10489 mill.
LT Debt $32303 mill. **LT Interest** $1710 mill.
(Total Interest Coverage: 2.7x)
Leases, Uncapitalized Annual rentals $166 mill.

Pension Assets-12/23 $3609 mill.
Oblig. $3647 mill.

Pfd Stock $4116 mill. **Pfd Div'd** $225 mill.

Common Stock 387,150,269 shs.
as of 10/22/24
MARKET CAP: $30.4 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-3.9	+.9	-6.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	21190	24345	21254
Annual Load Factor (%)	52.7	45.8	49.7
% Change Customers (yr-end)	+.3	+.8	+.7
Fixed Charge Cov. (%)	113	135	166

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	1.0%	2.5%	*4.5%*
"Cash Flow"	2.0%	5.5%	*5.0%*
Earnings	2.0%	14.0%	*6.5%*
Dividends	8.0%	5.0%	*6.0%*
Book Value	2.0%	.5%	*5.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	2960	3315	5299	3331	14905
2022	3968	4008	5228	4016	17220
2023	3966	3964	4702	3706	16338
2024	4078	4336	5201	***3825***	***17440***
2025	***4400***	***4500***	***5450***	***4050***	***18400***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.79	.94	1.69	1.16	4.59
2022	1.07	.94	1.48	1.15	4.63
2023	1.09	1.01	1.38	1.28	4.76
2024	1.13	1.23	1.51	***1.08***	***4.95***
2025	***1.30***	***1.35***	***1.65***	***1.20***	***5.50***

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.6625	.6625	.6625	.6625	2.65
2022	.70	.70	.70	.70	2.80
2023	.7375	.7375	.7375	.7375	2.95
2024	.78	.78	.78	.78	3.12
2025	.8275				

BUSINESS: Edison International is a holding company for Southern California Edison Company (SoCal Edison), which supplies electricity to 5.28 mill. customers in a 50,000-sq.-mi. area in central, coastal, & southern CA (excl. Los Angeles & San Diego). Edison Energy is an energy svcs. co. Disc. Edison Mission Energy (independent power producer) in '12. Elec. rev. breakdown: residential, 40%; commercial, 43%; industrial, 3%; other, 14%. Generating sources: nuclear, 9%; gas, 5%; hydroelectric, 6%; purchased, 80%. Power costs: 34% of revs. '23 reported depr. rate: 4.1%. Employs 14,316. Board Chair: Peter J. Taylor. President & CEO: Pedro J. Pizzaro. Inc.: CA. Address: 2244 Walnut Grove Ave., P.O. Box 976, Rosemead, CA 91770. Tel.: 626-302-2222. Internet: www.edison.com.

As this report went to press, shares of Edison International were under significant pressure, as wild fires swept through portions of Los Angeles County. Until very recently, this stock was holding up well in terms of the overall utility group's latest correction. That performance may have been an indication that institutional investors had been warming up to Edison Int'l. As described in the Electric Utility West Industry report, bankruptcy risk is much lower today than it had been a number of years ago. However, if the company's equipment is at fault of causing a major fire or suffers damages from wildfires, the company can still suffer material adverse losses. Having said that, finances have been improving and major legacy wildfire settlements are nearly paid off. Moreover, the company will be allowed to recoup $1.65 billion (60% of the $2.7 billion filed for) related to TKM disaster legacy payouts. It has also filed for a $5.4 billion rate recovery related to the 2018 Woolsey fire.

For a utility, growth prospects are solid. Rising long-term demand for electricity in California is approaching 3% due to trends in electrification for vehicles and heavy equipment, as well as high tech usage. This is well above the national average and leads to transmission and distribution work that pays off rapidly in terms of return on investment for regulated utilities in the state. Fire mitigation also keeps the rate base growing. Edison's current authorized return on equity (ROE) is 10.3%, but may see an improvement by the middle of this year when a general rate case decision is due. State peer PG&E received an authorized ROE of 10.7% from regulators in 2024. Odds are EIX will receive an increase, too. If so, it may be able to grow earnings by 11% in 2025 and 7% per annum for 2025 to 2028.

This equity is untimely. And even though EIX's annual total return prospects through 2027-2029 look good relative to the group, investors must still weigh the wildfire risks involved here. Mitigation has reduced the odds of the company's equipment being at fault for fires, and the California Wildfire Fund has vastly reduced bankruptcy risk, but the company can still suffer material wildfire losses.

Anthony J. Glennon *January 17, 2025*

(A) Adjusted (non-GAAP) EPS from 2019 on. Excl. gains/(losses): nonrecur's ; '10, 54¢; '11, ($3.33); '13, ($1.12); '15, ($1.18); '17, ($1.37); '18, (14¢); '19, (92¢); '20, ($2.54); '21, ($2.59); '22, ($3.02); '23, ($1.34); disc. ops.: '13, 11¢; '14, 57¢; '15, 11¢; '18, 10¢. Qtly. EPS may not sum to full yr. due to rounding. Next egs. report due mid-Feb. **(B)** Div'ds paid late Jan., Apr., July, & Oct. ■ Div'd reinv. plan avail. **(C)** Incl. def'd chgs. In '23: $4.36/sh. **(D)** In mill. **(E)** Rate base: net orig. cost. Rate all'd on com. eq. in '20: 10.3%; Regulatory Climate: Avg.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	20
Earnings Predictability	15

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

ENTERGY CORP. NYSE-ETR

RECENT PRICE 152.50 | P/E RATIO 22.9 (Trailing: 18.5 Median: 14.0) | RELATIVE P/E RATIO 1.19 | DIV'D YLD 3.1% | VALUE LINE

TIMELINESS 3 Raised 8/16/24
SAFETY 1 Raised 9/6/24
TECHNICAL 3 Raised 10/25/24
BETA 1.00 (1.00 = Market)

18-Month Target Price Range

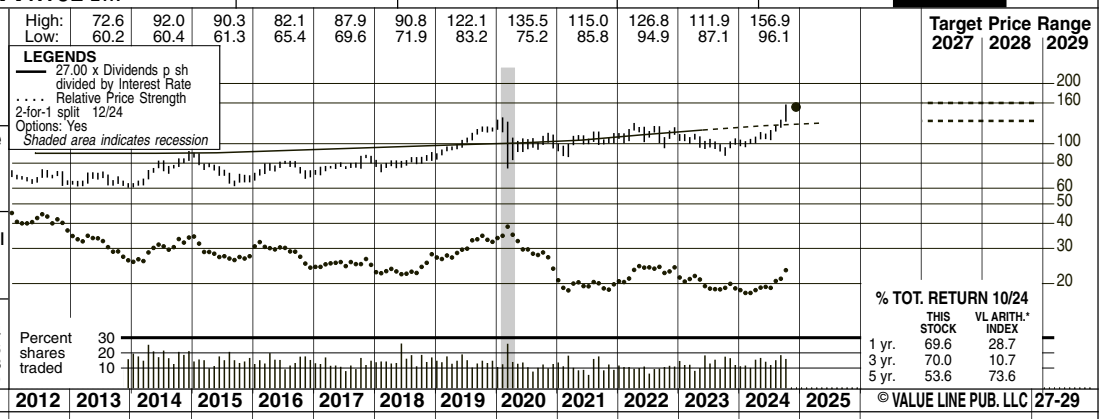
Low-High	Midpoint (% to Mid)
$94-$172	$133 (-15%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	160	(+5%)	*4%*
Low	130	(-15%)	*Nil*

Institutional Decisions

	4Q2023	1Q2024	2Q2024
to Buy	429	464	496
to Sell	319	343	333
Hld's(000)	191523	189657	195739



2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
69.15	56.82	64.27	63.67	57.94	63.86	69.71	64.54	60.55	61.35	58.23	54.63	50.51	57.95	65.18	57.07	*56.40*	*59.00*	Revenues per sh	*69.90*
12.89	13.29	16.54	17.53	15.98	16.25	17.68	17.71	18.72	16.70	16.50	17.19	18.21	17.90	15.51	21.53	*16.20*	*18.05*	"Cash Flow" per sh	*21.35*
6.20	6.30	6.66	7.55	6.02	4.96	5.77	5.81	6.88	5.19	5.88	6.30	6.90	6.87	5.37	11.10	*4.50*	*6.85*	Earnings per sh A	*8.05*
3.00	3.00	3.24	3.32	3.32	3.32	3.32	3.34	3.42	3.50	3.58	3.66	3.74	3.86	4.10	4.34	*4.59*	*4.82*	Div'd Decl'd per sh B ■ †	*5.20*
13.92	12.99	13.33	15.21	18.18	15.73	14.82	16.79	17.28	22.07	22.45	21.72	24.52	30.86	25.04	20.86	*21.00*	*22.00*	Cap'l Spending per sh	*19.75*
42.07	45.54	47.53	50.81	51.73	54.00	55.83	51.89	45.12	44.28	46.78	51.34	54.56	57.42	61.40	68.70	*70.50*	*73.45*	Book Value per sh C	*84.65*
189.36	189.12	178.75	176.36	177.81	178.37	179.24	178.39	179.13	180.52	189.06	199.15	200.24	202.65	211.18	212.85	*218.00*	*222.00*	Common Shs Outst'g D	*230.00*
16.6	12.0	11.6	9.1	11.2	13.2	12.9	12.5	10.9	15.0	13.8	16.5	15.3	15.0	21.1	9.1	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*18.0*
1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	.79	.81	1.22	.51			Relative P/E Ratio	*1.00*
2.9%	4.0%	4.2%	4.9%	4.9%	5.1%	4.5%	4.6%	4.6%	4.5%	4.4%	3.5%	3.6%	3.7%	3.6%	4.3%			Avg Ann'l Div'd Yield	*3.7%*
12495	11513	10846	11074	11009	10879	10114	11743	13764	12147	*12300*	*13100*	Revenues ($mill)	*16070*
1060.0	1061.2	1249.8	950.7	1092.1	1258.2	1406.7	1402.8	1103.2	2356.5	*980*	*1520*	Net Profit ($mill)	*1850*
37.8%	2.2%	11.3%	1.8%	- -	- -	- -	16.1%	16.1%	16.1%	*20.0%*	*23.0%*	Income Tax Rate	*23.0%*
9.3%	7.4%	8.1%	14.7%	17.5%	16.7%	12.2%	7.1%	2.5%	1.7%	*2.0%*	*2.0%*	AFUDC % to Net Profit	*2.0%*
54.9%	57.8%	63.6%	63.6%	63.2%	62.0%	65.5%	67.6%	64.2%	60.8%	*61.0%*	*61.0%*	Long-Term Debt Ratio	*61.0%*
43.8%	40.8%	35.5%	35.5%	35.9%	37.1%	33.7%	31.7%	35.2%	38.6%	*39.0%*	*39.0%*	Common Equity Ratio	*39.0%*
22842	22714	22777	22528	24602	27557	32386	36733	36810	37851	*39995*	*42400*	Total Capital ($mill)	*50555*
28723	27824	27921	29664	31974	35183	38853	42244	42477	43834	*46465*	*49255*	Net Plant ($mill)	*58660*
6.0%	6.0%	6.9%	5.7%	5.8%	5.9%	5.6%	4.9%	4.3%	7.6%	*3.5%*	*4.5%*	Return on Total Cap'l	*5.0%*
10.3%	11.1%	15.1%	11.6%	12.0%	12.0%	12.6%	11.8%	8.4%	15.9%	*6.5%*	*9.0%*	Return on Shr. Equity	*9.5%*
10.4%	11.2%	15.2%	11.7%	12.2%	12.1%	12.7%	11.9%	8.4%	16.0%	*6.5%*	*9.0%*	Return on Com Equity E	*9.5%*
4.4%	4.8%	7.7%	3.9%	4.9%	5.2%	5.9%	5.2%	1.9%	9.7%	*NMF*	*3.0%*	Retained to Com Eq	*3.5%*
58%	58%	50%	68%	61%	58%	55%	57%	78%	40%	*102%*	*70%*	All Div'ds to Net Prof	*65%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $29002 mill. **Due in 5 Yrs** $11117 mill.
LT Debt $26563 mill. **LT Interest** $1046.0 mill.
Incl. $54.7 mill. of securitization bonds.
(LT interest earned: 2.5x)
Leases, Uncapitalized Annual rentals $67.4 mill.
Pension Assets-12/23 $5469.6 mill.
Oblig $5915.4 mill.
Pfd Stock $219.4 mill. **Pfd Div'd** $18.3 mill.
200,000 shs. 6.25%-7.5%, $100 par; 250,000 shs. 8.75%, 1.4 mill. shs. 5.375%; all cum., without sinking fund.
Common Stock 214,408,014 shs. **as of 9/30/24**
MARKET CAP: $32.7 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+3.2	+1.1	+4.5
Total Indust. Use (GWH)	49819	52501	52807
Avg. Indust. Revs. per KWH(¢)	5.91	7.08	6.00
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.0	+1.0	+.4
Fixed Charge Cov. (%)	243	209	250

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	-.5%	- -	*2.5%*
"Cash Flow"	1.0%	1.0%	*2.5%*
Earnings	2.5%	5.5%	*.5%*
Dividends	2.0%	3.0%	*3.5%*
Book Value	2.0%	6.5%	*5.0%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	2845	2822	3353	2723	11743
2022	2878	3395	4219	3273	13764
2023	2981	2846	3596	2725	12147
2024	2795	2954	3389	*3162*	*12300*
2025	*3000*	*3500*	*3400*	*3200*	*13100*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1.66	1.30	2.63	1.28	6.87
2022	1.36	.78	2.74	.51	5.37
2023	1.47	1.84	3.14	4.66	11.10
2024	.35	.23	2.99	*.93*	*4.50*
2025	*1.60*	*1.15*	*3.05*	*1.05*	*6.85*

Calendar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.93	.93	.93	.95	3.74
2021	.95	.95	.95	1.01	3.86
2022	1.01	1.01	1.01	1.07	4.10
2023	1.07	1.07	1.07	1.13	4.34
2024	1.13	1.13	1.13	1.20	

BUSINESS: Entergy Corporation supplies electricity to 3 million customers through subsidiaries in Arkansas, Louisiana, Mississippi, Texas, and New Orleans (regulated separately from Louisiana). Distributes gas to 206,000 customers in Louisiana. Is selling its last nonutility nuclear unit (shut down 5/22). Electric revenue breakdown: residential, 37%; commercial, 24%; industrial, 27%; other, 12%. Generating sources: gas, 68%; nuclear, 22%; coal, 9%; hydro and solar, 1%. Fuel costs: 32% of revenues. '23 reported depreciation rate: 2.7%. Has 11,707 employees. Chairman & CEO: Leo P. Denault. Incorporated: Delaware. Address: 639 Loyola Avenue, P.O. Box 61000, New Orleans, Louisiana 70161. Telephone: 504-576-4000. Internet: www.entergy.com.

Entergy recorded lackluster 2024 third-quarter results. Revenues fell below $3.4 billion as the company faced some downtime due to a few hurricanes in its service area in the period. This halted operations at several industrial customers, while Entergy faced higher costs related to fixing damaged infrastructure. Absent these problems, better retail sales occurred, and industrial usage continued to grow during the quarter. Additionally, the power generator benefited from lower fuel costs and fewer asset write-downs. Even so, greater interest expenses are due to an expansion of debt, and depreciation increased as the company has continued to build out its supply operations. Overall, these factors netted earnings of $2.99 per share during the quarter.

The company ought to have weaker fourth-quarter results. However, revenues should grow thanks to better usage of its industrial power sources, including the Entergy Arkansas Walnut Bend Solar project, adding around 100-megawatt generation capacity into service. Still, we think that interest costs will rise. These factors will likely cause a decline in profits to $0.93 per share.

We expect positive results over the long haul. The service coverage area has benefited from more demand for power, including amongst its industrial base, as more customers are brought on board. This includes a new deal for a large customer in Louisiana, while the company has $7.0 billion in capital expansion projects, including renewables in its pipeline. Greater industrial activity across Texas and Louisiana should also drive population growth, allowing for greater retail usage. Still, costs will likely rise, and we think an expanding share count should dilute share profits a bit. Even so, we project earnings will rebound to $6.85 in 2025 and $8.05 by 2027-2029.

Shares of Entergy are neutrally ranked for Timeliness. Also, this stock holds lackluster 3- to 5-year appreciation potential, having moved up considerably since our September report. Meanwhile, the company hiked the dividend by 6% to $4.80 annually. Note that the board approved a 2-for-1 stock split on December 13th, not yet reflected in our presentation.

John E. Seibert III *December 6, 2024*

(A) Diluted EPS. GAAP starting in 2022. Excl. nonrec. losses: '12, $1.26; '13, $1.14; '14, 56¢; '15, $6.99; '16, $10.14; '17, $2.91; '18, $1.25; '21, $1.33. Next earnings report due early February. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. ■ Div'd reinvestment plan avail. † Shareholder investment plan avail. **(C)** Incl. deferred charges. In '23: $26.66/sh. **(D)** In mill. **(E)** Rate base: Net original cost. Allowed ROE (blended): 9.71%; earned on avg. com. eq., '23: 16.0%. Regulatory Climate: Average.

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	70

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

EVERGY, INC. NYSE-EVRG

RECENT PRICE 64.49 | P/E RATIO 14.9 (Trailing: 18.5 Median: NMF) | RELATIVE P/E RATIO 0.81 | DIV'D YLD 4.4% | VALUE LINE

TIMELINESS 3 Raised 8/23/24
SAFETY 2 New 9/14/18
TECHNICAL 4 Raised 8/30/24
BETA .95 (1.00 = Market)

18-Month Target Price Range

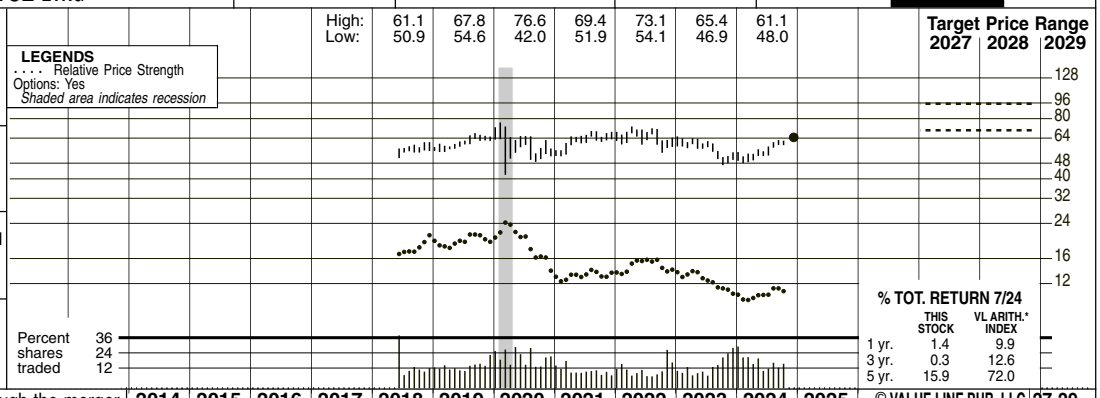
Low-High	Midpoint (% to Mid)
$45-$74	$60 (-10%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	95	(+60%)	*16%*
Low	70	(+20%)	*9%*

Institutional Decisions

	3Q2023	4Q2023	1Q2024
to Buy	320	357	308
to Sell	273	292	320
Hld's(000)	196134	203440	198283



Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Great Plains Energy holders received .5981 of a share of Evergy for each of their shares, and Westar Energy holders received one share of Evergy for each of their shares. The merger was completed on June 4, 2018. Shares of Evergy began trading on the New York Stock Exchange one day later.

CAPITAL STRUCTURE as of 9/30/24
Total Debt $11976 mill. **Due in 5 Yrs** $4388 mill.
LT Debt $11571 mill. **LT Interest** $306 mill.
Incl. $40.9 mill. finance leases.
(LT interest earned: 3.8x)

Leases, Uncapitalized Annual rentals $18.8 mill.

Pension Assets-12/22 $1714.7 mill.
Oblig $2561.7 mill.

Pfd Stock None

Common Stock 229,976,171 shs.
MARKET CAP: $13.6 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-3.9	+3.1	+6.7
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	7.14	6.94	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	286	350	382

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '20-'22 to '27-'29
Revenues	--	--	*2.5%*
"Cash Flow"	--	--	*5.0%*
Earnings	--	--	*7.5%*
Dividends	--	--	*7.0%*
Book Value	--	--	*3.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1611.4	1236.7	1616.5	1122.1	5586.7
2022	1223.9	1446.5	1909.1	1279.6	5859.1
2023	1296.8	1354.2	1669.3	1187.9	5508.2
2024	1331.0	1447.5	1811.4	*1210.1*	*5800*
2025	*1350*	*1450*	*1850*	*1350*	*6000*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.84	.81	1.95	.23	3.83
2022	.53	.84	1.86	.03	3.26
2023	.62	.78	1.53	.24	3.17
2024	.53	.90	2.02	*.40*	*3.85*
2025	*.65*	*.95*	*1.95*	*.50*	*4.05*

Calendar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.505	.505	.505	.535	2.05
2021	.535	.535	.535	.5725	2.18
2022	.5725	.5725	.5725	.6125	2.33
2023	.6125	.6125	.6125	.6425	2.48
2024	.6425	.6425	.6425	.6675	

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
Revenues per sh	--	--	--	--	16.75	22.71	21.66	24.36	25.49	23.98	*25.20*	*26.10*		*29.55*
"Cash Flow" per sh	--	--	--	--	4.89	7.18	7.06	8.18	7.34	8.33	*8.20*	*8.55*		*9.35*
Earnings per sh A	--	--	--	--	2.50	2.79	2.72	3.83	3.26	3.17	*3.85*	*4.05*		*4.75*
Div'd Decl'd per sh B ■	--	--	--	--	1.74	1.93	2.05	2.18	2.33	2.48	*2.61*	*2.74*		*3.05*
Cap'l Spending per sh	--	--	--	--	4.19	5.34	6.88	8.60	9.41	9.23	*9.25*	*9.30*		*9.50*
Book Value per sh C	--	--	--	--	39.28	37.82	38.50	40.32	41.86	42.06	*44.10*	*45.65*		*47.50*
Common Shs Outst'g D	--	--	--	--	255.33	226.64	226.84	229.30	229.90	229.73	*230.00*	*230.00*		*230.00*
Avg Ann'l P/E Ratio	--	--	--	--	22.7	21.8	21.7	16.2	19.9	18.0	*Bold figures are Value Line estimates*			*17.5*
Relative P/E Ratio	--	--	--	--	1.23	1.16	1.11	.88	1.15	1.01				*.95*
Avg Ann'l Div'd Yield	--	--	--	--	3.1%	3.2%	3.5%	3.5%	4.0%	5.1%				*3.7%*
Revenues ($mill)	--	--	--	--	4275.9	5147.8	4913.4	5586.7	5859.1	5508.2	*5800*	*6000*		*6800*
Net Profit ($mill)	--	--	--	--	535.8	669.9	618.3	879.7	752.7	731.3	*885*	*930*		*1090*
Income Tax Rate	--	--	--	--	9.8%	12.6%	14.1%	11.7%	5.8%	2.1%	*4.5%*	*6.5%*		*9.0%*
AFUDC % to Net Profit	--	--	--	--	2.5%	2.5%	5.5%	5.0%	5.1%	5.4%	*6.0%*	*6.0%*		*5.0%*
Long-Term Debt Ratio	--	--	--	--	40.0%	50.6%	51.3%	50.1%	50.0%	51.5%	*51.5%*	*52.0%*		*53.5%*
Common Equity Ratio	--	--	--	--	60.0%	49.4%	48.7%	49.9%	48.0%	48.0%	*48.5%*	*48.0%*		*46.5%*
Total Capital ($mill)	--	--	--	--	16716	17337	17924	18542	19668	20019	*21250*	*22500*		*23400*
Net Plant ($mill)	--	--	--	--	18952	19346	20106	21150	22277	23729	*24200*	*25300*		*26300*
Return on Total Cap'l	--	--	--	--	4.0%	4.8%	4.5%	5.7%	6.9%	6.4%	*5.5%*	*5.5%*		*6.0%*
Return on Shr. Equity	--	--	--	--	5.3%	7.8%	7.1%	9.5%	8.1%	7.6%	*9.0%*	*9.0%*		*10.0%*
Return on Com Equity E	--	--	--	--	5.3%	7.8%	7.1%	9.5%	8.1%	7.6%	*9.0%*	*9.0%*		*10.0%*
Retained to Com Eq	--	--	--	--	.6%	2.4%	1.8%	4.1%	3.1%	2.5%	*3.0%*	*3.0%*		*3.5%*
All Div'ds to Net Prof	--	--	--	--	89%	69%	75%	57%	73%	69%	*68%*	*68%*		*63%*

BUSINESS: Evergy, Inc. was formed through the merger of Great Plains Energy and Westar Energy in June of 2018. Through its subsidiaries (now doing business under the Evergy name), provides electric service to 1.6 million customers in Kansas and Missouri, including the greater Kansas City area. Electric revenue breakdown: residential, 32%; commercial, 27%; industrial, 15%; wholesale, 13%; other, 13%. Generating sources: coal, 54%; nuclear, 17%; purchased, 29%. Fuel costs: 28% of revenues. '23 reported deprec. rate: 3%. Has 4,900 employees. Chairman: Mark A. Ruelle. President & CEO: David A. Campbell. COO: Kevin E. Bryant. Inc.: Missouri. Address: 1200 Main Street, Kansas City, Missouri 64105. Tel.: 816-556-2200. Internet: www.evergy.com.

Evergy looks set to post significantly higher profits in 2024. Indeed, the utility recorded better-than-expected third-quarter results. Revenues of $1.81 billion and earnings of $2.02 a share both surpassed our estimates and improved substantially from the year-prior period. An increased number of cooling days, along with new retail rates and transmission investments were the primary drivers of the strong showing. Management reaffirmed its 2024 bottom-line target range of $3.73-$3.93 per share. Our unchanged estimate sits near the middle of this range. And, the stock price has risen nicely over the past three months. Indeed, these shares are up more than 10% in value over that interim, and have jumped nearly 30% in the past year.

Our full-year 2025 earnings estimate is staying put at $4.05 a share. We expect slower growth compared to 2024, but our estimates are still within Evergy's long-term annual adjusted share-earnings growth target. Indeed, we look for a 5% increase from our 2024 estimate, which is right in the middle of management's updated 4%-6% yearly profit growth target. The company will likely take advantage of elevated power demand due to data centers and AI innovations, along with regulatory and rate improvements.

The board of directors raised the quarterly dividend, effective with the December payout. The increase was $0.025 a share (4%). The utility's target for the payout ratio is a range of 60%-70%. The yield of 4.4% stands comfortably above the utility average, which is one of the highest dividend-paying industries in the market.

These shares are best suited for conservative, income-oriented accounts. The aforementioned recently raised yield is Evergy's most notable feature. Long-term total return potential remains decent, on a risk-adjusted basis, in comparison to most of its peers, despite the recent stock price increase. We continue to look for the stock to trade around $70-$95 by 2027-2029, and think the company will earn $4.75 a share by then, which has been raised by $0.05 a share. Meanwhile, the stock is ranked to mirror the broader market averages in the year ahead.

Zachary J. Hodgkinson December 6, 2024

(A) Diluted earnings. Next earnings report due late Feb. **(B)** Dividends paid in mid-March, June, September, and December. ■ Dividend reinvestment plan available. **(C)** Incl. intangibles. **(D)** In millions. **(E)** Rate base: Original cost depreciated. Rate allowed on common equity in Missouri in '18: none specified; in Kansas in '18: 9.3%; earned on average common equity, '22: 9.8%. Regulatory Climate: Average.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	25
Earnings Predictability	85

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

IDACORP, INC. NYSE-IDA

RECENT PRICE **107.52** | P/E RATIO **19.1** (Trailing: 19.9 Median: 20.0) | RELATIVE P/E RATIO **1.06** | DIV'D YLD **3.2%** | **VALUE LINE**

TIMELINESS 4 Raised 8/16/24
SAFETY 1 Raised 4/19/24
TECHNICAL 1 Raised 1/3/25
BETA .85 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$89-$128	$109 (5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	150	(+40%)	*11%*
Low	120	(+10%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	165	191	226
to Sell	200	170	166
Hld's(000)	46315	46039	51027

	High:	54.7	70.1	70.5	83.4	100.0	102.4	114.0	113.6	113.8	118.9	113.0	120.4
	Low:	43.1	50.2	55.4	65.0	77.5	79.6	89.3	69.1	85.3	93.5	88.1	86.4

LEGENDS
30.30 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2027 2028 2029

200 160 100 80 60 50 40 30 20

Percent shares traded 15 10 5

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.1	13.6
3 yr.	6.9	14.7
5 yr.	19.4	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
20.47	21.92	20.97	20.55	21.55	24.81	25.51	25.23	25.04	26.76	27.19	26.70	26.77	28.86	32.51	34.90	*35.05*	*36.75*	Revenues per sh	*39.90*
4.27	5.07	5.35	5.84	5.93	6.29	6.58	6.70	6.86	7.50	7.85	8.07	8.19	8.41	8.55	9.11	*9.50*	*10.20*	"Cash Flow" per sh	*12.25*
2.18	2.64	2.95	3.36	3.37	3.64	3.85	3.87	3.94	4.21	4.49	4.61	4.69	4.85	5.11	5.14	*5.45*	*5.80*	Earnings per sh [A]	*7.10*
1.20	1.20	1.20	1.20	1.37	1.57	1.76	1.92	2.08	2.24	2.40	2.56	2.72	2.88	3.04	3.20	3.35	*3.52*	Div'd Decl'd per sh [B] ■ †	*4.20*
5.19	5.26	6.85	6.76	4.78	4.68	5.45	5.84	5.89	5.66	5.51	5.53	6.16	5.94	8.56	12.07	*17.75*	*16.60*	Cap'l Spending per sh	*13.40*
27.76	29.17	31.01	33.19	35.07	36.84	38.85	40.88	42.74	44.65	47.01	48.88	50.73	52.82	55.52	57.44	*63.55*	*66.60*	Book Value per sh [C]	*71.50*
46.92	47.90	49.41	49.95	50.16	50.23	50.27	50.34	50.40	50.42	50.42	50.42	50.46	50.52	50.56	50.62	*53.50*	*54.00*	Common Shs Outst'g [D]	*56.00*
13.9	10.2	11.8	11.5	12.4	13.4	14.7	16.2	19.1	20.6	20.5	22.3	19.9	20.8	21.0	19.9	*18.0*		Avg Ann'l P/E Ratio	*19.0*
.84	.68	.75	.72	.79	.75	.77	.82	1.00	1.04	1.11	1.19	1.02	1.12	1.21	1.11	*.65*		Relative P/E Ratio	*1.05*
4.0%	4.5%	3.4%	3.1%	3.3%	3.2%	3.1%	3.1%	2.8%	2.6%	2.6%	2.5%	2.9%	2.9%	2.8%	3.1%	3.4%		Avg Ann'l Div'd Yield	*3.1%*
1282.5	1270.3	1262.0	1349.5	1370.8	1346.4	1350.7	1458.1	1644.0	1766.4	*1875*	*1985*	Revenues ($mill)	*2235*
193.5	194.7	198.3	212.4	226.8	232.9	237.4	245.6	259.0	261.2	*290*	*315*	Net Profit ($mill)	*400*
8.0%	19.0%	15.5%	18.6%	7.1%	9.5%	10.8%	13.1%	12.7%	9.4%	*13.0%*	*13.0%*	Income Tax Rate	*13.0%*
13.6%	16.3%	16.3%	13.9%	15.2%	16.2%	17.3%	17.7%	19.8%	8.8%	*15.0%*	*15.0%*	AFUDC % to Net Profit	*16.0%*
45.3%	45.6%	44.8%	43.7%	43.6%	41.3%	43.9%	42.8%	43.9%	48.8%	*48.5%*	*49.0%*	Long-Term Debt Ratio	*49.5%*
54.7%	54.4%	55.2%	56.3%	56.4%	58.7%	56.1%	57.2%	56.1%	51.2%	*51.5%*	*51.0%*	Common Equity Ratio	*50.5%*
3567.6	3783.3	3898.5	3997.5	4205.1	4201.3	4560.4	4669.1	5001.4	5683.4	*6200*	*6625*	Total Capital ($mill)	*7500*
3833.5	3992.4	4172.0	4283.9	4395.7	4531.5	4709.5	4901.8	5173.0	5745.2	*6350*	*6775*	Net Plant ($mill)	*7600*
6.6%	6.2%	6.1%	6.3%	6.4%	6.5%	6.1%	6.2%	6.1%	5.4%	*5.5%*	*6.0%*	Return on Total Cap'l	*6.0%*
9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	9.0%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.0%*
9.9%	9.5%	9.2%	9.4%	9.6%	9.4%	9.3%	9.2%	9.2%	9.0%	*9.0%*	*9.0%*	Return on Com Equity [E]	*9.0%*
5.4%	4.8%	4.3%	4.4%	4.4%	4.2%	3.9%	3.7%	3.7%	3.4%	*3.5%*	*3.5%*	Retained to Com Eq	*3.5%*
46%	50%	53%	53%	54%	56%	58%	60%	60%	63%	*62%*	*61%*	All Div'ds to Net Prof	*59%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $3123.7 mill. **Due in 5 Yrs** $200.0 mill.
LT Debt $3054.0 mill. **LT Interest** $140.0 mill.
(Total Interest Coverage: 2.5x)

Pension Assets-12/23 $917.5 mill.
Oblig $1028.0 mill.

Pfd Stock None

Common Stock 53,269,814 shs.
as of 10/25/24

MARKET CAP: $5.7 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+3.9	+9.6	+7.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	3751	3568	3615
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+2.8	+2.4	+2.4
Fixed Charge Cov. (%)	390	395	315

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	3.5%	4.0%	*3.5%*
"Cash Flow"	3.5%	3.5%	*6.0%*
Earnings	4.0%	3.5%	*6.0%*
Dividends	8.0%	6.5%	*5.5%*
Book Value	4.5%	4.5%	*4.5%*

QUARTERLY REVENUES($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	316.1	360.1	446.9	335.0	1458.1
2022	344.3	358.7	518.0	422.9	1644.0
2023	429.7	413.8	510.9	412.0	1766.4
2024	448.1	451.0	528.5	***447.4***	***1875***
2025	***475***	***475***	***585***	***450***	***1985***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.89	1.38	1.93	.65	4.85
2022	.91	1.27	2.10	.83	5.11
2023	1.11	1.35	2.07	.61	5.14
2024	.95	1.71	2.12	***.67***	***5.45***
2025	***1.05***	***1.80***	***2.25***	***.70***	***5.80***

QUARTERLY DIVIDENDS PAID [B] ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.71	.71	.71	.75	2.88
2022	.75	.75	.75	.79	3.04
2023	.79	.79	.79	.83	3.20
2024	.83	.83	.83	.86	3.35
2025					

BUSINESS: IDACORP, Inc. is a holding company for Idaho Power Company, a regulated electric utility that serves 633,000 customers throughout a 24,000-square-mile area in southern Idaho and eastern Oregon (population: 1.4 million). Most of the company's revenues are derived from the Idaho portion of its service area. Revenue breakdown: residential, 39%; commercial, 21%; industrial, 14%; irrigation, 10%; other, 16%. Generating sources: hydro, 35%; coal, 13%; gas, 15%; purchased, 37%. Fuel costs: 40% of revenues. '23 reported depreciation rate: 3.1%. Has 2,112 employees. Chairman: Dennis L. Johnson. President & CEO: Lisa Grow. Incorporated: Idaho. Address: 1221 W. Idaho St., Boise, Idaho 83702. Telephone: 208-388-2200. Internet: www.idacorpinc.com.

IDACORP has performed well over the first nine months of 2024. The utility company saw a 5% year-over-year increase in its top line and approximately 6% growth in the bottom line. A rise in Idaho base rates, significant customer growth, and higher customer usage due to warmer weather partially offset the impact of increased depreciation and interest expenses. Some of these costs were tied to IDACORP's ongoing infrastructure expansion efforts (more below).

The near-term profit picture appears healthy. Given the utility's recent performance, management has raised the lower end of its anticipated share earnings to the $5.35-$5.45 range, up from the previous $5.30-$5.45 forecast. Key assumptions in this projection include Idaho Power, its subsidiary, expecting additional tax credits of $25 million to $35 million, as well as normal weather trends. Additionally, rate increases requested by the company took effect on January 1, 2025. We believe the utility has strong prospects for both top- and bottom-line growth in the near term, despite the elevated costs related to infrastructure. Therefore, we estimate IDACORP to have ended 2024 with a 6% increase in full-year share profit, to $5.45. In 2025, the bottom line will likely continue to grow at a similar pace, reaching $5.80 per share.

IDACORP has a long-term capital expenditure plan in place. The company intends to invest $1 billion to $1.1 billion in 2025, $3.5 billion to $4.0 billion in 2026, and $3.5 billion to $4.0 billion from 2027 to 2028. This plan will help IDACORP meet demand and maintain affordable prices for its customers. Utility companies have incentives to pursue capital projects, which can support future rate-base negotiations.

The board raised the fourth-quarter dividend. The new payment of $0.86 per share, made in December, represents a 3.6% increase over the previous-year tally.

Shares of IDACORP are ranked to underperform the broader market averages in the year ahead (Timeliness: 4). Plus, the stock has a subpar dividend yield for a utility. Also, these shares do not stand out for 18-month capital gains potential.

Emma Jalees *January 17, 2025*

(A) Diluted EPS. Earnings may not sum due to rounding. Next earnings report due early February. **(B)** Dividends historically paid in late February, May, August, and November. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. intangibles. In '23: $882.7 mill., $17.44/sh. **(D)** In millions. **(E)** Rate base: Net original cost. Rate allowed on common equity in '12: 10% (imputed); Regulatory Climate: Above Average.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

NORTHWESTERN NDQ-NWE

RECENT PRICE **51.68** | P/E RATIO **14.7** (Trailing: 14.0 Median: 17.0) | RELATIVE P/E RATIO **0.81** | DIV'D YLD **5.1%** | **VALUE LINE**

TIMELINESS 3 Lowered 5/24/24
SAFETY 2 Raised 10/18/24
TECHNICAL 2 Raised 12/27/24
BETA 1.00 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$41-$63	$52 (-5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+45%)	*13%*
Low	55	(+5%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	168	158	160
to Sell	128	134	139
Hld's(000)	58166	58903	67655

High:	47.2	58.7	59.7	63.8	64.5	65.7	76.7	80.5	70.8	63.1	61.2	57.5						
Low:	35.1	42.6	48.4	52.2	55.7	50.0	57.3	45.1	53.2	48.7	46.0	46.2						

LEGENDS
23.8 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2027 2028 2029

128 96 80 64 48 40 32 24 16 12

Percent shares traded 30 20 10

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.7	13.6
3 yr.	9.9	14.7
5 yr.	-4.7	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
35.09	31.72	30.66	30.80	28.76	29.80	25.68	25.21	26.01	26.45	23.81	24.93	23.70	25.38	24.74	23.22	*24.55*	*25.80*	Revenues per sh	*28.90*
4.40	4.62	4.76	5.42	5.18	5.45	5.39	5.92	6.74	6.76	6.96	7.07	6.86	6.92	6.46	6.69	*7.00*	*7.45*	"Cash Flow" per sh	*8.55*
1.77	2.02	2.14	2.53	2.26	2.46	2.99	2.90	3.39	3.34	3.40	3.53	3.21	3.50	3.29	3.22	*3.40*	*3.70*	Earnings per sh A	*4.25*
1.32	1.34	1.36	1.44	1.48	1.52	1.60	1.92	2.00	2.10	2.20	2.30	2.40	2.48	2.52	2.56	2.60	*2.64*	Div'd Decl'd per sh B ■ †	*2.76*
3.47	5.26	6.30	5.20	5.89	5.95	5.76	5.89	5.96	5.60	5.64	6.26	8.02	8.03	8.62	9.26	*8.15*	*8.15*	Cap'l Spending per sh	*8.25*
21.25	21.86	22.64	23.68	25.09	26.60	31.50	33.22	34.68	36.44	38.60	40.42	41.10	43.28	44.61	45.48	*46.35*	*47.50*	Book Value per sh C	*51.85*
35.93	36.00	36.23	36.28	37.22	38.75	46.91	48.17	48.33	49.37	50.32	50.45	50.59	54.06	59.74	61.25	*61.50*	*62.00*	Common Shs Outst'g D	*64.00*
13.9	11.5	12.9	12.6	15.7	16.9	16.2	18.4	17.2	17.8	16.8	19.9	18.6	17.4	17.3	17.0	*15.2*		Avg Ann'l P/E Ratio	*15.5*
.84	.77	.82	.79	1.00	.95	.85	.93	.90	.90	.91	1.06	.96	.94	1.00	.95	*.84*		Relative P/E Ratio	*.85*
5.4%	5.7%	4.9%	4.5%	4.2%	3.7%	3.3%	3.6%	3.4%	3.5%	3.9%	3.3%	4.0%	4.1%	4.4%	4.7%	5.0%		Avg Ann'l Div'd Yield	*4.2%*
1204.9	1214.3	1257.2	1305.7	1198.1	1257.9	1198.7	1372.3	1477.8	1422.1	*1510*	*1600*	Revenues ($mill)	*1850*
120.7	138.4	164.2	162.7	171.1	179.3	162.6	181.6	185.5	194.1	*210*	*230*	Net Profit ($mill)	*270*
- -	13.7%	- -	7.6%	- -	1.6%	- -	.9%	.9%	3.7%	*6.0%*	*9.0%*	Income Tax Rate	*12.0%*
8.9%	9.8%	4.3%	5.2%	3.4%	4.6%	6.0%	14.9%	18.5%	21.6%	*20.5%*	*20.0%*	AFUDC % to Net Profit	*20.0%*
53.4%	53.1%	52.0%	50.2%	52.2%	52.5%	52.8%	52.2%	48.2%	49.1%	*50.0%*	*51.0%*	Long-Term Debt Ratio	*50.5%*
46.6%	46.9%	48.0%	49.8%	47.8%	47.5%	47.2%	47.8%	51.8%	50.9%	*50.0%*	*49.0%*	Common Equity Ratio	*49.5%*
3168.0	3408.6	3493.9	3614.5	4064.6	4289.8	4409.1	4893.1	5148.3	5475.4	*5725*	*5975*	Total Capital ($mill)	*6700*
3758.0	4059.5	4214.9	4358.3	4521.3	4700.9	4952.9	5247.2	5657.5	6039.8	*6300*	*6600*	Net Plant ($mill)	*7300*
4.8%	5.2%	5.9%	5.6%	5.2%	5.2%	4.6%	4.6%	4.5%	4.5%	*4.5%*	*5.0%*	Return on Total Cap'l	*5.0%*
8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	7.0%	*7.5%*	*8.0%*	Return on Shr. Equity	*8.0%*
8.2%	8.6%	9.8%	9.0%	8.8%	8.8%	7.8%	7.8%	7.0%	7.0%	*7.5%*	*8.0%*	Return on Com Equity E	*8.0%*
3.8%	3.0%	4.1%	3.4%	3.2%	3.1%	2.0%	2.3%	1.7%	1.4%	*2.0%*	*2.5%*	Retained to Com Eq	*3.0%*
54%	65%	58%	62%	64%	64%	74%	71%	76%	79%	*76%*	*71%*	All Div'ds to Net Prof	*65%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $2974.1 mill. **Due in 5 Yrs** $1011.5 mill.
LT Debt $2570.7 mill. **LT Interest** $115.0 mill.
Incl. $2.8 mill. finance leases.
(Total Interest Coverage: 2.6x)

Pension Assets-12/23 $402.7 mill.
Oblig $477.0 mill.

Pfd Stock None

Common Stock 61,314,217 shs.
as of 10/25/24

MARKET CAP: $3.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+.7	+3.7	-.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Winter (Mw)	2000	2073	1992
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.6	+1.5	+1.6
Fixed Charge Cov. (%)	245	219	216

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	-2.0%	-1.0%	*2.5%*
"Cash Flow"	2.5%	-.5%	*3.5%*
Earnings	3.5%	- -	*4.5%*
Dividends	5.5%	3.5%	*1.5%*
Book Value	6.0%	4.0%	*3.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	400.8	298.2	326.0	347.3	1372.3
2022	394.5	323.0	335.1	425.2	1477.8
2023	454.5	290.5	321.1	356.0	1422.1
2024	475.3	319.9	345.2	*369.6*	*1510*
2025	*490*	*330*	*375*	*405*	*1600*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1.24	.59	.70	.97	3.50
2022	1.08	.58	.47	1.16	3.29
2023	1.10	.32	.48	1.32	3.22
2024	1.08	.52	.64	*1.16*	*3.40*
2025	*1.18*	*.54*	*.69*	*1.29*	*3.70*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.62	.62	.62	.62	2.48
2022	.63	.63	.63	.63	2.52
2023	.64	.64	.64	.64	2.56
2024	.65	.65	.65	.65	2.60
2025					

BUSINESS: NorthWestern Energy Group, Inc. supplies electricity & gas in the Upper Midwest and Northwest, serving 467,700 electric customers in Montana and South Dakota and 307,600 gas customers in Montana, South Dakota, and Nebraska. Electric revenue breakdown for 2023: residential, 44%; commercial, 50%; industrial, 4%; and other, 2%. Generating sources: coal, 18%; hydro, 37%; wind, 4%; natural gas, 12%; purchased power, 29%. Fuel costs: 30% of revenues. 2023 reported depreciation rate: 2.8%. Had 1,573 employees as of 12/31/23. Chair of the board of directors: Dana J. Dykhouse. President and CEO: Brian B. Bird. Incorporated: DE. Address: 3010 West 69th Street, Sioux Falls, SD 57108. Telephone: 605-978-2900. Internet: www.northwesternenergy.com.

NorthWestern Energy's 2024 earnings per share were likely lower than we previously expected. While rate relief from the October 2023 general rate case (GRC) decision in Montana was a major plus last year, milder-than-typical weather crimped electricity and natural gas demand in the company's service territory. NorthWestern had also counted on receiving higher interim rates ahead of its next Montana GRC as it had in the last major state regulatory decision. Interim rate relief was delayed and as a result, management revised its share-earnings target range lower to $3.32-$3.47 from the initial $3.42-$3.62 outlook. The company is due to report year-end results after the market closes on February 14th.

NorthWestern is once again due for major rate relief. The public hearing for the GRC, which was filed last year, is scheduled to begin on April 22nd, with a final decision projected to conclude by year's end. It's unclear if interim rates will be forthcoming. In the utility's application to the Montana Public Service Commission, it requested a more than one percentage point hike to its authorized return on equity (ROE), to 10.8% for both natural gas and electric investments. The company is also seeking a $164 million annual revenue increase from electricity customers and $29 million from gas customers. A significant portion of the hike is associated with infrastructure the company has paid for, but not yet billed for. This includes utility poles, pipelines, and a 175-megawatt natural gas generation plant that was delayed and over budget, in part due to it being contested by environmentalist groups. The company said the final cost on the project was about $315 million, up from the budgeted $275 million. Our expectation is that NWE will get much of, but certainly not all of, what it's asking for. We'd be surprised if the ROE is significantly raised.

Income-oriented accounts might find these shares of interest. The 5.1% yield is well above the median 3.7% for electric utilities. We don't see much appreciation potential. And, it will likely take years for the dividend payout ratio to drop enough to allow for growth in the annual payout to match share-earnings gains.

Anthony J. Glennon *January 17, 2025*

(A) Diluted egs. Excl. nonrec. gains/(losses): '12, 40¢; '15, 27¢; '18, 52¢; '19, 45¢; '20, (15¢); '21, 10¢; '22, (4¢). Qtly EPS may not sum to full yr. due to rounding. Next egs. report due February 14th. **(B)** Div'ds paid late Mar., June, Sept. & Dec. ■ Div'd reinvest. plan avail. † Shrhldr. invest. plan avail. **(C)** Incl. def'd charges and intag. '23: $17.90/sh. **(D)** In mill. **(E)** Rate base: Net orig. cost. Rate allowed on com. eq. in MT in '23 (elec.): 9.65%; in '23 (gas): 9.55%; in SD in '24: 6.81%; in NE in '07: 10.4%. Reg. Climate: Below Avg.

Company's Financial Strength	B++
Stock's Price Stability	90
Price Growth Persistence	15
Earnings Predictability	95

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

OGE ENERGY CORP. NYSE-OGE

RECENT PRICE **39.64** | P/E RATIO **16.1** (Trailing: 19.4 Median: 18.0) | RELATIVE P/E RATIO **0.88** | DIV'D YLD **4.3%** | **VALUE LINE**

TIMELINESS 4 Raised 8/23/24
SAFETY 3 Lowered 3/8/24
TECHNICAL 3 Raised 8/30/24
BETA 1.05 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$28-$45	$37 (-10%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	45	(+15%)	*7%*
Low	30	(-25%)	*-2%*

Institutional Decisions

	3Q2023	4Q2023	1Q2024
to Buy	197	210	215
to Sell	199	206	218
Hld's(000)	138173	144477	139254

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
High:	40.0	39.3	36.5	34.2	37.4	41.8	45.8	46.4	38.6	42.9	40.4	40.4								
Low:	27.7	32.8	24.2	23.4	32.6	29.6	38.0	23.0	29.2	33.3	31.3	32.1								
	21.77	14.79	19.04	19.96	18.58	14.45	12.30	11.00	11.31	11.32	11.37	11.15	10.61	18.26	16.86	13.36	***14.50***	***15.00***	Revenues per sh	***17.50***
	2.40	2.69	3.01	3.31	3.69	3.46	3.40	3.23	3.31	3.34	3.74	4.02	4.03	4.44	5.63	4.61	***4.75***	***5.05***	"Cash Flow" per sh	***5.85***
	1.25	1.33	1.50	1.73	1.79	1.94	1.98	1.69	1.69	1.92	2.12	2.24	2.08	2.36	2.25	2.07	***2.15***	***2.30***	Earnings per sh [A]	***2.70***
	.70	.71	.73	.76	.80	.85	.95	1.05	1.16	1.27	1.40	1.51	1.58	1.63	1.64	1.66	***1.69***	***1.73***	Div'd Decl'd per sh [B] ■	***1.85***
	4.01	4.37	4.36	6.48	5.85	4.99	2.86	2.74	3.31	4.13	2.87	3.18	3.25	3.89	5.25	4.49	***4.75***	***4.75***	Cap'l Spending per sh	***4.75***
	10.14	10.52	11.73	13.06	14.00	15.30	16.27	16.66	17.24	19.28	20.06	20.69	18.15	20.27	22.52	22.17	***23.10***	***23.75***	Book Value per sh [C]	***26.25***
	187.00	194.00	195.20	196.20	197.60	198.50	199.40	199.70	199.70	199.70	199.70	200.10	200.10	200.10	200.20	200.30	***200.20***	***200.20***	Common Shs Outst'g [D]	***200.20***
	12.4	10.8	13.3	14.4	15.2	17.7	18.3	17.7	17.7	18.3	16.5	19.0	16.2	14.3	17.2	17.4	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	***14.0***
	.75	.72	.85	.90	.97	.99	.96	.89	.93	.92	.89	1.01	.83	.77	1.00	.96			Relative P/E Ratio	***.80***
	4.5%	5.0%	3.7%	3.1%	2.9%	2.5%	2.6%	3.5%	3.9%	3.6%	4.0%	3.5%	4.7%	4.8%	4.5%	5.1%			Avg Ann'l Div'd Yield	***4.4%***
							2453.1	2196.9	2259.2	2261.1	2270.3	2231.6	2122.3	3653.7	3375.7	2674.3	***2900***	***3000***	Revenues ($mill)	***3500***
							395.8	337.6	338.2	384.3	425.5	449.6	415.9	472.5	665.7	416.8	***430***	***460***	Net Profit ($mill)	***540***
							30.4%	29.2%	30.5%	32.5%	14.5%	7.4%	13.2%	11.5%	12.0%	12.0%	***12.0%***	***12.0%***	Income Tax Rate	***12.0%***
							1.7%	3.7%	6.4%	15.0%	8.3%	1.6%	1.6%	2.2%	2.0%	2.0%	***2.0%***	***2.0%***	AFUDC % to Net Profit	***2.0%***
							45.9%	44.3%	41.1%	41.7%	42.0%	43.6%	49.0%	52.6%	49.8%	51.2%	***52.0%***	***51.5%***	Long-Term Debt Ratio	***50.0%***
							54.1%	55.7%	58.9%	58.3%	58.0%	56.4%	51.0%	47.4%	52.4%	49.6%	***48.0%***	***48.5%***	Common Equity Ratio	***50.0%***
							5999.7	5971.6	5849.6	6600.7	6902.0	7334.7	7126.2	8552.7	8962.0	9238.2	***9750***	***9935***	Total Capital ($mill)	***10400***
							6979.9	7322.4	7696.2	8339.9	8643.8	9044.6	9374.6	9832.9	10546.8	11301.0	***11000***	***11250***	Net Plant ($mill)	***12075***
							7.8%	6.9%	7.0%	7.0%	7.3%	7.1%	6.9%	6.4%	5.9%	6.3%	***7.0%***	***7.0%***	Return on Total Cap'l	***7.5%***
							12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	***12.5%***	***12.5%***	Return on Shr. Equity	***13.0%***
							12.2%	10.2%	9.8%	10.0%	10.6%	10.9%	11.5%	11.6%	11.0%	12.0%	***12.5%***	***12.5%***	Return on Com Equity [E]	***13.0%***
							6.5%	4.0%	3.3%	3.5%	3.8%	3.6%	2.8%	3.6%	3.0%	3.5%	***4.5%***	***4.5%***	Retained to Com Eq	***5.5%***
							47%	61%	67%	64%	64%	67%	76%	69%	73%	81%	***75%***	***75%***	All Div'ds to Net Prof	***57%***

CAPITAL STRUCTURE as of 9/30/24
Total Debt $5053.2 mill. **Due in 5 Yrs** $1731.5 mill.
LT Debt $5020.8 mill. **LT Interest** $158.7 mill.
(LT interest earned: 4.3x)

Leases, Uncapitalized Annual rentals $5.7 mill.

Pension Assets-12/22 $486.0 mill.
Oblig $502.9 mill.

Pfd Stock None

Common Stock 200,947,879 shs.

MARKET CAP: $8.0 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2020	2021	2022
% Change Retail Sales (KWH)	-4.9	+2.6	+8.3
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	4.40	7.68	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	6437	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.1	+1.4	NA
Fixed Charge Cov. (%)	326	336	335

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	-3.0%	5.0%	*5.5%*
"Cash Flow"	2.5%	5.0%	*7.0%*
Earnings	3.0%	4.5%	*6.5%*
Dividends	7.5%	6.5%	*3.0%*
Book Value	4.0%	1.5%	*5.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1630.0	577.4	864.4	581.3	3653.7
2022	589.3	803.7	1270.0	711.9	3375.7
2023	557.2	605.0	945.4	566.7	2674.3
2024	596.8	662.6	965.4	***675.2***	***2900***
2025	***620***	***780***	***950***	***650***	***3000***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.26	.56	1.26	.28	2.36
2022	.33	.36	1.31	.25	2.25
2023	.19	.44	1.20	.24	2.07
2024	.09	.51	1.09	***.46***	***2.15***
2025	***.40***	***.35***	***1.30***	***.25***	***2.30***

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2020	.3875	.3875	.3875	.4025	1.57
2021	.4025	.4025	.4025	.41	1.62
2022	.41	.41	.41	.4141	1.64
2023	.4141	.4141	.4141	.4182	1.66
2024	.4182	.4182	.4182	.4213	

% TOT. RETURN 7/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	12.6	9.9
3 yr.	31.8	12.6
5 yr.	12.5	72.0

Target Price Range 2027 2028 2029

BUSINESS: OGE Energy Corp. is a holding company for Oklahoma Gas and Electric Company (OG&E), which supplies electricity to 879,000 customers in Oklahoma (84% of electric revenues) and western Arkansas (8%); wholesale is (8%). Owns 3% of Energy Transfer's limited partnership units. Electric revenue breakdown: residential, 44%; commercial, 25%; industrial, 11%; oilfield, 10%; other, 10%. Generating sources: gas, 25%; coal, 21%; wind, 6%; purchased, 48%. Fuel costs: 58% of revenues. '23 reported depreciation rate (utility): 2.6%. Has 2,200 employees. Chairman, President and Chief Executive Officer: Sean Trauschke. Incorporated: Oklahoma. Address: 321 North Harvey, P.O. Box 321, Oklahoma City, OK 73101-0321. Tel.: 405-553-3000. Internet: www.oge.com.

OGE Energy's utility subsidiary is progressing on the regulatory front. Remember that in Oklahoma, a $126.6 million rate increase took effect in July, subject to a final order to approve the hike. The Oklahoma Corporation Commission recently delayed the vote due to differences of opinions between commission chairs. The utility initially proposed a $322 million (13.85%) hike or a $19.02 average monthly rise per residential customer. The increase will likely help OGE recover essential capital investments to strengthen and improve the reliability of the electric grid. An order is expected by the end of this year or the beginning of 2025.

Our 2024 profit estimate is staying put at $2.15 a share. Management looks for earnings to come in at the high end of its range of $2.06-$2.18 due to strong load growth and warmer than normal weather. This assumes approval of the Oklahoma rate review, among other things. We look for sharper growth next year compared to 2024 levels. Indeed, our 2025 bottom-line estimate represents 7% growth from our 2024 projections. OGE looks to be increasingly well positioned over the next few years, and should take advantage of increased power demand and the clean energy transition, as a pure play electric utility.

The board of directors has raised the dividend, effective with the October payment. The increase was modest, at $0.003 a share quarterly (1% higher). This issue offers a very attractive dividend, and the yield of 4.3% stands comfortably above the utility average, which is one of the best dividend-paying industries in the market.

This issue is best suited for income-oriented investors. The aforementioned recently raised dividend distribution remains the most notable feature at this juncture. But, intermediate- and long-term risk-adjusted capital appreciation potential is unattractive. Indeed, the current quotation is well within both our 18-month and 3- to 5-year Target Price Ranges. Too, the Timeliness rank has been lowered one notch to 4 (Below Average), which means OGE is slated to trail the broader market averages in the year ahead.

Zachary J. Hodgkinson *December 6, 2024*

Company's Financial Strength	B++
Stock's Price Stability	80
Price Growth Persistence	30
Earnings Predictability	95

(A) Diluted EPS. Excl. nonrecurring gains (losses): '15, (33¢); '17, $1.18; '19, (8¢); '20, ($2.95); '21, $1.32; '22, $1.06; gain on discont. ops.: '19 & '21 EPS don't sum due to rounding. Next earnings report due mid Feb. **(B)** Div'ds historically paid in late Jan., Apr., July, & Oct. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred charges. In '22: $6.15/sh. **(D)** In mill., adj. for split. **(E)** Rate base: Net original cost. Rate allowed on com. eq. in OK in '19: 9.5%; in AR in '18: 9.5%; earned on avg. com. eq., '21: 12.7%. Regulatory Climate: Average.

© 2024 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

PINNACLE WEST NYSE-PNW

RECENT PRICE **83.09** | P/E RATIO **17.0** (Trailing: 15.7 Median: 17.0) | RELATIVE P/E RATIO **0.94** | DIV'D YLD **4.3%** | **VALUE LINE**

TIMELINESS 3 Raised 12/13/24
SAFETY 2 Raised 10/18/24
TECHNICAL 1 Raised 1/3/25
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$62-$99	$81 (-10%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	125	(+50%)	*14%*
Low	90	(+10%)	*6%*

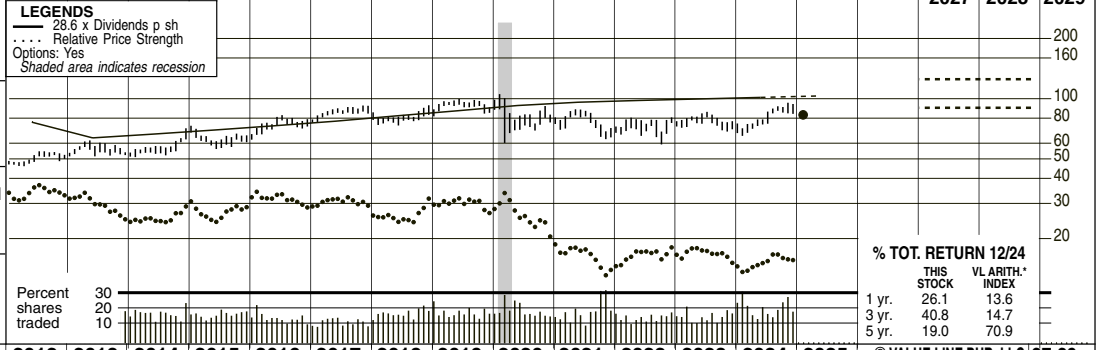
Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	234	245	274
to Sell	268	225	226
Hld's(000)	110427	114098	123296

High:	61.9	71.1	73.3	82.8	92.5	92.6	99.8	105.5	88.5	80.6	86.0	95.4
Low:	51.5	51.2	56.0	62.5	75.8	73.4	81.6	60.1	62.8	59.0	68.6	65.2

LEGENDS
28.6 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2027 2028 2029



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	26.1	13.6
3 yr.	40.8	14.7
5 yr.	19.0	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
33.37	32.50	30.01	29.67	30.09	31.35	31.58	31.50	31.42	31.90	32.93	30.87	31.81	33.66	38.21	41.40	***44.50***	***43.20***	Revenues per sh	***50.00***
8.13	8.08	6.85	7.52	7.92	8.15	8.09	9.09	9.39	9.92	10.37	10.69	10.97	11.84	11.50	11.95	***13.10***	***12.95***	"Cash Flow" per sh	***15.35***
2.12	2.26	3.08	2.99	3.50	3.66	3.58	3.92	3.95	4.43	4.54	4.77	4.87	5.47	4.26	4.41	***5.10***	***4.80***	Earnings per sh [A]	***6.00***
2.10	2.10	2.10	2.10	2.67	2.23	2.33	2.44	2.56	2.70	2.87	3.04	3.23	3.36	3.43	3.49	3.55	***3.61***	Div'd Decl'd per sh [B] ■	***3.80***
9.46	7.64	7.03	8.26	8.24	9.36	8.38	9.84	11.64	12.80	10.73	10.76	11.93	13.04	15.09	16.28	***17.00***	***17.00***	Cap'l Spending per sh	***17.20***
34.16	32.69	33.86	34.98	36.20	38.07	39.50	41.30	43.15	44.80	46.59	48.30	49.96	52.26	53.45	54.47	***61.30***	***61.20***	Book Value per sh [C]	***69.95***
100.89	101.43	108.77	109.25	109.74	110.18	110.57	110.98	111.34	111.75	112.10	112.44	112.76	113.01	113.17	113.42	***114.00***	***118.00***	Common Shs Outst'g [D]	***125.00***
16.1	13.7	12.6	14.6	14.3	15.3	15.9	16.0	18.7	19.3	17.8	19.4	16.7	14.1	17.1	17.4	***15.7***		Avg Ann'l P/E Ratio	***18.0***
.97	.91	.80	.92	.91	.86	.84	.81	.98	.97	.96	1.03	.86	.76	.99	.97	***.87***		Relative P/E Ratio	***1.00***
6.2%	6.8%	5.4%	4.8%	5.3%	4.0%	4.1%	3.9%	3.5%	3.2%	3.5%	3.3%	4.0%	4.3%	4.7%	4.5%	4.4%		Avg Ann'l Div'd Yield	***3.5%***
3491.6	3495.4	3498.7	3565.3	3691.2	3471.2	3587.0	3803.8	4324.4	4696.0	***5075***	***5100***	Revenues ($mill)	***6250***
397.6	437.3	442.0	497.8	511.0	538.3	550.6	618.7	483.6	501.6	***580***	***560***	Net Profit ($mill)	***750***
34.2%	34.3%	33.9%	32.5%	20.2%	- -	12.1%	14.8%	13.0%	12.9%	***14.0%***	***14.0%***	Income Tax Rate	***14.0%***
11.6%	11.8%	14.1%	13.9%	15.2%	9.3%	9.5%	10.1%	15.2%	19.3%	***19.5%***	***20.5%***	AFUDC % to Net Profit	***22.0%***
41.0%	43.0%	45.6%	48.9%	47.0%	47.1%	52.8%	53.9%	56.1%	55.0%	***52.5%***	***54.0%***	Long-Term Debt Ratio	***52.0%***
59.0%	57.0%	54.4%	51.1%	53.0%	52.9%	47.2%	46.1%	43.9%	45.0%	***47.5%***	***46.0%***	Common Equity Ratio	***48.0%***
7398.7	8046.3	8825.4	9796.4	9861.1	10263	11948	12820	13790	13718	***14650***	***15650***	Total Capital ($mill)	***18300***
11194	11809	12714	13445	14030	14523	15159	15987	16854	17980	***19025***	***20050***	Net Plant ($mill)	***23050***
6.4%	6.4%	6.0%	6.1%	6.2%	6.3%	5.5%	5.8%	4.5%	5.0%	***5.0%***	***5.0%***	Return on Total Cap'l	***5.5%***
9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	***8.5%***	***7.5%***	Return on Shr. Equity	***8.5%***
9.1%	9.5%	9.2%	9.9%	9.8%	9.9%	9.8%	10.5%	8.0%	8.1%	***8.5%***	***7.5%***	Return on Com Equity [E]	***8.5%***
3.5%	3.9%	3.5%	4.2%	3.9%	3.8%	3.5%	4.2%	1.7%	1.9%	***2.5%***	***2.0%***	Retained to Com Eq	***3.0%***
62%	59%	62%	58%	60%	61%	64%	60%	78%	77%	***69%***	***75%***	All Div'ds to Net Prof	***63%***

CAPITAL STRUCTURE as of 9/30/24
Total Debt $9679.7 mill. **Due in 5 Yrs** $2225.0 mill.
LT Debt $8056.2 mill. **LT Interest** $355.0 mill.
(Total Interest Coverage: 2.8x)

Leases, Uncapitalized Annual rentals $19.2 mill.

Pension Assets-12/23 $2835.5 mill.
Oblig. $2908.1 mill.

Pfd Stock None

Common Stock 113,699,820 shs.
as of 10/30/24
MARKET CAP: $9.4 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-.1	+4.4	+2.8
Avg. Indust. Use (MWH)	808	849	874
Avg. Indust. Revs. per KWH (¢)	8.11	9.20	10.38
Capacity at Peak (Mw)	8726	8612	9629
Peak Load, Summer (Mw)	7580	7587	8159
Annual Load Factor (%)	45.1	48.1	45.7
% Change Customers (yr-end)	+2.2	+2.1	+1.8
Fixed Charge Cov. (%)	317	226	220

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	2.0%	3.5%	*5.0%*
"Cash Flow"	4.0%	3.5%	*4.5%*
Earnings	3.5%	2.0%	*4.0%*
Dividends	4.0%	5.0%	*1.5%*
Book Value	4.0%	3.5%	*4.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	696.5	1000.2	1308.2	798.9	3803.8
2022	783.5	1061.7	1469.9	1009.3	4324.4
2023	945.0	1121.7	1637.8	991.5	4696.0
2024	951.7	1309.0	1768.8	***1045.5***	***5075***
2025	***1000***	***1260***	***1750***	***1090***	***5100***

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.32	1.91	3.00	.24	5.47
2022	.15	1.45	2.88	d.21	4.26
2023	d.03	.94	3.50	Nil	4.41
2024	.15	1.76	3.37	***d.18***	***5.10***
2025	***.20***	***1.50***	***3.25***	***d.15***	***4.80***

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.83	.83	.83	.85	3.34
2022	.85	.85	.85	.865	3.42
2023	.865	.865	.865	.88	3.48
2024	.88	.88	.88	.895	3.54
2025					

BUSINESS: Pinnacle West Capital Corporation is a holding company for Arizona Public Service Company (APS), which supplies electricity to 1.4 million customers in most of Arizona, except about half of the Phoenix metro area, the Tucson metro area, and Mohave County in northwestern Arizona. Discontinued SunCor real estate subsidiary in '10. Electric revenue breakdown: residential, 49%; commercial/industrial, 44%; other, 7%. Generating sources: gas, 25%; nuclear, 25%; coal, 18%; renewables, 2%; purchased, 30%. Fuel costs: 38% of revenues. '23 reported deprec. rate: 2.98%. Has 6,133 employees. Chairman, President & CEO: Jeffrey B. Guldner. Inc.: AZ. Address: 400 North Fifth St., P.O. Box 53999, Phoenix, AZ 85072-3999. Tel.: 602-250-1000. Internet: www.pinnaclewest.com.

Pinnacle West Capital will likely report a very strong earnings gain for 2024. Constructive progress on the regulatory front last March helped. A revamped Arizona Corporate Commission raised the utility's authorized return on equity (ROE) to 9.55%, with upside to 9.85% if certain conditions are met, from a miserly 8.7% previously. The restoration of a more reasonable regulated ROE boosted Pinnacle West's earnings power by about $1.00 per share. In addition, the company benefited from a record-setting heat wave in its Arizona service area, as customers used more electricity to cool their homes and businesses. There was a stretch of 113 consecutive days when temperatures rose above 100 degrees in the Phoenix area. There were also 70 days when temperatures rose above 110 degrees, which was up from the previous record of 55 days above 110, set in 2023.

Management expects the company's overheated bottom line to cool off some this year. It has provided a preliminary 2025 weather-normalized earnings projection of $4.40 to $4.60 per share. We suspect the company will be proven to be too conservative in its forecast. Sweltering heat in 2023 followed by an even more oppressive stretch in 2024 doesn't seem like a trend that will pivot back to management's idea of average temperatures, which are based on several decades of data. In addition, Pinnacle West's service area benefits from strong migration, as Arizona's 2.5% flat income tax rate helps draw in out-of-state retirees. A business friendly government also keeps the regional economy headed in the right direction. Customer growth was likely up 2% last year and will probably be up by a similar amount going forward.

These shares are neutrally ranked for year-ahead relative performance. Longer term, we like this electric utility a lot, as it's the beneficiary of a premium service area in terms of rising energy demand from population growth and a thriving economy. Even so, utility investors need to be disciplined buyers and wait for a bit more of a drawdown before committing here. A 5%-7% dip would translate to a worthwhile risk-adjusted annual total return expectation.

Anthony J. Glennon *January 17, 2025*

(A) Diluted EPS. Excl. nonrec. gain/(loss): '09, ($1.45); '17, 8¢; gains/(losses) from discont. ops.: '08, 28¢; '09, (13¢); '10, 18¢; '11, 10¢; '12, (5¢). Qtly. EPS may not sum to full year due to rounding. Next egs. report due late Feb. **(B)** Div'ds historically paid in early Mar., June, Sept., & Dec. There were 5 declarations in '12. ■ Div'd reinvestment plan avail. **(C)** Incl. deferred charges/other intangibles. In '23: $27.22/sh. **(D)** In mill. **(E)** Rate base: Fair value. Rate allowed on common equity in '24: 9.55%-9.85%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	30
Earnings Predictability	85

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

PORTLAND GENERAL NYSE-POR

RECENT PRICE **42.33** | P/E RATIO **13.8** (Trailing: 12.2 Median: 18.0) | RELATIVE P/E RATIO **0.76** | DIV'D YLD **4.9%** | **VALUE LINE**

TIMELINESS 3 Raised 11/15/24
SAFETY 2 Raised 7/19/24
TECHNICAL 1 Raised 1/10/25
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$39-$60	$50 (5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	75	(+75%)	*19%*
Low	55	(+30%)	*11%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	186	240	241
to Sell	188	144	166
Hld's(000)	102071	106708	118198

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
High:	33.3	40.3	41.0	45.2	50.1	50.4	58.4	63.1	53.1	57.0	51.6	49.8								
Low:	27.4	29.0	33.0	35.3	42.4	39.0	44.0	32.0	40.8	41.6	38.0	39.1								
	27.89	23.99	23.67	24.06	23.89	23.18	24.29	21.38	21.62	22.54	22.30	23.75	23.96	26.80	29.65	28.90	*31.40*	*32.75*	Revenues per sh	*35.40*
	4.71	4.07	4.82	4.96	5.15	4.93	6.08	5.37	5.78	6.16	6.65	6.97	7.83	7.25	7.41	6.83	*7.75*	*8.10*	"Cash Flow" per sh	*9.45*
	1.39	1.31	1.66	1.95	1.87	1.77	2.18	2.04	2.16	2.29	2.37	2.39	2.75	2.72	2.74	2.38	*3.10*	*3.25*	Earnings per sh A	*3.85*
	.97	1.01	1.04	1.06	1.08	1.10	1.12	1.18	1.26	1.34	1.43	1.52	1.59	1.70	1.79	1.88	1.98	*2.08*	Div'd Decl'd per sh B ■ †	*2.46*
	6.12	9.25	5.97	3.98	4.01	8.40	12.87	6.73	6.57	5.77	6.67	6.78	8.76	7.11	8.58	13.42	*12.35*	*11.00*	Cap'l Spending per sh	*11.25*
	21.64	20.50	21.14	22.07	22.87	23.30	24.43	25.43	26.35	27.11	28.07	28.99	29.18	30.28	31.13	32.81	*34.35*	*35.90*	Book Value per sh C	*41.00*
	62.58	75.21	75.32	75.36	75.56	78.09	78.23	88.79	88.95	89.11	89.27	89.39	89.54	89.41	89.28	101.16	*106.00*	*110.00*	Common Shs Outst'g D	*120.00*
	16.3	14.4	12.0	12.4	14.0	16.9	15.3	17.7	19.1	20.0	18.4	22.3	16.6	17.7	18.2	19.3	*14.3*		Avg Ann'l P/E Ratio	*16.5*
	.98	.96	.76	.78	.89	.95	.81	.89	1.00	1.01	.99	1.19	.85	.96	1.05	1.08	*.79*		Relative P/E Ratio	*.90*
	4.3%	5.4%	5.2%	4.4%	4.1%	3.7%	3.3%	3.3%	3.1%	2.9%	3.3%	2.8%	3.5%	3.5%	3.6%	4.1%	4.4%		Avg Ann'l Div'd Yield	*3.9%*
							1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	2145.0	2396.0	2647.0	2923.0	*3330*	*3600*	Revenues ($mill)	*4250*
							175.0	172.0	193.0	204.0	212.0	214.0	247.0	244.0	245.0	233.0	*320*	*350*	Net Profit ($mill)	*455*
							26.0%	20.7%	20.6%	25.3%	7.4%	11.2%	12.4%	8.6%	15.2%	16.8%	*17.5%*	*17.5%*	Income Tax Rate	*17.5%*
							33.7%	19.8%	16.6%	8.8%	8.0%	7.0%	9.7%	10.2%	8.6%	13.7%	*11.0%*	*11.0%*	AFUDC % to Net Profit	*11.0%*
							52.7%	47.8%	48.4%	50.1%	46.5%	51.3%	53.6%	56.8%	57.0%	55.8%	*56.0%*	*55.5%*	Long-Term Debt Ratio	*54.0%*
							47.3%	52.2%	51.6%	49.9%	53.5%	48.7%	46.4%	43.2%	43.0%	44.2%	*44.0%*	*44.5%*	Common Equity Ratio	*46.0%*
							4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	5628.0	6265.0	6459.0	7513.0	*8300*	*8900*	Total Capital ($mill)	*10750*
							5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	7539.0	8005.0	8465.0	9546.0	*10350*	*11000*	Net Plant ($mill)	*12900*
							5.8%	5.4%	5.6%	5.5%	5.8%	5.1%	5.6%	4.9%	4.9%	4.2%	*5.0%*	*5.0%*	Return on Total Cap'l	*5.5%*
							9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	7.0%	*9.0%*	*9.0%*	Return on Shr. Equity	*9.5%*
							9.2%	7.6%	8.2%	8.4%	8.5%	8.3%	9.5%	9.0%	8.8%	7.0%	*9.0%*	*9.0%*	Return on Com Equity E	*9.5%*
							4.6%	3.3%	3.5%	3.6%	3.5%	3.1%	4.1%	3.5%	3.1%	1.6%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
							50%	56%	57%	58%	59%	63%	57%	61%	64%	77%	*64%*	*64%*	All Div'ds to Net Prof	*64%*

LEGENDS
25.6 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2027 2028 2029: 128, 96, 80, 64, 48, 40, 32, 24, 16, 12

Percent shares traded: 21, 14, 7

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	6.8	13.6
3 yr.	-5.5	14.7
5 yr.	-3.4	70.9

CAPITAL STRUCTURE as of 9/30/24
Total Debt $4739 mill. **Due in 5 Yrs** $570 mill.
LT Debt $4633 mill. **LT Interest** $205 mill.
Incl. $279 mill. finance leases.
(Total Interest Coverage: 2.8x)
Leases, Uncapitalized Annual rentals $3 mill.
Pension Assets-12/23 $530 mill.
Oblig. $690 mill.
Pfd Stock None

Common Stock 105,455,590 shs.
as of 10/18/24

MARKET CAP: $4.5 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+5.1	+3.4	+.9
Avg. Indust. Use (MWH)	20002	22097	23052
Avg. Indust. Revs. per KWH (¢)	5.22	5.23	5.85
Capacity at Peak (MW)	NA	NA	NA
Peak Load, Summer (MW)	4453	4255	4498
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+.6	+1.1	+.7
Fixed Charge Cov. (%)	261	254	217

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	2.0%	5.0%	*3.5%*
"Cash Flow"	3.5%	3.0%	*5.0%*
Earnings	3.5%	3.0%	*5.5%*
Dividends	5.0%	6.0%	*5.5%*
Book Value	3.5%	3.0%	*4.0%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	609	537	642	608	2396
2022	626	591	743	687	2647
2023	748	648	802	725	2923
2024	929	758	929	*714*	*3330*
2025	*975*	*800*	*1000*	*825*	*3600*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	1.07	.36	.56	.73	2.72
2022	.67	.72	.65	.70	2.74
2023	.80	.44	.46	.67	2.38
2024	1.21	.69	.90	*.30*	*3.10*
2025	*1.17*	*.70*	*.93*	*.45*	*3.25*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.4075	.4075	.43	.43	1.68
2022	.43	.43	.4525	.4525	1.77
2023	.4525	.4525	.475	.475	1.86
2024	.475	.475	.50	.50	1.95
2025	.50				

BUSINESS: Portland General Electric Company provides electricity to 934,000 customers in 51 cities in a 4,000-square-mile area of Oregon, including Portland and Salem (population: 1.9 million). The company is in the process of decommissioning the Trojan nuclear plant, which was closed in 1993. Electric revenue breakdown: residential, 52%; commercial, 33%; industrial, 15%; other, less than 1%. Generating sources: gas, 40%; wind, 7%; coal, 8%; hydro, 4%; purchased, 41%. Fuel costs: 40% of revenues. '23 reported depreciation rate: 3.4%. Has 2,842 full-time employees. Chair: James P. Torgerson. President and CEO: Maria M. Pope. Incorporated: Oregon. Address: 121 S.W. Salmon Street, Portland, OR 97204. Tel.: 503-464-8000. Internet: www.portlandgeneral.com.

Portland General Electric should report a strong bottom-line increase for 2024. Admittedly, 2023 comparisons were easy to improve upon, as demand suffered from mild weather. At the same time, purchased-power costs were exceptionally high in 2023. The weather situation improved last year, and volumes rose due to strong demand growth from the semiconductor industry and data centers. It was also a plus that Portland General has become less reliant on volatile at-the-market purchased power. The utility brought its Clearwater Wind development project on line early in 2024. Portland General will continue to bring on new renewable capacity additions under the formula of half company owned and half long-term stable purchased power agreements from a strategic partner.

Higher electric rates are likely to lift earnings further in 2025. In December, the utility received its general rate case decision from Oregon regulators. Effective from January 1st of this year, residential rates are set to rise by 5.5%. Commercial and industrial rates will be up as much as 7.7%. The company was seeking an 8.6% across-the-board hike in rates for recoupment of investments made, plus timely recovery mechanisms via customer billing pass-throughs. The new rates are based on an authorized return on equity of 9.35%, which suffered a 15 basis point trim from the previous 9.5% level.

Longer-term prospects are favorable. Portland General ought to benefit from 2%-3% annual load growth, supported by a healthy high-tech industrial segment in its service area. Profitability will likely be on the rise, as the utility continues to reduce its reliance on open-market power purchases, which are vulnerable to price spikes during periods of high demand or constrained supply. Portland General has the green light from regulators to add more nonemitting annual power generation, plus significant battery storage capacity. Over the stretch to 2027-2029, 5%-6% annual earnings gains looks feasible.

Utility investors focused on the longer term should find this equity of interest. POR's dividend yield is 120 basis points above the peer-group average. And, total return prospects look worthwhile.

Anthony J. Glennon *January 17, 2025*

(A) Diluted earnings. Excl. nonrecurring gains/(losses): '13, (42¢); '17, (19¢); '20, ($1.03); '22, (14¢); '23, (5¢); Q1-Q3 '24, (13¢). Quarterly EPS many not sum to full year due to rounding. Next earnings report due mid-Feb. **(B)** Dividends paid mid-Jan., Apr., July, and Oct. ■ Dividend reinvestment plan available. † Shareholder investment plan available. **(C)** Incl. deferred charges. In '23: $492 mill., $4.86/sh. **(D)** In mill. **(E)** Rate base: Net original cost. Rate allowed on common equity in '25: 9.34%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	30
Earnings Predictability	90

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

SOUTHERN COMPANY NYSE-SO

RECENT PRICE **86.50** | P/E RATIO **20.6** (Trailing: 20.6 Median: 17.0) | RELATIVE P/E RATIO **1.13** | DIV'D YLD **3.4%** | **VALUE LINE**

TIMELINESS 4 Lowered 11/29/24
SAFETY 2 Lowered 2/21/14
TECHNICAL 2 Raised 2/7/25
BETA .95 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$64-$98	$81 (-5%)

2028-30 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	105	(+20%)	*8%*
Low	75	(-15%)	*Nil*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	822	895	980
to Sell	786	732	765
Hld's(000)	707349	735543	829101

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
High:	51.3	53.2	54.6	53.5	49.4	64.3	71.1	68.9	80.6	75.8	94.4	86.6								
Low:	40.3	41.4	46.0	46.7	42.4	43.3	42.0	56.7	60.7	58.8	65.8	80.5								
	19.21	20.70	20.41	19.06	19.26	20.34	19.18	20.09	22.86	22.73	20.34	19.29	21.80	26.89	23.15	*24.15*	*24.85*	*25.80*	Revenues per sh	*28.30*
	4.43	4.51	4.91	5.18	5.27	5.28	5.47	5.69	6.64	6.41	6.33	6.98	7.20	7.34	7.79	*8.25*	*8.50*	*8.80*	"Cash Flow" per sh	*9.70*
	2.32	2.36	2.55	2.67	2.70	2.77	2.84	2.83	3.21	3.00	3.17	3.25	3.42	3.61	3.64	*4.05*	*4.30*	*4.60*	Earnings per sh A	*5.50*
	1.73	1.80	1.87	1.94	2.01	2.08	2.15	2.22	2.30	2.38	2.46	2.54	2.62	2.70	2.78	2.86	*2.96*	*3.05*	Div'd Decl'd per sh B ■	*3.10*
	5.70	4.85	5.23	5.54	6.16	6.58	6.22	7.38	7.37	7.74	7.17	7.04	6.83	7.87	8.88	*8.85*	*8.75*	*8.70*	Cap'l Spending per sh	*8.50*
	18.15	19.21	20.32	21.09	21.43	21.98	22.59	25.00	23.98	23.92	26.11	26.48	26.30	27.93	28.82	*29.90*	*31.75*	*31.90*	Book Value per sh C	*32.25*
	819.65	843.34	865.13	867.77	887.09	907.78	911.72	990.39	1007.6	1033.8	1053.3	1056.5	1060.0	1089.0	1091.0	*1095.0*	*1095.0*	*1095.0*	Common Shs Outst'g D	*1095.0*
	13.5	14.9	15.8	17.0	16.2	16.0	15.8	17.8	15.5	15.1	17.6	17.9	18.4	19.6	19.1	*19.6*	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*16.5*
	.90	.95	.99	1.08	.91	.84	.80	.93	.78	.82	.94	.92	1.00	1.14	1.06	*1.09*			Relative P/E Ratio	*.90*
	5.5%	5.1%	4.6%	4.3%	4.6%	4.7%	4.8%	4.4%	4.6%	5.3%	4.4%	4.4%	4.2%	4.1%	4.1%	3.4%			Avg Ann'l Div'd Yield	*3.6%*
	17489	19896	23031	23495	21419	20375	23113	29279	25253	*26450*	*27200*	*28250*	Revenues ($mill)	*31000*
	2647.0	2757.0	3269.0	3096.0	3354.0	3481.0	3670.0	3931.3	3976.0	*4435*	*4710*	*5035*	Net Profit ($mill)	*6025*
	33.4%	28.5%	25.2%	21.3%	15.9%	14.3%	16.3%	18.9%	11.4%	*15.0%*	*15.0%*	*15.0%*	Income Tax Rate	*15.0%*
	13.2%	11.9%	7.6%	6.8%	6.0%	6.6%	7.7%	8.0%	7.9%	*8.0%*	*8.0%*	*8.0%*	AFUDC % to Net Profit	*6.0%*
	52.8%	61.5%	64.5%	62.0%	60.1%	61.5%	64.0%	63.0%	65.6%	*64.0%*	*64.0%*	*64.0%*	Long-Term Debt Ratio	*63.0%*
	44.0%	35.7%	35.0%	37.6%	39.5%	38.1%	35.6%	36.5%	37.6%	*36.0%*	*36.0%*	*36.0%*	Common Equity Ratio	*37.0%*
	46788	69359	68953	65750	69594	73336	78285	80558	83654	*85000*	*87500*	*90000*	Total Capital ($mill)	*93500*
	61114	78446	79872	80797	83080	87634	91108	94570	99844	*100000*	*100500*	*100800*	Net Plant ($mill)	*110000*
	6.6%	4.9%	5.9%	5.9%	6.0%	5.9%	5.8%	5.5%	4.6%	*5.5%*	*5.5%*	*5.5%*	Return on Total Cap'l	*6.5%*
	12.0%	10.3%	13.3%	12.4%	12.1%	12.3%	13.0%	12.5%	12.6%	*13.0%*	*13.0%*	*13.0%*	Return on Shr. Equity	*14.5%*
	12.6%	11.0%	13.4%	12.5%	12.1%	12.4%	13.1%	12.5%	12.6%	*13.0%*	*13.0%*	*13.0%*	Return on Com Equity E	*14.5%*
	3.1%	2.5%	3.9%	2.6%	2.8%	2.8%	3.1%	3.0%	3.2%	*3.5%*	*3.5%*	*3.5%*	Retained to Com Eq	*5.0%*
	76%	78%	72%	79%	77%	78%	76%	78%	77%	*77%*	*77%*	*77%*	All Div'ds to Net Prof	*67%*

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	20.7	13.6
3 yr.	33.5	14.7
5 yr.	55.0	70.9

CAPITAL STRUCTURE as of 9/30/24
Total Debt $62896 mill. **Due in 5 Yrs** $15427 mill.
LT Debt $61254 mill. **LT Interest** $1754 mill.
Incl. $215 mill. finance leases.
(LT interest earned: 3.3x)
Leases, Uncapitalized Annual rentals $307 mill.
Pension Assets-12/23 $14218 mill.
Oblig $16382 mill.
Pfd Stock $242 mill. **Pfd Div'd** $15 mill.
Incl. 10 mill. shs. 5.83% cum. pfd. ($25 stated value); 475,115 shs. 4.2%-5.44% cum. pfd. ($100 par).
Common Stock 1,095,684,180 shs.
MARKET CAP: $94.8 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	-5.3	+2.0	NA
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Yearend (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	NA	NA	NA
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	+1.3	+1.5	NA
Fixed Charge Cov. (%)	270	275	NA

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '28-'30
Revenues	- -	.5%	*6.0%*
"Cash Flow"	4.0%	4.5%	*5.0%*
Earnings	3.0%	3.0%	*6.5%*
Dividends	3.5%	3.5%	*3.5%*
Book Value	3.0%	2.5%	*3.5%*

QUARTERLY REVENUES (mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	6648	7206	8378	7047	29279
2023	6480	5748	6980	6045	25253
2024	6646	6463	7274	*6067*	*26450*
2025	*7000*	*6500*	*7300*	*6400*	*27200*
2026	*7250*	*6700*	*7500*	*6800*	*28250*

EARNINGS PER SHARE A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2022	.97	1.07	1.31	.26	3.61
2023	.79	.79	1.42	.64	3.64
2024	1.03	1.10	1.43	*.49*	*4.05*
2025	*1.10*	*1.10*	*1.50*	*.60*	*4.30*
2026	*1.15*	*1.20*	*1.55*	*.70*	*4.60*

QUARTERLY DIVIDENDS PAID B ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.64	.66	.66	.66	2.62
2022	.66	.68	.68	.68	2.70
2023	.68	.70	.70	.70	2.78
2024	.70	.72	.72	.72	2.86
2025					

BUSINESS: The Southern Company, through its subsidiaries, supplies electricity to 4.4 mill. customers in GA, AL, and MS. Also has a competitive generation business. Acq'd AGL Resources (renamed Southern Company Gas, 4.4 mill. customers in GA, NJ, IL, VA, & TN) 7/16. Sold Gulf Power 1/19. Electric revenue breakdown: residential, 43%; commercial, 35%; industrial, 21%; other, 1%. Generating sources: gas, 51%; coal, 19%; nuclear, 10%; other, 11%; purchased, 9%. Fuel costs: 26% of revenues. '23 reported deprec. rates (utility): 2.7%-3.4%. Has 27,300 employees. President and CEO: Chris Womack. Incorporated.: Delaware. Address: 30 Ivan Allen Jr. Blvd., N.W., Atlanta, Georgia 30308. Telephone: 404-506-0747. Internet: www.southerncompany.com.

We look for Southern Company's earnings to advance moderately in 2025. Our profit estimate this year remains unchanged at $4.30 per share, implying 6% growth, which is in line with the utility's long-term 5%-7% target. The recent completion of the Vogtle Nuclear Construction Project should start to benefit results in 2025 and beyond. The Vogtle plant stands to deliver 2,200 megawatts of reliable, carbon free energy for decades, and is the largest generator of clean energy in the U.S. In turn, Southern is increasingly well positioned to take advantage of the clean energy transition and elevated power demand due to technological advancements.

We have introduced our top- and bottom-line estimates for 2026. We think the company will post similar growth in 2026, within management's long-term targets. The demand for nuclear power expansion and electricity should remain elevated for the foreseeable future. And, Southern continues to expect that the U.S. will need to install more than 10 gigawatts of nuclear power to meet increased electricity demand in the coming years. Accordingly, we look for earnings of $4.60 per share and revenues of $28.25 billion.

These shares have fallen a bit in value since our early November report. The stock is down more than 5% over that interim, partly due to weak projected year over year earnings comparisons as well as increased energy transition costs. Still, Southern shares are up more than 25% over the past year, along with the sharp rise in demand for nuclear power expansion and electricity.

This issue is best suited for conservative, income-oriented investors. Indeed, the utility pays a solid dividend, which remains its most notable feature, and is ranked Above Average (2) for Safety. But, many of its peers pay even higher dividends. What's more, intermediate- and long-term capital appreciation potential is weak at this juncture. After rolling out our estimates to 2028-2030, the recent quotation is already well within our new range of $75-$105. The recent price also stands above the midpoint of our 18-month Target Price Range.

Zachary Hodgkinson *February 7, 2025*

(A) Diluted EPS. Excl. nonrec. gain (losses): '09, (25¢); '13, (83¢); '14, (59¢); '15, (25¢); '16, (28¢); '17, ($2.37); '18, (78¢); '19, $1.30; '20, (17¢); '21, (54¢). Next earnings report due in May. **(B)** Div'ds paid in early Mar., June, Sept., and Dec. ■ Div'd reinvestment plan avail. **(C)** Incl. def'd charges. In '23: $17.35/sh. **(D)** In mill. **(E)** Rate base: AL, MS, fair value; FL, GA, orig. cost. Allowed return on common eq. (blended): 12.5%; earned on avg. com. eq., '21: 12.8%. Regulatory Climate: GA, AL Above Average; MS, FL Average.

Company's Financial Strength	A
Stock's Price Stability	90
Price Growth Persistence	65
Earnings Predictability	90

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

TXNM ENERGY NYSE-TXNM

RECENT PRICE **47.18** | P/E RATIO **17.1** (Trailing: 18.0 Median: 19.0) | RELATIVE P/E RATIO **0.94** | DIV'D YLD **3.5%** | **VALUE LINE**

TIMELINESS 3 Raised 11/29/24
SAFETY 2 Raised 1/17/25
TECHNICAL 3 Lowered 11/29/24
BETA .90 (1.00 = Market)

18-Month Target Price Range

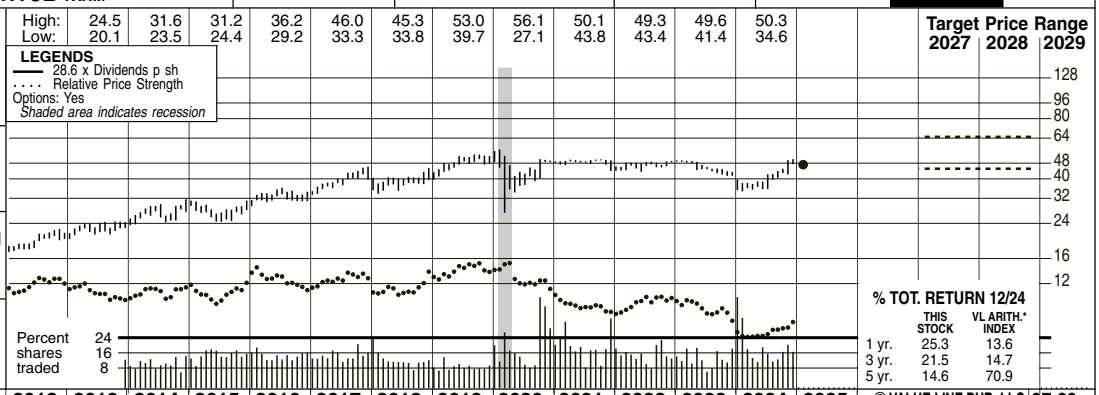
Low-High	Midpoint (% to Mid)
$33-$49	$41 (-5%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	65	(+40%)	*11%*
Low	45	(-5%)	*3%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	152	156	153
to Sell	163	127	141
Hld's(000)	84833	87863	101664



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	25.3	13.6
3 yr.	21.5	14.7
5 yr.	14.6	70.9

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
22.65	19.01	19.31	21.35	16.85	17.42	18.03	18.07	17.11	18.14	18.04	18.30	17.74	20.74	26.21	21.50	*21.85*	*22.85*	Revenues per sh	*27.35*
1.76	2.32	2.67	3.18	3.39	3.52	4.09	4.28	4.51	5.30	5.47	5.95	5.80	6.19	6.67	6.62	*6.85*	*7.25*	"Cash Flow" per sh	*8.65*
.11	.58	.87	1.08	1.31	1.41	1.45	1.48	1.46	1.92	2.00	2.16	2.28	2.45	2.69	2.82	*2.75*	*2.85*	Earnings per sh [A]	*3.35*
.61	.50	.50	.50	.58	.68	.76	.82	.90	.99	1.09	1.18	1.25	1.33	1.41	1.49	1.57	*1.65*	Div'd Decl'd per sh [B] ■	*1.94*
3.99	3.32	3.25	4.10	3.88	4.37	5.78	7.01	7.53	6.28	6.29	7.74	7.91	10.89	10.63	11.93	*12.90*	*13.85*	Cap'l Spending per sh	*13.50*
18.89	18.90	17.60	19.62	20.05	20.87	22.39	20.78	21.04	21.28	21.20	21.08	23.88	25.25	25.54	26.04	*27.40*	*28.80*	Book Value per sh [C]	*33.50*
86.53	86.67	86.67	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	79.65	85.83	85.83	85.83	90.20	*91.00*	*92.00*	Common Shs Outst'g [D]	*95.00*
NMF	18.1	14.0	14.5	15.0	16.1	18.7	18.7	22.4	20.4	19.4	22.2	19.6	19.9	17.4	16.3	*14.7*		Avg Ann'l P/E Ratio	*16.5*
NMF	1.21	.89	.91	.95	.90	.98	.94	1.18	1.03	1.05	1.18	1.01	1.08	1.01	.91	*.81*		Relative P/E Ratio	*.90*
4.9%	4.8%	4.1%	3.2%	3.0%	3.0%	2.8%	3.0%	2.8%	2.5%	2.8%	2.5%	2.8%	2.7%	3.0%	3.2%	3.9%		Avg Ann'l Div'd Yield	*3.5%*
1435.9	1439.1	1363.0	1445.0	1436.6	1457.6	1523.0	1779.9	2249.6	1939.2	*1990*	*2100*	Revenues ($mill)	*2600*
116.8	118.8	117.4	154.4	160.6	173.1	183.4	211.6	232.0	244.1	*250*	*265*	Net Profit ($mill)	*320*
34.8%	36.9%	32.4%	33.0%	12.9%	8.1%	9.5%	13.4%	14.6%	13.6%	*14.5%*	*15.0%*	Income Tax Rate	*16.0%*
10.7%	17.0%	11.0%	11.9%	12.1%	9.8%	8.9%	8.6%	9.0%	12.3%	*12.0%*	*13.0%*	AFUDC % to Net Profit	*13.0%*
47.8%	54.1%	55.7%	56.1%	61.1%	59.8%	56.9%	61.8%	63.9%	64.2%	*66.0%*	*67.5%*	Long-Term Debt Ratio	*69.0%*
51.9%	45.5%	44.0%	43.6%	38.6%	39.9%	42.9%	38.0%	36.0%	35.6%	*33.5%*	*32.0%*	Common Equity Ratio	*30.5%*
3437.1	3633.3	3806.8	3887.5	4370.0	4207.7	4780.6	5698.6	6096.1	6602.3	*7400*	*8250*	Total Capital ($mill)	*10400*
4270.0	4535.4	4904.7	4980.2	5234.6	5466.0	5965.1	6752.9	6972.8	7609.9	*8400*	*9300*	Net Plant ($mill)	*11500*
5.1%	4.8%	4.7%	5.3%	5.0%	5.5%	4.9%	4.6%	4.9%	5.0%	*4.5%*	*4.5%*	Return on Total Cap'l	*4.5%*
6.5%	7.1%	7.0%	9.0%	9.4%	10.2%	8.9%	9.7%	10.5%	10.3%	*10.0%*	*10.0%*	Return on Shr. Equity	*10.0%*
6.5%	7.1%	7.0%	9.1%	9.5%	10.3%	8.9%	9.7%	10.6%	10.4%	*10.0%*	*10.0%*	Return on Com Equity [E]	*10.0%*
3.2%	3.3%	2.8%	4.5%	4.5%	4.8%	4.1%	4.6%	5.1%	5.0%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
51%	54%	61%	51%	53%	54%	54%	53%	52%	52%	*57%*	*58%*	All Div'ds to Net Prof	*58%*

CAPITAL STRUCTURE as of 9/30/24
Total Debt $5381.7 mill. **Due in 5 Yrs** $2177.6 mill.
LT Debt $4511.2 mill. **LT Interest** $195.0 mill.
(Total Interest Coverage: 2.3x)

Leases, Uncapitalized Annual rentals $12.3 mill.

Pension Assets-12/23 $448.6 mill.
Oblig. $461.2 mill.
Pfd Stock $11.5 mill. **Pfd Div'd** $.5 mill.

Common Stock 90,200,384 shs.
as of 10/25/24
MARKET CAP: $4.3 billion (Mid Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	1.0	5.2	1.0
Avg. Indust. Use (MWH)	NA	NA	NA
Avg. Indust. Revs. per KWH (¢)	NA	NA	NA
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	1968	2139	2162
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	1.2	1.0	1.0
Fixed Charge Cov. (%)	317	289	230

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	2.0%	5.0%	*3.0%*
"Cash Flow"	7.0%	5.0%	*5.0%*
Earnings	7.5%	8.0%	*4.0%*
Dividends	9.0%	7.0%	*5.5%*
Book Value	2.5%	4.0%	*4.5%*

QUARTERLY REVENUES ($ mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	364.7	426.5	554.6	434.1	1779.9
2022	444.1	499.7	729.9	575.9	2249.6
2023	544.1	477.2	505.9	412.0	1939.2
2024	436.9	488.1	569.3	*495.7*	*1990*
2025	*475*	*510*	*590*	*525*	*2100*

EARNINGS PER SHARE [A]

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.32	.55	1.37	.21	2.45
2022	.50	.57	1.46	.15	2.69
2023	.55	.55	1.54	.18	2.82
2024	.41	.60	1.43	*.31*	*2.75*
2025	*.42*	*.60*	*1.50*	*.33*	*2.85*

QUARTERLY DIVIDENDS PAID [B] ■

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.3275	.3275	.3275	.3275	1.31
2022	.3475	.3475	.3475	.3475	1.39
2023	.3675	.3675	.3675	.3675	1.47
2024	.3875	.3875	.3875	.3875	1.55
2025	.4075				

BUSINESS: TXNM Energy, Inc. (formerly PNM Resources) is a holding company with two regulated electric utilities. Public Service Company of New Mexico (PNM) serves about 550,000 customers in north central New Mexico, including Albuquerque and Santa Fe. Texas-New Mexico Power Company (TNMP) transmits and distributes power to more than 270,000 homes and businesses in Texas. Electric revenue: residential, 32%; commercial, 28%; indust'l, 7%; other, 33%. Fuel costs: 46% of revenues in 2023; reported depreciation rates: 2.67%-7.64%. Has about 1,600 employees. Chairman and CEO: Patricia K. Collawn. Incorporated: New Mexico. Address: 414 Silver Ave. SW, Albuquerque, New Mexico 87102-3289. Telephone: 505-241-2700. Internet: www.txnmenergy.com.

Last year was an interesting period of transition for TXNM Energy. From the start of 2024 through mid-year, this issue badly underperformed its peer group, with the share price dropping nearly 15% in the wake of the failed merger with Avangrid, which pulled the plug on its $50.30-per-share cash offer. That situation had dragged on since October of 2020, before Avangrid's parent company, the Spanish multinational Iberdrola, lost patience with the process. Oddly enough, it was Avangrid that ended up going private, as Iberdrola recently bought out the minority shareholders. Perhaps to put that saga in the rearview mirror, PNM Resources was rebranded as TXNM Energy. As management explains it, the shift was made to better reflect the changing dynamics of the company, where the Lewisville-Texas based TNMP subsidiary now makes up 40% of the holding company's rate base, and is its engine of growth. It's fair to ask, "what's in a name?" Yet, the tactic has seemingly worked. From its June low, the issue rallied 38% through the close of 2024 and has been one of the best performing utility stocks of late.

Longer-term prospects here appear decent relative to the electric utility peer group. The Public Service Company of New Mexico (PNM) subsidiary is suffering from a poor outcome in the latest general rate case decision, which was handed down about a year ago. On the positive side, PNM's state regulators did green light the utility's intermediate-term resources plan, which should get the New Mexico rate base growing again. Meanwhile, TNMP is expected to see nearly 13% annual rate-base growth for the 2024-2028 stretch, driven by above-average demographic trends and a vibrant Texas economy. For its part, leadership says that it is targeting 6%-7% earning growth over the 2024 to 2028 stretch, using the midpoint of its 2024 initial profit outlook of $2.70 per share as the starting point. We think that's a little aggressive and would be content if the company met our 5.5% annual share-earnings projection.

This equity is not timely. Annual total return prospects don't stand out either at the recent valuation. Moreover, its yield is 20 basis points below the peer median.

Anthony J. Glennon *January 17, 2025*

(A) Dil. EPS. Excl. nonrec. gain/(loss): '08, ($3.77); '10, ($1.36); '11, 88¢; '13, (16¢); '15, ($1.28); '17, (92¢); '18, (93¢); '19, ($1.19); '20, (13¢); '21, (18¢); '22, (72¢); '23, ($1.80). Excl. disc. op. gains: '08, 42¢; '09, 78¢. Next egs. report due early Feb. **(B)** Div'ds paid mid-Feb., May, Aug., & Nov. ■ Div'd reinv. plan avail. **(C)** Incl. def. charges/other intang. In '23: $15.45/sh. **(D)** In mill. **(E)** Rate base: net orig. cost. Rate allowed on com. eq. in NM in '23: 9.26%; in TX in '18: 9.65%; Regulatory Climate: NM, Below Average.; TX, Average.

Company's Financial Strength	B++
Stock's Price Stability	95
Price Growth Persistence	45
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

XCEL ENERGY NDQ-XEL

RECENT PRICE **65.14** | P/E RATIO **17.7** (Trailing: 18.8 Median: 20.0) | RELATIVE P/E RATIO **0.98** | DIV'D YLD **3.5%** | **VALUE LINE**

TIMELINESS 4 Lowered 10/11/24
SAFETY 2 Lowered 1/19/24
TECHNICAL 1 Raised 1/17/25
BETA .85 (1.00 = Market)

18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$54-$84	$69 (10%)

2027-29 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	90	(+40%)	*11%*
Low	70	(+5%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	433	467	518
to Sell	502	414	408
Hld's(000)	437447	437414	503378

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
High:	31.8	37.6	38.3	45.4	52.2	54.1	66.1	76.4	72.9	77.7	73.0	73.4						
Low:	26.8	27.3	31.8	35.2	40.0	41.5	47.7	46.6	57.2	56.9	53.7	46.8						
Revenues per sh	24.69	21.08	21.38	21.90	20.76	21.92	23.11	21.72	21.90	22.46	22.44	21.98	21.45	24.69	27.86	25.60	*24.55*	*27.05*
"Cash Flow" per sh	3.50	3.48	3.51	3.79	4.00	4.10	4.28	4.56	5.04	5.47	5.92	6.25	6.61	7.08	7.81	7.96	*8.40*	*9.10*
Earnings per sh A	1.46	1.49	1.56	1.72	1.85	1.91	2.03	2.10	2.21	2.30	2.47	2.64	2.79	2.96	3.17	3.35	*3.55*	*3.80*
Div'd Decl'd per sh B ■ †	.94	.97	1.00	1.03	1.07	1.11	1.20	1.28	1.36	1.44	1.52	1.62	1.72	1.83	1.95	2.08	2.19	*2.30*
Cap'l Spending per sh	4.66	3.91	4.60	4.53	5.27	6.82	6.33	7.26	6.42	6.54	7.70	8.05	9.99	7.80	8.44	10.55	*13.00*	*15.00*
Book Value per sh C	15.35	15.92	16.76	17.44	18.19	19.21	20.20	20.89	21.73	22.56	23.78	25.24	27.12	28.70	30.34	31.74	*34.20*	*36.00*
Common Shs Outst'g D	453.79	457.51	482.33	486.49	487.96	497.97	505.73	507.54	507.22	507.76	514.04	524.54	537.44	544.03	549.58	554.94	*575.00*	*580.00*
Avg Ann'l P/E Ratio	13.7	12.7	14.1	14.2	14.8	15.0	15.4	16.5	18.5	20.2	18.9	22.3	23.9	22.5	22.2	19.0	*16.8*	
Relative P/E Ratio	.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.19	1.23	1.22	1.28	1.06	*.93*	
Avg Ann'l Div'd Yield	4.7%	5.1%	4.5%	4.2%	3.9%	3.9%	3.8%	3.7%	3.3%	3.1%	3.3%	2.7%	2.6%	2.8%	2.8%	3.3%	3.7%	
Revenues ($mill)	11686	11024	11107	11404	11537	11529	11526	13431	15310	14206	*14120*	*15700*						
Net Profit ($mill)	1021.3	1063.6	1123.4	1171.0	1261.0	1372.0	1473.0	1597.0	1736.0	1851.0	*1995*	*2200*						
Income Tax Rate	33.9%	35.8%	34.1%	30.7%	12.6%	8.5%	--	--	--	--	*NMF*	*NMF*						
AFUDC % to Net Profit	12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	10.7%	6.2%	5.9%	7.7%	*10.0%*	*9.0%*						
Long-Term Debt Ratio	53.0%	54.1%	56.3%	55.9%	56.4%	56.8%	57.4%	58.2%	57.8%	58.6%	*58.0%*	*61.0%*						
Common Equity Ratio	47.0%	45.9%	43.7%	44.1%	43.6%	43.2%	42.6%	41.8%	42.2%	41.4%	*42.0%*	*39.0%*						
Total Capital ($mill)	21714	23092	25216	25975	28025	30646	34220	37391	39488	42529	*47100*	*53200*						
Net Plant ($mill)	28757	31206	32842	34329	36944	39483	42950	45457	48253	51642	*56225*	*62450*						
Return on Total Cap'l	6.0%	5.8%	5.7%	5.8%	5.7%	5.6%	5.4%	5.3%	5.5%	5.4%	*5.5%*	*5.0%*						
Return on Shr. Equity	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	10.5%	*10.0%*	*10.5%*						
Return on Com Equity E	10.0%	10.0%	10.2%	10.2%	10.3%	10.4%	10.1%	10.2%	10.4%	10.5%	*10.0%*	*10.5%*						
Retained to Com Eq	4.5%	4.3%	4.0%	3.9%	4.3%	4.4%	4.2%	4.2%	4.3%	4.3%	*4.0%*	*4.0%*						
All Div'ds to Net Prof	55%	57%	61%	62%	58%	58%	58%	59%	58%	59%	*62%*	*60%*						

	Target Price Range 2027	2028	2029
	160	120	100
	80	60	50
	40	30	20
			15

% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	15.2	13.6
3 yr.	12.0	14.7
5 yr.	26.0	70.9

© VALUE LINE PUB. LLC 27-29

CAPITAL STRUCTURE as of 9/30/24
Total Debt $28670 mill. **Due in 5 Yrs** $3790 mill.
LT Debt $27471 mill. **LT Interest** $1150 mill.
Incl. $218 mill. finance leases.
(Total Interest Coverage: 2.7x)

Leases, Uncapitalized Annual rentals $277 mill.
Pension Assets-12/23 $2690 mill.
Oblig. $2943 mill.

Pfd Stock None

Common Stock 574,241,745 shs.
as of 10/28/24
MARKET CAP: $37.4 billion (Large Cap)

ELECTRIC OPERATING STATISTICS

	2021	2022	2023
% Change Retail Sales (KWH)	+1.4	+1.2	-1.6
Resid'l Revs. per KWH (¢)	12.94	13.41	13.80
C & I Revs. per KWH (¢)	8.73	9.02	8.82
Capacity at Peak (Mw)	NA	NA	NA
Peak Load, Summer (Mw)	19849	20346	20512
Annual Load Factor (%)	NA	NA	NA
% Change Customers (yr-end)	NA	NA	NA
Fixed Charge Cov. (%)	262	255	245

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '21-'23 to '27-'29
Revenues	2.0%	3.0%	*3.0%*
"Cash Flow"	7.0%	7.0%	*6.0%*
Earnings	5.5%	6.5%	*6.5%*
Dividends	6.0%	6.5%	*6.0%*
Book Value	5.0%	6.0%	*5.5%*

Calendar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	3541	3068	3467	3355	13431
2022	3751	3424	4082	4053	15310
2023	4080	3022	3662	3442	14206
2024	3649	3028	3644	*3799*	*14120*
2025	*4100*	*3400*	*4125*	*4075*	*15700*

Calendar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.67	.58	1.13	.58	2.96
2022	.70	.60	1.18	.69	3.17
2023	.76	.52	1.23	.83	3.35
2024	.88	.54	1.25	*.88*	*3.55*
2025	*.90*	*.65*	*1.35*	*.90*	*3.80*

Calendar	QUARTERLY DIVIDENDS PAID B ■ † Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2021	.43	.4575	.4575	.4575	1.80
2022	.4575	.4875	.4875	.4875	1.92
2023	.4875	.52	.52	.52	2.05
2024	.52	.5475	.5475	.5475	2.16
2025	.5475				

BUSINESS: Xcel Energy Inc. is the parent of Northern States Power Company (NSP), which supplies electricity to MN, WI, ND, SD & MI & gas to MN, WI, ND & MI; Public Service Company of Colorado (PSCo), which supplies electricity & gas to CO; & Southwestern Public Service Company (SPS), which supplies electricity to TX and NM. Customers: 3.8 mill. electric, 2.2 mill. gas. Electric revenues: resid'l, 31%; comm'l & ind'l, 50%; other, 19%. Purchases 34% of power, owns 66%. Total electric mix: wind, 29%; gas, 23%; coal, 13%, nuclear, 24%, solar/other, 11%. Fuel cost: 40% of revenues. '23 deprec. rate: 3.6%. Employs 11,311. Chrmn., President, and CEO: Robert Frenzel. Inc.: MN. Addr.: 414 Nicollet Mall, Minneapolis, MN 55401. Tel.: 612-330-5500. Int.: www.xcelenergy.com.

Xcel Energy stock has recovered nicely from the sharp sell-off of March, 2024, which coincided with Texas wildfires caused by downed wires. Even with the most recent industry correction, the share price is up nearly 40% from its 2024 nadir. The overreaction came at a time when the complete damages could not yet be assessed and the fires were still raging. It also came when the company was already mired in an ongoing investigation into the causes of the late 2021 Marshall fire in Colorado, with estimated damages of $2 billion. Subsequently, it has been found that physical damages in the Texas panhandle are likely to be around half of the company's $500 million of insurance per incident. The company has already settled nearly 50% of the cases and Texas law typically doesn't support major punitive damages.

Meanwhile, hundreds of Colorado wildfire claims have been combined into one case regarding liability, tentatively schedule for September of this year. Colorado law caps punitive damages at three times actual damages, so there is the potential for billions in payouts. But, there is also a fairly high hurdle for proving negligence in Colorado, which differs markedly from California law, for instance. Net of insurance, we'd be surprised if Xcel was liable for more than $1.5 billion, which is a manageable amount.

The company shored up its balance sheet with a substantial equity offering late last year. About 18 million shares were priced at $65.50 each, raising $1.2 billion. That the company was able to fetch a valuation of 18.5 times expected 2024 adjusted earnings of $3.55 per share is a testament to the Street's confidence in Xcel's ongoing business prospects. The company's diversification across several major service areas affords it financial resources few in the electric utility industry can match. Xcel always seems to have its ducks in a row in its rate cases and resource plans. It will likely find increased avenues of investment via mitigation work in response to these wildfire tragedies.

This stock is untimely. We'd want to see about a 10% pullback in the share price before comfortably recommending XEL to long-term utility investors.

Anthony J. Glennon *January 17, 2025*

(A) Diluted EPS. Excl. nonrec. gain/(losses): '10, 5¢; '15, (16¢); '17, (5¢); '23, (14¢); gain/(loss) on discontinued ops.: '09, (1¢); '10, 1¢. Qtly. EPS may not sum to full yr. due to rounding. Next egs. report due Feb. 6th.
(B) Div'ds typically paid mid-Jan., Apr., July, and Oct. ■ Div'd reinvestment plan available. † Shareholder investment plan available.
(C) Incl. intangibles. In '23: $2798 mill., $5.04/sh. **(D)** In mill. **(E)** Rate base: Varies. Rate allowed on common equity (blended): 9.6%. Regulatory Climate: Average.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	55
Earnings Predictability	100

© 2025 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-VALUELINE

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Seven Natural Gas Distribution Companies	Proxy Group of Fifteen Electric Companies
1.	Prospective Yield on Aaa Rated Corporate Bonds (1)	5.35 %	5.35 %
2.	Adjustment to Reflect Yield Spread Between Aaa Rated Corporate Bonds and A2 Rated Public Utility Bonds (2)	0.38	0.38
3.	Adjusted Prospective Yield on A2 Rated Public Utility Bonds	5.73 %	5.73 %
4.	Adjustment to Reflect Bond Rating Difference of Proxy Group	0.07 (3)	0.13 (4)
5.	Adjusted Bond Yield	5.80 %	5.86 %
6.	Equity Risk Premium (5)	5.06	4.93
7.	Risk Premium Derived Common Equity Cost Rate	10.86 %	10.79 %

Notes: (1) Consensus forecast of Moody's Aaa Rated Corporate bonds from Blue Chip Financial Forecasts (see pages 7 and 8 of this Schedule).
(2) The average yield spread of A2 rated public utility bonds over Aaa rated corporate bonds of 0.38% from page 2 of this Schedule.
(3) Adjustment to reflect the A3 Moody's LT issuer rating of the Proxy Group of Seven Natural Gas Distribution Companies as shown on page 3 of this Schedule. The 0.07% upward adjustment is derived by taking 1/3 of the spread between A2 and Baa2 Public Utility Bonds (1/3 * 0.20% = 0.07%) as derived from page 2 of this Schedule.
(4) Adjustment to reflect the Baa1 Moody's LT issuer rating of the Proxy Group of Fifteen Electric Companies as shown on page 3 of this Schedule. The 0.13% upward adjustment is derived by taking 2/3 of the spread between A2 and Baa2 Public Utility Bonds (2/3 * 0.20% = 0.13%) as derived from page 2 of this Schedule.
(5) From page 5 of this Schedule.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Interest Rates and Bond Spreads for
Moody's Corporate and Public Utility Bonds

Selected Bond Yields

	[1] Aaa Rated Corporate Bond	[2] A2 Rated Public Utility Bond	[3] Baa2 Rated Public Utility Bond
Feb-2025	5.32 %	5.73 %	5.90 %
Jan-2025	5.46	5.81	6.05
Dec-2024	5.20	5.58	5.77
Average	5.33 %	5.71 %	5.91 %

Selected Bond Spreads

A2 Rated Public Utility Bonds Over Aaa Rated Corporate Bonds: 0.38 % (1)

Baa2 Rated Public Utility Bonds Over A2 Rated Public Utility Bonds: 0.20 % (2)

Notes:
(1) Column [2] - Column [1].
(2) Column [3] - Column [2].

Source of Information:
Bloomberg Professional Services

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Forty-Nine Non-Price Regulated Companies

	Moody's Long-Term Issuer Rating February 2025		Standard & Poor's Long-Term Issuer Rating February 2025	
Proxy Group of Seven Natural Gas Distribution Companies	Long-Term Issuer Rating (1)	Numerical Weighting (2)	Long-Term Issuer Rating (1)	Numerical Weighting (2)
Atmos Energy Corporation	A1	5.0	A-	7.0
New Jersey Resources Corporation	A1	5.0	NR	- -
NiSource Inc.	Baa1	8.0	BBB+	8.0
Northwest Natural Holding Company	Baa1	8.0	A+	5.0
ONE Gas, Inc.	A3	7.0	A-	7.0
Southwest Gas Holdings, Inc.	Baa1	8.0	BBB	9.0
Spire Inc.	A1/A2	5.5	BBB+	8.0
Average	A3	6.6	A-	7.3

Proxy Group of Fifteen Electric Companies	Long-Term Issuer Rating (1)	Numerical Weighting (2)	Long-Term Issuer Rating (1)	Numerical Weighting (2)
Alliant Energy Corporation	Baa1	8.0	A/A-	6.5
Ameren Corporation	A3	7.0	BBB+	8.0
American Electric Power Corporation	Baa1	8.0	BBB+	8.0
Duke Energy Corporation	A3	7.0	BBB+	8.0
Edison International	Baa1	8.0	BBB	9.0
Entergy Corporation	Baa1	8.0	BBB+	8.0
Evergy, Inc.	Baa1	8.0	BBB+	8.0
IDACORP, Inc.	Baa1	8.0	BBB	9.0
North Western Corporation	Baa2	9.0	BBB	9.0
OGE Energy Corporation	A3	7.0	A-	7.0
Pinnacle West Capital Corporation	Baa1	8.0	BBB+	8.0
Portland General Electric Company	A3	7.0	BBB+	8.0
Southern Company	A2/A3	6.5	A-	7.0
TXNM Energy, Inc.	Baa1/Baa2	8.5	BBB+/BBB	8.5
Xcel Energy Inc.	A3	7.0	BBB+	8.0
Average	Baa1	7.7	BBB+	8.0

Notes:
(1) Ratings are that of the average of each company's utility operating subsidiaries.
(2) From page 4 of this Schedule.

Source Information: Moody's Investors Service
Standard & Poor's Global Utilities Rating Service

Numerical Assignment for Moody's and Standard & Poor's Bond Ratings

Moody's Bond Rating	Numerical Bond Weighting	Standard & Poor's Bond Rating
Aaa	1	AAA
Aa1	2	AA+
Aa2	3	AA
Aa3	4	AA-
A1	5	A+
A2	6	A
A3	7	A-
Baa1	8	BBB+
Baa2	9	BBB
Baa3	10	BBB-
Ba1	11	BB+
Ba2	12	BB
Ba3	13	BB-
B1	14	B+
B2	15	B
B3	16	B-

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Judgment of Equity Risk Premium for the
Proxy Group of Forty-Nine Non-Price Regulated Companies

Line No.		Proxy Group of Seven Natural Gas Distribution Companies	Proxy Group of Fifteen Electric Companies
1.	Calculated equity risk premium based on the total market using the beta approach (1)	5.68 %	5.25 %
2.	Mean equity risk premium based on a study using the holding period returns of public utilities with A2 rated bonds (2)	4.76	4.76
3.	Predicted Equity Risk Premium Based on Regression Analysis of 848 Fully-Litigated Natural Gas Rate Cases (3)	4.73	NA
4.	Predicted Equity Risk Premium Based on Regression Analysis of 1,257 Fully-Litigated Electric Rate Cases (4)	NA	4.77
5.	Average equity risk premium	5.06 %	4.93 %

Notes: (1) From page 6 of this Schedule.
(2) From page 9 of this Schedule.
(3) From page 10 of this Schedule.
(3) From page 11 of this Schedule.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Line No.	Equity Risk Premium Measure	Proxy Group of Seven Natural Gas Distribution Companies	Proxy Group of Fifteen Electric Companies
1.	Kroll Equity Risk Premium (1)	6.10 %	6.10 %
2.	Regression on Kroll Risk Premium Data (2)	6.82	6.82
3.	Kroll Equity Risk Premium based on PRPM (3)	7.32	7.32
4	Equity Risk Premium Based on Value Line Summary and Index (4)	5.85	5.85
5.	Equity Risk Premium Based on Bloomberg, Value Line, and S&P Global Market Intelligence S&P 500 Companies (5)	9.88	9.88
6.	Conclusion of Equity Risk Premium	7.19 %	7.19 %
7.	Adjusted Beta (6)	0.79	0.73
8.	Forecasted Equity Risk Premium	5.68 %	5.25 %

Notes:

(1) Based on the arithmetic mean historical monthly returns on large company common stocks from Kroll Cost of Capital Navigator and Bloomberg Professional Services minus the arithmetic mean monthly yield of Moody's average Aaa and Aa2 corporate bonds from 1928-2024.

(2) This equity risk premium is based on a regression of the monthly equity risk premiums of large company common stocks relative to Moody's average Aaa and Aa2 rated corporate bond yields from 1928-2024 referenced in Note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the average consensus forecast of Aaa corporate bonds of 5.35% (from page 1 of this Schedule).

(3) The Predictive Risk Premium Model (PRPM) is discussed in the accompanying direct testimony. The Ibbotson equity risk premium based on the PRPM is derived by applying the PRPM to the monthly risk premiums between Ibbotson large company common stock monthly returns and average Aaa and Aa corporate monthly bond yields, from January 1928 through February 2025.

(4) The equity risk premium based on the Value Line Summary and Index is derived by subtracting the average consensus forecast of Aaa corporate bonds of 5.35% (from page 1 of this Schedule) from the projected 3-5 year total annual market return of 11.20% (described fully in note 1 on page 2 of Schedule (ROR)-5).

(5) Using data from the Bloomberg Professional Services, Value Line, and S&P Global Market Intelligence for the S&P 500 for the S&P 500, an expected total return of 15.23% was derived based upon expected dividend yields as a proxy for income returns and long-term earnings growth estimates as a proxy for capital appreciation. Subtracting the average consensus forecast of Aaa corporate bonds of 5.35% results in an expected equity risk premium of 9.88%.

(6) Average of mean and median beta for each proxy group from page 1 of Schedule (ROR)-5.

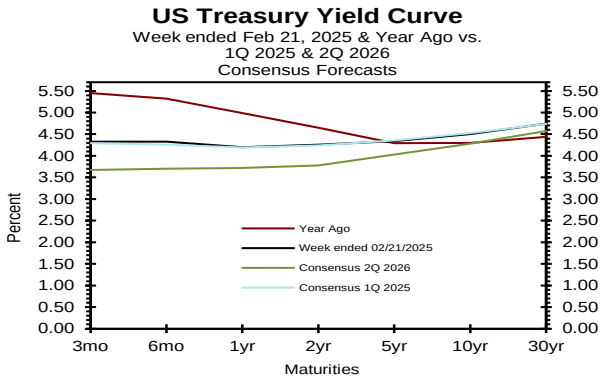
Sources of Information:

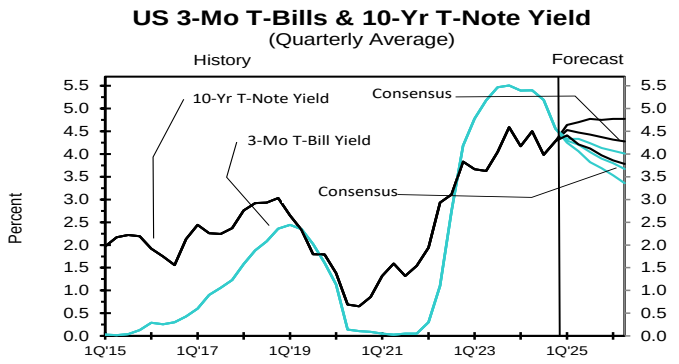
Kroll Cost of Capital Navigator
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, November 27, 2024 and February 28, 2025
S&P Capital IQ
Bloomberg Professional Services

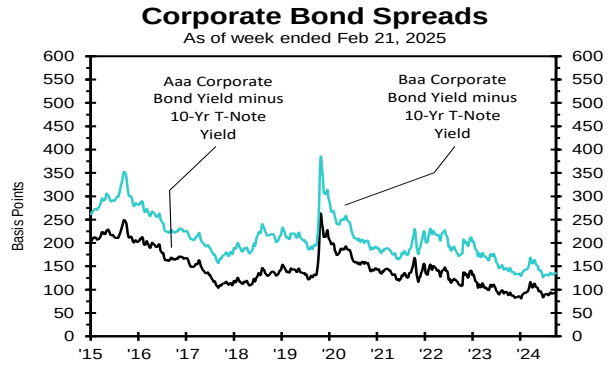
Consensus Forecasts of U.S. Interest Rates and Key Assumptions

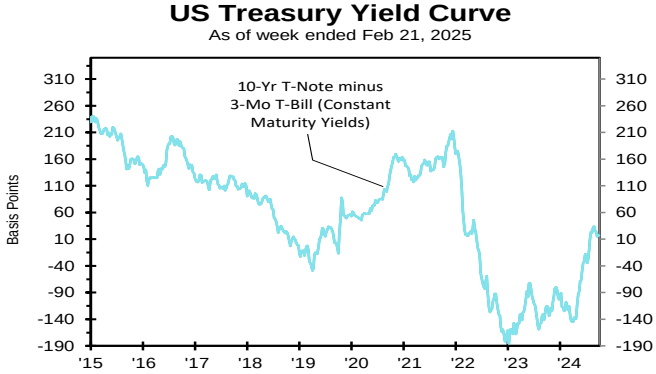
	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			*Latest Qtr*	1Q	2Q	3Q	4Q	1Q	2Q
Interest Rates	Feb 21	Feb 14	Feb 7	Jan 31	Jan	Dec	Nov	4Q 2024	2025	2025	2025	2025	2026	2026
Federal Funds Rate	4.33	4.33	4.33	4.33	4.33	4.48	4.64	4.65	**4.4**	**4.3**	**4.1**	**4.0**	**3.9**	**3.8**
Prime Rate	7.50	7.50	7.50	7.50	7.50	7.65	7.81	7.82	**7.5**	**7.4**	**7.3**	**7.1**	**7.0**	**6.9**
SOFR	4.34	4.33	4.34	4.36	4.32	4.53	4.64	4.67	**4.3**	**4.3**	**4.1**	**4.0**	**3.9**	**3.7**
Commercial Paper, 1-mo.	4.32	4.31	4.30	4.30	4.32	4.50	4.62	4.63	**4.3**	**4.3**	**4.1**	**4.0**	**3.9**	**3.7**
Treasury bill, 3-mo.	4.33	4.35	4.34	4.31	4.34	4.39	4.62	4.58	**4.3**	**4.2**	**4.0**	**3.9**	**3.8**	**3.7**
Treasury bill, 6-mo.	4.33	4.32	4.28	4.27	4.26	4.32	4.43	4.40	**4.3**	**4.1**	**4.0**	**3.9**	**3.8**	**3.7**
Treasury bill, 1 yr.	4.20	4.26	4.20	4.15	4.18	4.23	4.33	4.25	**4.2**	**4.1**	**4.0**	**3.9**	**3.8**	**3.7**
Treasury note, 2 yr.	4.26	4.30	4.23	4.19	4.27	4.23	4.26	4.15	**4.2**	**4.1**	**4.0**	**3.9**	**3.9**	**3.8**
Treasury note, 5 yr.	4.34	4.38	4.30	4.33	4.43	4.25	4.23	4.13	**4.4**	**4.3**	**4.2**	**4.1**	**4.1**	**4.0**
Treasury note, 10 yr.	4.50	4.53	4.49	4.55	4.63	4.39	4.36	4.28	**4.5**	**4.5**	**4.4**	**4.4**	**4.3**	**4.3**
Treasury note, 30 yr.	4.74	4.74	4.70	4.78	4.85	4.58	4.54	4.50	**4.7**	**4.7**	**4.7**	**4.6**	**4.6**	**4.6**
Corporate Aaa bond	5.43	5.45	5.41	5.47	5.55	5.29	5.23	5.20	**5.5**	**5.4**	**5.4**	**5.4**	**5.4**	**5.4**
Corporate Baa bond	5.85	5.88	5.84	5.88	5.97	5.71	5.66	5.63	**6.2**	**6.2**	**6.2**	**6.2**	**6.2**	**6.2**
State & Local bonds	4.18	4.19	4.16	4.14	4.18	4.10	4.08	4.08	**4.4**	**4.4**	**4.4**	**4.4**	**4.4**	**4.4**
Home mortgage rate	6.85	6.87	6.89	6.95	6.96	6.72	6.81	6.65	**6.9**	**6.8**	**6.7**	**6.6**	**6.5**	**6.5**
	History								Consensus Forecasts-Quarterly					
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
Key Assumptions	2023	2023	2023	2023	2024	2024	2024	2024	2025	2025	2025	2025	2026	2026
Fed's AFE $ Index	115.5	114.6	115.0	116.6	115.5	117.3	114.9	117.9	**119.9**	**120.0**	**119.3**	**118.5**	**118.0**	**117.5**
Real GDP	2.8	2.4	4.4	3.2	1.6	3.0	3.1	2.3	**2.3**	**2.0**	**1.9**	**1.9**	**2.0**	**2.0**
GDP Price Index	3.6	1.9	3.2	1.5	3.0	2.5	1.9	2.4	**2.7**	**2.5**	**2.5**	**2.5**	**2.5**	**2.2**
Consumer Price Index	3.7	3.0	3.5	2.8	3.7	2.8	1.4	3.0	**3.5**	**2.7**	**2.6**	**2.6**	**2.6**	**2.5**
PCE Price Index	3.9	2.9	2.7	1.7	3.4	2.5	1.5	2.4	**2.8**	**2.6**	**2.5**	**2.5**	**2.5**	**2.3**

Forecasts for interest rates and the Federal Reserve's Advanced Foreign Economies Index represent averages for the quarter. Forecasts for Real GDP, GDP Price Index, CPI and PCE Price Index are seasonally adjusted annual rates of change (saar). Individual panel members' forecasts are on pages 4 through 9. Historical data: Treasury rates from the Federal Reserve Board's H.15; AAA-AA and A-BBB corporate bond yields from Bank of America-Merrill Lynch and are 15+ years, yield to maturity; State and local bond yields from Bank of America-Merrill Lynch, A-rated, yield to maturity; Mortgage rates from Freddie Mac, 30-year, fixed; SOFR from the New York Fed. All interest rate data are sourced from Haver Analytics. Historical data for Fed's Major Currency Index are from FRSR H.10. Historical data for Real GDP, GDP Price Index and PCE Price Index are from the Bureau of Economic Analysis (BEA). Consumer Price Index history is from the Department of Labor's Bureau of Labor Statistics (BLS).









Long-Range Survey:

The table below contains the results of our twice-annual long-range CONSENSUS survey. There are also Top 10 and Bottom 10 averages for each variable. Shown are consensus estimates for the years 2026 through 2030 and averages for the five-year periods 2026-2030 and 2031-2035. Apply these projections cautiously. Few if any economic, demographic and political forces can be evaluated accurately over such long time spans.

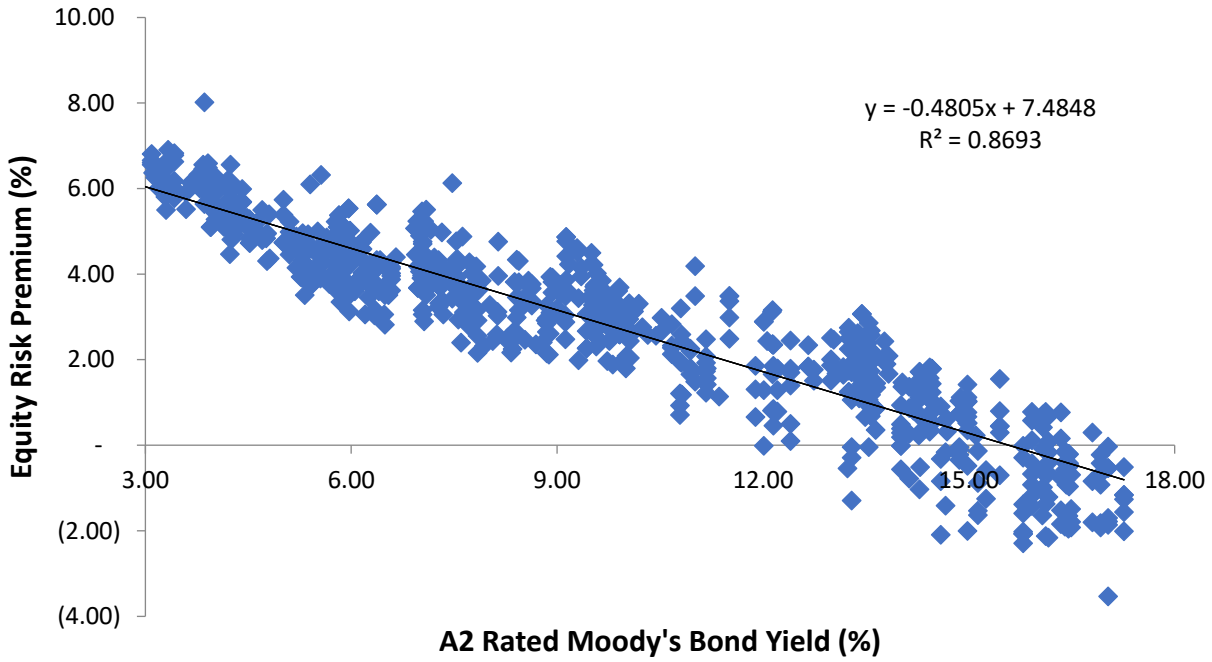
		Average For The Year					Five-Year Averages	
		2026	2027	2028	2029	2030	2026-2030	2031-2035
1. Federal Funds Rate	**CONSENSUS**	**3.4**	**3.3**	**3.3**	**3.2**	**3.2**	**3.3**	**3.2**
	Top 10 Average	3.7	3.7	3.6	3.7	3.7	3.7	3.6
	Bottom 10 Average	3.0	2.9	2.9	2.9	2.8	2.9	2.9
2. Prime Rate	**CONSENSUS**	**6.5**	**6.4**	**6.4**	**6.4**	**6.3**	**6.4**	**6.3**
	Top 10 Average	6.8	6.8	6.7	6.8	6.7	6.7	6.7
	Bottom 10 Average	6.2	6.1	6.1	6.0	5.9	6.1	5.9
3. SOFR	**CONSENSUS**	**3.3**	**3.3**	**3.3**	**3.3**	**3.3**	**3.3**	**3.3**
	Top 10 Average	3.6	3.6	3.6	3.6	3.6	3.6	3.6
	Bottom 10 Average	3.1	3.0	3.0	2.9	2.9	3.0	2.9
4. Commercial Paper, 1-Mo	**CONSENSUS**	**3.4**	**3.4**	**3.4**	**3.4**	**3.3**	**3.4**	**3.3**
	Top 10 Average	3.6	3.6	3.6	3.6	3.6	3.6	3.6
	Bottom 10 Average	3.2	3.1	3.1	3.0	3.0	3.1	3.0
5. Treasury Bill Yield, 3-Mo	**CONSENSUS**	**3.3**	**3.3**	**3.2**	**3.2**	**3.2**	**3.3**	**3.2**
	Top 10 Average	3.6	3.6	3.5	3.6	3.6	3.6	3.5
	Bottom 10 Average	3.1	3.0	2.9	2.9	2.8	2.9	2.8
6. Treasury Bill Yield, 6-Mo	**CONSENSUS**	**3.4**	**3.3**	**3.3**	**3.2**	**3.2**	**3.3**	**3.2**
	Top 10 Average	3.6	3.6	3.6	3.6	3.6	3.6	3.6
	Bottom 10 Average	3.1	3.0	3.0	2.9	2.8	3.0	2.9
7. Treasury Bill Yield, 1-Yr	**CONSENSUS**	**3.4**	**3.4**	**3.3**	**3.3**	**3.3**	**3.3**	**3.3**
	Top 10 Average	3.7	3.7	3.6	3.6	3.6	3.6	3.6
	Bottom 10 Average	3.2	3.1	3.0	3.0	2.9	3.0	2.9
8. Treasury Note Yield, 2-Yr	**CONSENSUS**	**3.6**	**3.6**	**3.5**	**3.5**	**3.5**	**3.5**	**3.5**
	Top 10 Average	3.9	3.9	3.9	3.9	3.9	3.9	3.9
	Bottom 10 Average	3.3	3.2	3.1	3.1	3.0	3.1	3.0
9. Treasury Note Yield, 5-Yr	**CONSENSUS**	**3.8**	**3.8**	**3.8**	**3.8**	**3.7**	**3.8**	**3.8**
	Top 10 Average	4.2	4.3	4.3	4.3	4.3	4.3	4.3
	Bottom 10 Average	3.4	3.4	3.3	3.3	3.2	3.3	3.2
10. Treasury Note Yield, 10-Yr	**CONSENSUS**	**4.0**	**4.1**	**4.0**	**4.0**	**3.9**	**4.0**	**4.0**
	Top 10 Average	4.5	4.6	4.5	4.5	4.5	4.5	4.5
	Bottom 10 Average	3.6	3.5	3.4	3.4	3.3	3.5	3.4
11. Treasury Bond Yield, 30-Yr	**CONSENSUS**	**4.3**	**4.4**	**4.3**	**4.3**	**4.2**	**4.3**	**4.2**
	Top 10 Average	4.7	4.8	4.8	4.8	4.8	4.8	4.7
	Bottom 10 Average	3.9	3.9	3.8	3.8	3.7	3.8	3.8
12. Corporate Aaa Bond Yield	**CONSENSUS**	**5.1**	**5.2**	**5.2**	**5.1**	**5.1**	**5.2**	**5.1**
	Top 10 Average	5.5	5.7	5.6	5.6	5.6	5.6	5.5
	Bottom 10 Average	4.8	4.8	4.7	4.7	4.6	4.7	4.6
13. Corporate Baa Bond Yield	**CONSENSUS**	**6.0**	**6.1**	**6.0**	**6.0**	**6.0**	**6.0**	**5.9**
	Top 10 Average	6.4	6.6	6.5	6.5	6.4	6.5	6.4
	Bottom 10 Average	5.7	5.7	5.6	5.6	5.5	5.6	5.5
14. State & Local Bonds Yield	**CONSENSUS**	**4.1**	**4.3**	**4.2**	**4.2**	**4.3**	**4.2**	**4.1**
	Top 10 Average	4.5	4.6	4.6	4.6	4.6	4.6	4.6
	Bottom 10 Average	3.8	3.9	3.9	3.9	3.9	3.9	3.6
15. Home Mortgage Rate	**CONSENSUS**	**6.2**	**6.1**	**6.0**	**6.0**	**5.9**	**6.0**	**5.9**
	Top 10 Average	6.6	6.6	6.5	6.4	6.4	6.5	6.4
	Bottom 10 Average	5.7	5.7	5.6	5.5	5.4	5.6	5.4
A. Fed's AFE Nominal $ Index	**CONSENSUS**	**115.5**	**115.0**	**114.5**	**113.9**	**113.2**	**114.4**	**112.6**
	Top 10 Average	117.0	116.3	115.8	115.3	114.8	115.8	114.6
	Bottom 10 Average	113.9	113.6	113.1	112.5	111.8	113.0	110.9
		Year-Over-Year, % Change					Five-Year Averages	
		2026	2027	2028	2029	2030	2026-2030	2031-2035
B. Real GDP	**CONSENSUS**	**1.9**	**2.0**	**2.0**	**2.0**	**2.0**	**2.0**	**1.9**
	Top 10 Average	2.2	2.3	2.3	2.2	2.2	2.2	2.2
	Bottom 10 Average	1.7	1.7	1.8	1.7	1.7	1.7	1.7
C. GDP Chained Price Index	**CONSENSUS**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**	**2.1**
	Top 10 Average	2.4	2.3	2.3	2.3	2.3	2.3	2.3
	Bottom 10 Average	2.1	2.0	2.0	2.0	2.0	2.0	2.0
D. Consumer Price Index	**CONSENSUS**	**2.4**	**2.3**	**2.2**	**2.2**	**2.2**	**2.2**	**2.2**
	Top 10 Average	2.6	2.5	2.4	2.5	2.4	2.5	2.4
	Bottom 10 Average	2.1	2.0	2.0	2.0	2.0	2.0	2.0
E. PCE Price Index	**CONSENSUS**	**2.2**	**2.2**	**2.1**	**2.1**	**2.1**	**2.2**	**2.1**
	Top 10 Average	2.5	2.3	2.3	2.3	2.3	2.3	2.3
	Bottom 10 Average	2.0	2.0	1.9	2.0	2.0	2.0	2.0

Projected Market Appreciation of the S&P Utility Index
Derivation of Mean Equity Risk Premium Based Studies
Using Holding Period Returns and
Projected Market Appreciation of the S&P Utility Index

Line No.		Implied Equity Risk Premium
1.	Historical Equity Risk Premium (1)	4.16 %
2.	Regression of Historical Equity Risk Premium (2)	4.80
3	Forecasted Equity Risk Premium Based on PRPM (3)	5.07
4.	Forecasted Equity Risk Premium based on Projected Total Return on the S&P Utilities Index (Bloomberg, Value Line, and S&P Capital IQ Data) (4)	5.00
5.	Average Equity Risk Premium (5)	4.76 %

Notes:
(1) Based on S&P Public Utility Index monthly total returns and Moody's Public Utility Bond average monthly yields from 1928-2024. Holding period returns are calculated based upon income received (dividends and interest) plus the relative change in the market value of a security over a one-year holding period.
(2) This equity risk premium is based on a regression of the monthly equity risk premiums of the S&P Utility Index relative to Moody's A2 rated public utility bond yields from 1928 - 2024 referenced in note 1 above. Using the equation generated from the regression, an expected equity risk premium is calculated using the prospective A2 rated public utility bond yield of 5.73% (from line 3, page 1 of this Schedule).
(3) The Predictive Risk Premium Model (PRPM) is applied to the risk premium of the monthly total returns of the S&P Utility Index and the monthly yields on Moody's A2 rated public utility bonds from January 1928 - February 2025.
(4) Using data from Bloomberg, Value Line, and S&P Capital IQ for the S&P Utilities Index, an expected return of 10.73% was derived based on expected dividend yields as a proxy for income returns and long-term growth estimates as a proxy for market appreciation. Subtracting the expected A2 rated public utility bond yield of 5.73%, calculated on line 3 of page 1 of this Schedule results in an equity risk premium of 5.00%. (10.73% - 5.73% = 5.00%).
(5) Average of lines 1 through 4.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Prediction of Equity Risk Premiums Relative to
Moody's A2 Rated Utility Bond Yields - Natural Gas Utilities



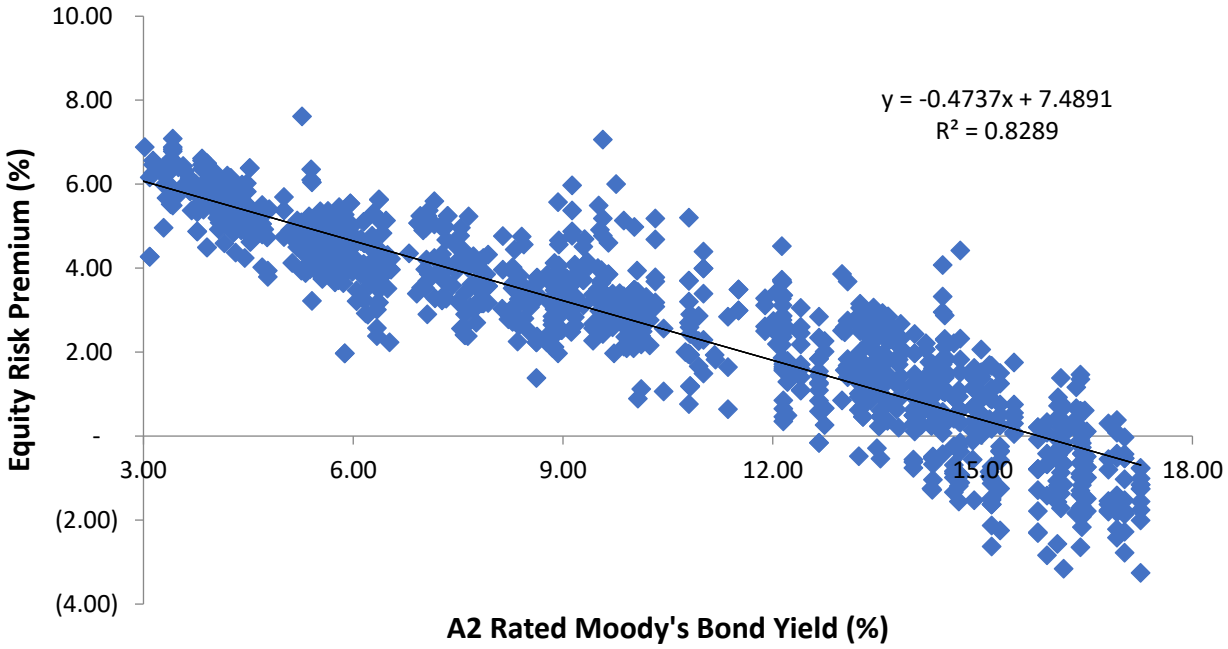
Constant	Slope	Prospective A2 Rated Utility Bond (1)	Equity Risk Premium
7.4848 %	-0.480	5.73 %	4.73 %

Notes:

(1) From line 3 of page 1 of this Schedule.

Source of Information: Regulatory Research Associates.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Prediction of Equity Risk Premiums Relative to
Moody's A2 Rated Utility Bond Yields - Electric Utilities



Constant	Slope	Prospective A2 Rated Utility Bond (1)	Equity Risk Premium
7.4891 %	-0.4737	5.73 %	4.77 %

Notes:

(1) From line 3 of page 1 of this Schedule.

Source of Information: Regulatory Research Associates.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Indicated Common Equity Cost Rate Through Use
of the Traditional Capital Asset Pricing Model (CAPM) and Empirical Capital Asset Pricing Model (ECAPM)

Proxy Group of Seven Natural Gas Distribution Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Seven Natural Gas Distribution Companies	Value Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Atmos Energy Corporation	0.90	0.60	0.75	8.15 %	4.55 %	10.66 %	11.17 %	10.92 %
New Jersey Resources Corporation	1.00	0.60	0.80	8.15	4.55	11.07	11.48	11.27
NiSource Inc.	0.95	0.61	0.78	8.15	4.55	10.91	11.36	11.13
Northwest Natural Holding Company	0.90	0.69	0.80	8.15	4.55	11.07	11.48	11.27
ONE Gas, Inc.	0.85	0.62	0.74	8.15	4.55	10.58	11.11	10.85
Southwest Gas Holdings, Inc.	0.95	0.85	0.90	8.15	4.55	11.89	12.09	11.99 (4)
Spire Inc.	0.90	0.65	0.78	8.15	4.55	10.91	11.36	11.13
Mean			0.79			11.01 %	11.44 %	11.10 %
Median			0.78			10.91 %	11.36 %	11.13 %
Average of Mean and Median			0.79			10.96 %	11.40 %	11.12 %

Notes on page 2 of this Schedule.

Proxy Group of Fifteen Electric Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Fifteen Electric Companies	Value Line Adjusted Beta	Bloomberg Adjusted Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Alliant Energy Corporation	0.90	0.54	0.72	8.15 %	4.55 %	10.42 %	10.99 %	10.70 %
Ameren Corporation	0.90	0.52	0.71	8.15	4.55	10.34	10.93	10.63
American Electric Power Corporation	0.85	0.45	0.65	8.15	4.55	9.85	10.56	10.21
Duke Energy Corporation	0.90	0.43	0.66	8.15	4.55	9.93	10.62	10.28
Edison International	1.05	0.66	0.86	8.15	4.55	11.56	11.85	11.70
Entergy Corporation	1.00	0.56	0.78	8.15	4.55	10.91	11.36	11.13
Evergy, Inc.	0.95	0.54	0.75	8.15	4.55	10.66	11.17	10.92
IDACORP, Inc.	0.85	0.51	0.68	8.15	4.55	10.09	10.75	10.42
North Western Corporation	1.00	0.69	0.84	8.15	4.55	11.40	11.72	11.56
OGE Energy Corporation	1.05	0.65	0.85	8.15	4.55	11.48	11.78	11.63
Pinnacle West Capital Corporation	0.95	0.51	0.73	8.15	4.55	10.50	11.05	10.78
Portland General Electric Company	0.95	0.61	0.78	8.15	4.55	10.91	11.36	11.13
Southern Company	0.95	0.45	0.70	8.15	4.55	10.26	10.87	10.56
TXNM Energy, Inc.	0.90	0.42	0.66	8.15	4.55	9.93	10.62	10.28
Xcel Energy Inc.	0.85	0.40	0.62	8.15	4.55	9.60	10.38	9.99
Mean			0.73			10.52 %	11.07 %	10.79 %
Median			0.72			10.42 %	10.99 %	10.70 %
Average of Mean and Median			0.73			10.47 %	11.03 %	10.75 %

Notes on page 2 of this Schedule.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Notes to Accompany the Application of the CAPM and ECAPM

Notes:

(1) The market risk premium (MRP) is derived by using five different measures from four sources: Kroll, Value Line, Bloomberg, and S&P Capital IQ as illustrated below:

Measure 1: Kroll Arithmetic Mean MRP (1926-2024)

Arithmetic Mean Monthly Returns for Large Stocks 1926-2024:	12.29 %
Arithmetic Mean Income Returns on Long-Term Government Bonds:	4.99
MRP based on Kroll Historical Data:	7.31 %

Measure 2: Application of a Regression Analysis to Kroll Historical Data
(1926-2024) 7.94 %

Measure 3: Application of the PRPM to Kroll Historical Data
(January 1926 - February 2025) 8.18 %

Measure 4: Value Line Projected MRP (Thirteen weeks ending February 28, 2025)

Total projected return on the market 3-5 years hence*:	11.20 %
Risk-Free Rate (see notes 2 and 3):	4.55
MRP based on Value Line Summary & Index:	6.65 %

*Forcasted 3-5 year capital appreciation plus expected dividend yield

Measure 5: Bloomberg, Value Line, and S&P Capital IQ Projected Return on the Market based on the S&P 500

Total return on the Market based on the S&P 500:	15.23 %
Risk-Free Rate (see notes 2 and 3):	4.55
MRP based on Bloomberg, Value Line, and S&P Capital IQ data	10.68 %

Average of all MRP Measures: 8.15 %

(2) For reasons explained in the Direct Testimony, the appropriate risk-free rate for cost of capital purposes is the average forecast of 30 year Treasury Bonds per the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts. (See pages 7 and 8 of Schedule (ROR)-4.) The projection of the risk-free rate is illustrated below:

First Quarter 2025	4.70 %
Second Quarter 2025	4.70
Third Quarter 2025	4.70
Fourth Quarter 2025	4.60
First Quarter 2026	4.60
Second Quarter 2026	4.60
2026-2030	4.30
2031-2035	4.20
	4.55 %

(3) Average of Column 6 and Column 7.

Sources of Information:
Value Line Summary and Index
Blue Chip Financial Forecasts, November 27, 2024 and February 28, 2025
Kroll Cost of Capital Navigator
S&P Capital IQ
Bloomberg Professional Services

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Proxy Group of Seven Natural Gas Distribution Companies

The criteria for selection of the proxy group of non-price regulated companies comparable in total risk to the proxy group of seven natural gas distribution companies was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The proxy group of non-price regulated companies was selected based on the unadjusted beta range of 0.64 - 0.92 and residual standard error of the regression range of 2.8368 - 3.3832 of the proxy group of seven natural gas distribution companies.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus three standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the proxy group of seven natural gas distribution companies' residual standard error of the regression is 0.1366. The standard deviation of the standard error of the

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus,} \quad 0.1366 = \frac{3.1100}{\sqrt{518}} = \frac{3.1100}{22.7596}$$

Source of Information: Value Line Proprietary Database, December 2024.
Value Line Investment Survey (Standard Edition).

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Basis of Selection of the Group of Non-Price Regulated Companies
Comparable in Total Risk to the Proxy Group of Fifteen Electric Companies

The criteria for selection of the proxy group of non-price regulated companies comparable in total risk to the proxy group of fifteen electric companies was that the non-price regulated companies be domestic and reported in Value Line Investment Survey (Standard Edition).

The proxy group of non-price regulated companies was selected based on the unadjusted beta range of 0.71 - 0.97 and residual standard error of the regression range of 2.6065 - 3.1089 of the proxy group of fifteen electric companies.

These ranges are based upon plus or minus two standard deviations of the unadjusted beta and standard error of the regression. Plus or minus three standard deviations captures 95.50% of the distribution of unadjusted betas and residual standard errors of the regression.

The standard deviation of the proxy group of fifteen electric companies' residual standard error of the regression is 0.1256. The standard deviation of the standard error of the regression is

$$\text{Standard Deviation of the Std. Err. of the Regr.} = \frac{\text{Standard Error of the Regression}}{\sqrt{2N}}$$

where: N = number of observations. Since Value Line betas are derived from weekly price change observations over a period of five years, N = 259

$$\text{Thus,} \quad 0.1256 = \frac{2.8577}{\sqrt{518}} = \frac{2.8577}{22.7596}$$

Source of Information: Value Line Proprietary Database, December 2024.
Value Line Investment Survey (Standard Edition).

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Basis of Selection of Comparable Risk
Domestic Non-Price Regulated Companies

Proxy Group of Seven Natural Gas Distribution Companies	[1] Value Line Adjusted Beta	[2] Unadjusted Beta	[3] Residual Standard Error of the Regression	[4] Standard Deviation of Beta
Atmos Energy Corporation	0.85	0.75	2.8989	0.0647
New Jersey Resources Corporation	0.95	0.91	3.0464	0.0680
NiSource Inc.	0.90	0.83	2.6470	0.0591
Northwest Natural Holding Company	0.85	0.71	3.3761	0.0754
ONE Gas, Inc.	0.85	0.71	3.2540	0.0726
Southwest Gas Holdings, Inc.	0.90	0.80	3.4852	0.0778
Spire Inc.	0.85	0.74	3.0953	0.0691
Average	0.88	0.78	3.1100	0.0700
Beta Range (+/- 2 std. Devs. of Beta)	0.64	0.92		
2 std. Devs. of Beta	0.14			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.8368	3.3832		
Std. dev. of the Res. Std. Err.	0.1366			
2 std. devs. of the Res. Std. Err.	0.2732			

Proxy Group of Fifteen Electric Companies	[1] Value Line Adjusted Beta	[2] Unadjusted Beta	[3] Residual Standard Error of the Regression	[4] Standard Deviation of Beta
Alliant Energy Corporation	0.90	0.79	2.8682	0.0640
Ameren Corporation	0.90	0.78	2.7253	0.0608
American Electric Power Corporation	0.80	0.68	2.8069	0.0627
Duke Energy Corporation	0.90	0.80	2.8177	0.0629
Edison International	1.00	0.96	3.0475	0.0680
Entergy Corporation	0.95	0.91	2.8593	0.0638
Evergy, Inc.	0.95	0.88	2.9738	0.0664
IDACORP, Inc.	0.85	0.71	2.7358	0.0611
North Western Corporation	0.95	0.89	2.8815	0.0643
OGE Energy Corporation	1.05	1.05	2.8365	0.0633
Pinnacle West Capital Corporation	0.95	0.88	3.0813	0.0688
Portland General Electric Company	0.90	0.83	2.9422	0.0657
Southern Company	0.95	0.87	2.7873	0.0622
TXNM Energy, Inc.	0.90	0.78	2.6718	0.0596
Xcel Energy Inc.	0.85	0.73	2.8298	0.0632
Average	0.92	0.84	2.8577	0.0638
Beta Range (+/- 2 std. Devs. of Beta)	0.71	0.97		
2 std. Devs. of Beta	0.13			
Residual Std. Err. Range (+/- 2 std. Devs. of the Residual Std. Err.)	2.6065	3.1089		
Std. dev. of the Res. Std. Err.	0.1256			
2 std. devs. of the Res. Std. Err.	0.2512			

Source of Information: Value Line Proprietary Database, December 2024.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

	[1]	[2]	[3]	[4]
Proxy Group of Forty-Nine Non-Price Regulated Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
Abbott Labs.	0.90	0.79	2.9573	0.0660
AbbVie Inc.	0.85	0.70	3.1365	0.0700
Air Products & Chem.	0.90	0.83	3.0324	0.0677
Alphabet Inc.	0.90	0.81	3.1907	0.0712
Altria Group	0.85	0.76	2.8948	0.0646
Apple Inc.	0.95	0.91	3.2127	0.0717
Assurant Inc.	0.90	0.79	3.0394	0.0679
AutoZone Inc.	0.95	0.88	3.2399	0.0723
Booz Allen Hamilton	0.85	0.74	3.2930	0.0735
Brady Corp.	0.95	0.90	2.8860	0.0644
BWX Technologies	0.80	0.68	3.2662	0.0729
CACI Int'l	0.90	0.80	3.0359	0.0678
Casey's Gen'l Stores	0.90	0.79	3.1661	0.0707
Cencora	0.80	0.66	2.9646	0.0662
CSW Industrials	0.90	0.77	3.2779	0.0732
CVS Health	0.90	0.79	3.3646	0.0751
Danaher Corp.	0.90	0.81	3.0286	0.0676
Dolby Labs.	0.95	0.87	2.9508	0.0659
Exponent, Inc.	0.95	0.88	3.3456	0.0747
Fastenal Co.	0.90	0.80	2.9253	0.0653
Franklin Electric	0.90	0.82	2.9333	0.0655
GATX Corp.	0.95	0.90	2.9875	0.0667
Henry (Jack) & Assoc	0.85	0.74	3.1928	0.0713
Hunt (J.B.)	0.95	0.91	3.2647	0.0729
Huntington Ingalls	0.95	0.89	3.3736	0.0753
L3Harris Technologie	0.90	0.83	3.1556	0.0711
Landstar System	0.80	0.65	2.8665	0.0640
Lockheed Martin	0.85	0.75	2.8741	0.0642
McKesson Corp.	0.85	0.70	3.1485	0.0703
Microsoft Corp.	0.90	0.78	2.8520	0.0637
MSC Industrial Direc	0.90	0.84	2.9545	0.0660
Oracle Corp.	0.85	0.70	3.0995	0.0692
O'Reilly Automotive	0.90	0.84	3.0259	0.0676
OSI Systems	0.90	0.81	3.2160	0.0718
Packaging Corp.	0.95	0.85	2.8607	0.0639
Pfizer, Inc.	0.80	0.67	3.1709	0.0708
Philip Morris Int'l	0.95	0.87	2.8750	0.0642
Prestige Consumer	0.85	0.75	3.3470	0.0747
Selective Ins. Group	0.85	0.74	2.9941	0.0668
Service Corp. Int'l	0.90	0.84	3.1842	0.0711
Sherwin-Williams	0.95	0.90	2.9254	0.0653
Smith (A.O.)	0.90	0.79	3.0828	0.0688
Thermo Fisher Sci.	0.85	0.77	2.8565	0.0638
UniFirst Corp.	0.90	0.81	3.0115	0.0672
UnitedHealth Group	0.95	0.90	3.1445	0.0702
Universal Corp.	0.80	0.68	3.2233	0.0720
VeriSign Inc.	0.90	0.80	2.8857	0.0644
Waters Corp.	0.95	0.86	3.2280	0.0721
Watsco, Inc.	0.85	0.76	3.1218	0.0697
Average	0.89	0.80	3.0829	0.0688
Proxy Group of Seven Natural Gas Distribution Companies	0.88	0.78	3.1100	0.0700

Source of Information: Value Line Proprietary Database, December 2024.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

	[1]	[2]	[3]	[4]
Proxy Group of Forty-Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Unadjusted Beta	Residual Standard Error of the Regression	Standard Deviation of Beta
3M Company	0.95	0.90	2.8096	0.0627
Abbott Laboratories	0.90	0.79	2.9573	0.0660
Agilent Technologies, Inc.	0.95	0.86	2.8368	0.0633
Air Products and Chemicals, Inc.	0.90	0.83	3.0324	0.0677
Allstate Corporation	1.00	0.94	2.7930	0.0624
Altria Group, Inc.	0.85	0.76	2.8948	0.0646
Analog Devices, Inc.	1.00	0.95	2.8971	0.0647
Archer-Daniels-Midland Company	0.95	0.89	2.7243	0.0608
Assurant, Inc.	0.90	0.79	3.0394	0.0679
Brady Corporation	0.95	0.90	2.8860	0.0644
Broadridge Financial Solutions, Inc.	0.90	0.82	2.7633	0.0617
Brown & Brown, Inc.	0.95	0.91	2.6119	0.0583
Brown-Forman Corporation 'B'	0.90	0.80	2.7338	0.0610
CACI International Inc	0.90	0.80	3.0359	0.0678
Cisco Systems, Inc.	0.85	0.75	2.8343	0.0633
Danaher Corporation	0.90	0.81	3.0286	0.0676
Dolby Laboratories, Inc.	0.95	0.87	2.9508	0.0659
Expeditors International	0.95	0.91	2.6741	0.0597
FactSet Research Systems Inc.	1.00	0.95	2.7486	0.0614
Fastenal Company	0.90	0.80	2.9253	0.0653
Federal Signal Corporation	0.95	0.91	2.7333	0.0610
Franklin Electric Co., Inc.	0.90	0.82	2.9333	0.0655
GATX Corporation	0.95	0.90	2.9875	0.0667
Gentex Corporation	1.00	0.93	2.6082	0.0582
Home Depot, Inc.	0.95	0.90	2.6215	0.0585
Ingredion, Inc.	0.90	0.79	2.6281	0.0587
Innospec Inc.	1.00	0.94	3.0243	0.0675
International Business Machines Corporation	0.90	0.85	2.6691	0.0596
Juniper Networks, Inc.	1.00	0.93	2.8368	0.0633
Lockheed Martin Corporation	0.85	0.75	2.8741	0.0642
Microsoft Corporation	0.90	0.78	2.8520	0.0637
Motorola Solutions, Inc.	0.95	0.85	2.7315	0.0610
MSA Safety, Inc.	0.95	0.92	3.0893	0.0690
MSC Industrial Direct Co., Inc.	0.90	0.84	2.9545	0.0660
O'Reilly Automotive, Inc.	0.90	0.84	3.0259	0.0676
Packaging Corporation of America	0.95	0.85	2.8607	0.0639
Philip Morris International Inc.	0.95	0.87	2.8750	0.0642
Selective Insurance Group, Inc.	0.85	0.74	2.9941	0.0668
Sensient Technologies Corporation	0.90	0.85	2.8202	0.0630
Sherwin-Williams Company	0.95	0.90	2.9254	0.0653
Smith Corporation (A.O.)	0.90	0.79	3.0828	0.0688
Texas Instruments Incorporated	0.85	0.77	2.7711	0.0619
Thermo Fisher Scientific Inc.	0.85	0.77	2.8565	0.0638
UniFirst Corporation	0.90	0.81	3.0115	0.0672
VeriSign, Inc.	0.90	0.80	2.8857	0.0644
Verisk Analytics, Inc.	0.90	0.78	2.7553	0.0615
Zoetis, Inc.	1.00	0.96	2.8162	0.0629
Average	0.92	0.85	2.8596	0.0638
Proxy Group of Fifteen Electric Companies	0.92	0.84	2.8577	0.0638

Source of Information: Value Line Proprietary Database, December 2024.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Summary of Cost of Equity Models Applied to
Proxy Group of Non-Price Regulated Companies
Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Principal Methods	Proxy Group of Forty-Nine Non-Price Regulated Companies	Proxy Group of Forty-Seven Non-Price Regulated Companies
Discounted Cash Flow Model (DCF) (1)	11.87 %	11.17 %
Risk Premium Model (RPM) (2)	12.27	12.29
Capital Asset Pricing Model (CAPM) (3)	11.75	11.89
Mean	11.96 %	11.78 %
Median	11.87 %	11.89 %
Average of Mean and Median	11.92 %	11.84 %

Notes:
(1) From pages 2-3 of this Schedule
(2) From page 4 of this Schedule
(3) From pages 8-9 of this Schedule

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution CompaniesProxy Group of Forty-Nine Non-Price Regulated Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Forty-Nine Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	S&P Capital IQ Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
Abbott Labs.	1.94 %	4.50 %	10.40 %	9.57 %	8.16 %	2.02 %	10.18 %
AbbVie Inc.	3.59	4.00	10.20	11.68	8.63	3.74	12.37
Air Products & Chem.	2.30	10.50	7.90	10.34	9.58	2.41	11.99
Alphabet Inc.	0.42	13.50	15.60	16.59	15.23	0.45	15.68
Altria Group	7.64	6.00	3.50	4.31	4.60	7.82	12.42
Apple Inc.	0.41	9.00	13.80	9.53	10.78	0.43	11.21
Assurant Inc.	1.51	9.50	NA	NA	9.50	1.58	11.08
AutoZone Inc.	-	11.50	11.80	12.73	12.01	-	NA
Booz Allen Hamilton	1.69	10.50	14.00	13.50	12.67	1.80	14.47
Brady Corp.	1.29	15.50	NA	11.00	13.25	1.38	14.63
BWX Technologies	0.87	9.00	10.10	10.92	10.01	0.91	10.92
CACI Int'l	-	4.50	14.10	14.08	10.89	-	NA
Casey's Gen'l Stores	0.48	12.00	12.60	12.53	12.38	0.51	12.89
Cencora	0.91	6.50	12.10	11.70	10.10	0.96	11.06
CSW Industrials	0.27	13.50	NA	12.50	13.00	0.29	13.29
CVS Health	4.93	0.50	11.30	23.31	11.70	5.22	16.92
Danaher Corp.	0.57	2.00	10.20	9.43	7.21	0.59	7.80
Dolby Labs.	1.64	9.50	NA	NA	9.50	1.72	11.22
Exponent, Inc.	1.32	7.50	NA	NA	7.50	1.37	8.87
Fastenal Co.	2.28	9.00	9.80	9.26	9.35	2.39	11.74
Franklin Electric	1.05	7.50	12.00	12.00	10.50	1.11	11.61
GATX Corp.	1.52	10.50	NA	NA	10.50	1.60	12.10
Henry (Jack) & Assoc	1.33	6.50	8.60	8.63	7.91	1.38	9.29
Hunt (J.B.)	1.02	6.00	16.40	12.48	11.63	1.08	12.71
Huntington Ingalls	2.88	10.00	11.10	11.08	10.73	3.03	13.76
L3Harris Technologie	2.25	9.00	7.30	7.88	8.06	2.34	10.40
Landstar System	0.84	6.00	NA	11.00	8.50	0.88	9.38
Lockheed Martin	2.78	12.00	7.80	6.45	8.75	2.90	11.65
McKesson Corp.	0.48	10.00	14.30	14.04	12.78	0.51	13.29
Microsoft Corp.	0.78	14.50	14.40	12.97	13.96	0.83	14.79
MSC Industrial Direc	4.21	0.50	NA	NA	0.50	4.22	4.72 (2)
Oracle Corp.	0.93	10.00	10.20	11.22	10.47	0.98	11.45
O'Reilly Automotive	-	10.50	12.80	12.12	11.81	-	NA
OSI Systems	-	10.50	12.90	14.05	12.48	-	NA
Packaging Corp.	2.21	9.00	8.30	11.31	9.54	2.32	11.86
Pfizer, Inc.	6.57	2.50	13.80	2.56	6.29	6.78	13.07
Philip Morris Int'l	4.09	5.00	8.20	9.87	7.69	4.25	11.94
Prestige Consumer	-	5.50	7.00	7.67	6.72	-	NA
Selective Ins. Group	1.68	10.50	NA	16.40	13.45	1.79	15.24
Service Corp. Int'l	1.59	4.50	10.80	10.77	8.69	1.66	10.35
Sherwin-Williams	0.89	12.00	9.80	9.56	10.45	0.94	11.39
Smith (A.O.)	1.97	9.00	12.00	12.00	11.00	2.08	13.08
Thermo Fisher Sci.	0.32	6.00	7.70	9.55	7.75	0.33	8.08
UniFirst Corp.	0.68	8.50	NA	NA	8.50	0.71	9.21
UnitedHealth Group	1.61	11.00	12.40	15.03	12.81	1.71	14.52
Universal Corp.	6.04	13.50	NA	NA	13.50	6.45	19.95 (2)
VeriSign Inc.	-	12.00	NA	NA	12.00	-	NA
Waters Corp.	-	6.50	7.80	8.29	7.53	-	NA
Watsco, Inc.	2.19	7.00	NA	NA	7.00	2.27	9.27
	NA = Not Available					Mean	11.93 %
						Median	11.80 %
						Average of Mean and Median	11.87 %

Notes:

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Groups. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of 02/28/2025. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, and S&P Capital IQ (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

(2) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Source of Information:

Value Line Investment Survey.
www.zacks.com, Downloaded on 02/28/2025
S&P Capital IQ

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
DCF Results for the Proxy Group of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution CompaniesProxy Group of Forty-Nine Non-Price Regulated Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]
Proxy Group of Forty-Seven Non-Price Regulated Companies	Average Dividend Yield	Value Line Projected Five Year Growth in EPS	Zack's Five Year Projected Growth Rate in EPS	S&P Capital IQ Projected Five Year Growth in EPS	Average Projected Five Year Growth Rate in EPS	Adjusted Dividend Yield	Indicated Common Equity Cost Rate (1)
3M Company	2.08 %	31.00 %	5.80 %	(6.19) %	18.40 %	2.27 %	20.67 % (2)
Abbott Laboratories	1.94	4.50	10.40	9.57	8.16	2.02	10.18
Agilent Technologies, Inc.	0.71	6.50	6.60	7.56	6.89	0.73	7.62
Air Products and Chemicals, Inc.	2.30	10.50	7.90	10.34	9.58	2.41	11.99
Allstate Corporation	2.08	29.00	9.80	NMF	19.40	2.28	21.68 (2)
Altria Group, Inc.	7.64	6.00	3.50	4.31	4.60	7.82	12.42
Analog Devices, Inc.	1.82	9.00	12.00	16.87	12.62	1.93	14.55
Archer-Daniels-Midland Company	4.10	3.00	7.30	7.27	5.86	4.22	10.08
Assurant, Inc.	1.51	9.50	NA	NA	9.50	1.58	11.08
Brady Corporation	1.29	15.50	NA	11.00	13.25	1.38	14.63
Broadridge Financial Solutions, Inc.	1.51	9.50	NA	NA	9.50	1.58	11.08
Brown & Brown, Inc.	0.56	12.50	9.10	10.06	10.55	0.59	11.14
Brown-Forman Corporation 'B'	2.50	14.00	3.20	0.17	5.79	2.57	8.36
CACI International Inc	-	4.50	14.10	14.08	10.89	-	NA
Cisco Systems, Inc.	2.70	3.50	5.10	4.47	4.36	2.76	7.12
Danaher Corporation	0.57	2.00	10.20	9.43	7.21	0.59	7.80
Dolby Laboratories, Inc.	1.64	9.50	NA	NA	9.50	1.72	11.22
Expeditors International	1.28	(0.50)	4.30	10.18	7.24	1.33	8.57
FactSet Research Systems Inc.	0.88	9.00	9.20	9.86	9.35	0.92	10.27
Fastenal Company	2.28	9.00	9.80	9.26	9.35	2.39	11.74
Federal Signal Corporation	0.59	13.50	14.00	12.00	13.17	0.63	13.80
Franklin Electric Co., Inc.	1.05	7.50	12.00	12.00	10.50	1.11	11.61
GATX Corporation	1.52	10.50	NA	NA	10.50	1.60	12.10
Gentex Corporation	1.75	12.50	14.30	14.33	13.71	1.87	15.58
Home Depot, Inc.	2.27	6.50	7.10	4.04	5.88	2.34	8.22
Ingredion, Inc.	2.36	9.50	11.00	11.00	10.50	2.48	12.98
Innospec Inc.	1.42	7.50	NA	7.50	7.50	1.47	8.97
International Business Machines Corporation	2.82	3.00	4.20	7.49	4.90	2.89	7.79
Juniper Networks, Inc.	2.38	6.50	12.40	16.12	11.67	2.52	14.19
Lockheed Martin Corporation	2.78	12.00	7.80	6.45	8.75	2.90	11.65
Microsoft Corporation	0.78	14.50	14.40	12.97	13.96	0.83	14.79
Motorola Solutions, Inc.	0.94	10.00	8.40	7.39	8.60	0.98	9.58
MSA Safety, Inc.	1.23	8.00	NA	NA	8.00	1.28	9.28
MSC Industrial Direct Co., Inc.	4.21	0.50	NA	NA	0.50	4.22	4.72 (2)
O'Reilly Automotive, Inc.	-	10.50	12.80	12.12	11.81	-	NA
Packaging Corporation of America	2.21	9.00	8.30	11.31	9.54	2.32	11.86
Philip Morris International Inc.	4.09	5.00	8.20	9.87	7.69	4.25	11.94
Selective Insurance Group, Inc.	1.68	10.50	NA	16.40	13.45	1.79	15.24
Sensient Technologies Corporation	2.22	2.50	NA	14.00	8.25	2.31	10.56
Sherwin-Williams Company	0.89	12.00	9.80	9.56	10.45	0.94	11.39
Smith Corporation (A.O.)	1.97	9.00	12.00	12.00	11.00	2.08	13.08
Texas Instruments Incorporated	2.86	3.00	11.60	10.95	8.52	2.98	11.50
Thermo Fisher Scientific Inc.	0.32	6.00	7.70	9.55	7.75	0.33	8.08
UniFirst Corporation	0.68	8.50	NA	NA	8.50	0.71	9.21
VeriSign, Inc.	-	12.00	NA	NA	12.00	-	NA
Verisk Analytics, Inc.	0.63	11.00	12.00	11.98	11.66	0.67	12.33
Zoetis, Inc.	1.19	7.50	9.30	9.24	8.68	1.24	9.92
	NA = Not Available					Mean	11.11 %
						Median	11.22 %
						Average of Mean and Median	11.17 %

Notes:

(1) The application of the DCF model to the domestic, non-price regulated comparable risk companies is identical to the application of the DCF to the Utility Proxy Groups. The dividend yield is derived by using the 60 day average price and the spot indicated dividend as of 02/28/2025. The dividend yield is then adjusted by 1/2 the average projected growth rate in EPS, which is calculated by averaging the 5 year projected growth in EPS provided by Value Line, www.zacks.com, and S&P Capital IQ (excluding any negative growth rates) and then adding that growth rate to the adjusted dividend yield.

(2) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Source of Information:

Value Line Investment Survey.
www.zacks.com, Downloaded on 02/28/2025
S&P Capital IQ

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Indicated Common Equity Cost Rate
Through Use of a Risk Premium Model
Using an Adjusted Total Market Approach

Line No.		Proxy Group of Forty-Nine Non-Price Regulated Companies	Proxy Group of Forty-Seven Non-Price Regulated Companies
1.	Prospective Yield on Baa2 Rated Corporate Bonds (1)	6.14 %	6.14
2.	Adjustment to Reflect Bond rating Difference of Non-Price Regulated Companies (2)	(0.14)	(0.18)
3.	Adjusted Bond Yield	6.01	5.96
4.	Equity Risk Premium (3)	6.26	6.33
5.	Risk Premium Derived Common Equity Cost Rate	12.27 %	12.29

Notes: (1) Average forecast of Baa corporate bonds based upon the consensus of nearly 50 economists reported in Blue Chip Financial Forecasts dated November 27, 2024 and February 28, 2025 (see pages 7 and 8 of Schedule (ROR)-4). The estimates are detailed below.

First Quarter 2025	6.20 %
Second Quarter 2025	6.20
Third Quarter 2025	6.20
Fourth Quarter 2025	6.20
First Quarter 2026	6.20
Second Quarter 2026	6.20
2026-2030	6.00
2031-2035	5.90
Average	6.14 %

(2) The average yield spread of Baa2 rated corporate bonds over A2 corporate bonds for the three months ending February 2025. To reflect the A3/Baa1 average rating of the Proxy Group of Forty-Nine Non-Price Regulated Companies, the yield on the Baa corporate bond must be adjusted by one-half the spread between A2 and Baa2 corporate bond yields. Further, to reflect the A3 average rating of the Proxy Group of Forty-Seven Non-Price Regulated Companies, the yield on the Baa corporate bond must be adjusted by two-thirds the spread between A2 and Baa2 corporate bond yields, both shown below:

	A2 Corp. Bond Yield	Baa2 Corp. Bond Yield	Spread
Feb-25	5.66 %	5.92 %	0.26 %
Jan-25	5.80	6.08	0.28
Dec-24	5.53	5.80	0.27
		Average yield spread	0.27
		1/2 of spread	0.14
		2/3 of spread	0.18

(3) From page 7 of this Schedule.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Forty-Nine Non-Price Regulated Companies and Proxy Group of Forty-Seven Non-Price Regulated Companies

Proxy Group of Forty-Nine Non-Price Regulated Companies	Moody's Long-Term Issuer Rating February 2025		Standard & Poor's Long-Term Issuer Rating February 2025	
	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
Abbott Labs.	Aa3	4.0	AA-	4.0
AbbVie Inc.	A3	7.0	A-	7.0
Air Products & Chem.	A2	6.0	A	6.0
Alphabet Inc.	Aa2	3.0	AA+	2.0
Altria Group	A3	7.0	BBB	9.0
Apple Inc.	Aaa	1.0	AA+	2.0
Assurant Inc.	Baa2	9.0	BBB	9.0
AutoZone Inc.	Baa1	8.0	BBB	9.0
Booz Allen Hamilton	NA	--	NA	--
Brady Corp.	NA	--	NA	--
BWX Technologies	Ba2	12.0	BB	12.0
CACI Int'l	NA	--	BB+	11.0
Casey's Gen'l Stores	NA	--	NA	--
Cencora	Baa2	9.0	BBB+	8.0
CSW Industrials	NA	--	NA	--
CVS Health	Baa3	10.0	BBB	9.0
Danaher Corp.	A3	7.0	A-	7.0
Dolby Labs.	NA	--	NA	--
Exponent, Inc.	NA	--	NA	--
Fastenal Co.	NA	--	NA	--
Franklin Electric	NA	--	NA	--
GATX Corp.	Baa2	9.0	BBB	9.0
Henry (Jack) & Assoc	NA	--	NA	--
Hunt (J.B.)	Baa1	8.0	BBB+	8.0
Huntington Ingalls	Baa3	10.0	BBB-	10.0
L3Harris Technologie	Baa2	9.0	BBB	9.0
Landstar System	NA	--	NA	--
Lockheed Martin	A2	6.0	A-	7.0
McKesson Corp.	A3	7.0	BBB+	8.0
Microsoft Corp.	Aaa	1.0	AAA	1.0
MSC Industrial Direc	NA	--	NA	--
Oracle Corp.	Baa2	9.0	BBB	9.0
O'Reilly Automotive	Baa1	8.0	BBB	9.0
OSI Systems	NA	--	NA	--
Packaging Corp.	Baa2	9.0	BBB	9.0
Pfizer, Inc.	A2	6.0	A	6.0
Philip Morris Int'l	A2	6.0	A-	7.0
Prestige Consumer	NA	--	BB	12.0
Selective Ins. Group	Baa2	9.0	BBB	9.0
Service Corp. Int'l	Ba3	13.0	BB+	11.0
Sherwin-Williams	Baa2	9.0	BBB	9.0
Smith (A.O.)	NA	--	NA	--
Thermo Fisher Sci.	A3	7.0	A-	7.0
UniFirst Corp.	NA	--	NA	--
UnitedHealth Group	A2	6.0	A+	5.0
Universal Corp.	WR	--	BBB-	10.0
VeriSign Inc.	Baa3	10.0	BBB	9.0
Waters Corp.	NA	--	NA	--
Watsco, Inc.	NA	--	NA	--
Natural Gas CEM Proxy Group Averag	A3/Baa1	7.5	BBB+	7.8

Notes:
(1) From page 4 of Schedule (ROR)-4.

Source of Information:
Bloomberg Professional Services.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Comparison of Long-Term Issuer Ratings for the
Proxy Group of Forty-Nine Non-Price Regulated Companies and Proxy Group of Forty-Seven Non-Price Regulated Companies

Proxy Group of Forty-Seven Non-Price Regulated Companies	Moody's Long-Term Issuer Rating February 2025		Standard & Poor's Long-Term Issuer Rating February 2025	
	Long-Term Issuer Rating	Numerical Weighting (1)	Long-Term Issuer Rating	Numerical Weighting (1)
3M Company	A3	7.0	BBB+	8.0
Abbott Laboratories	Aa3	4.0	AA-	4.0
Agilent Technologies, Inc.	Baa1	8.0	BBB+	8.0
Air Products and Chemicals, Inc.	A2	6.0	A	6.0
Allstate Corporation	A3	7.0	BBB+	8.0
Altria Group, Inc.	A3	7.0	BBB	9.0
Analog Devices, Inc.	A2	6.0	A-	7.0
Archer-Daniels-Midland Company	A2	6.0	A	6.0
Assurant, Inc.	Baa2	9.0	BBB	9.0
Brady Corporation	NA	--	NA	--
Broadridge Financial Solutions, Inc.	Baa2	9.0	BBB	9.0
Brown & Brown, Inc.	Baa3	10.0	BBB-	10.0
Brown-Forman Corporation 'B'	A1	5.0	A-	7.0
CACI International Inc	NA	--	BB+	11.0
Cisco Systems, Inc.	A1	5.0	AA-	4.0
Danaher Corporation	A3	7.0	A-	7.0
Dolby Laboratories, Inc.	NA	--	NA	--
Expeditors International	NA	--	NA	--
FactSet Research Systems Inc.	Baa3	10.0	NA	--
Fastenal Company	NA	--	NA	--
Federal Signal Corporation	NA	--	NA	--
Franklin Electric Co., Inc.	NA	--	NA	--
GATX Corporation	Baa2	9.0	BBB	9.0
Gentex Corporation	NA	--	NA	--
Home Depot, Inc.	A2	6.0	A	6.0
Ingredion, Inc.	Baa1	8.0	BBB	9.0
Innospec Inc.	NA	--	NR	--
International Business Machines Corporation	A3	7.0	A-	7.0
Juniper Networks, Inc.	Baa2	9.0	BBB	9.0
Lockheed Martin Corporation	A2	6.0	A-	7.0
Microsoft Corporation	Aaa	1.0	AAA	1.0
Motorola Solutions, Inc.	Baa2	9.0	BBB	9.0
MSA Safety, Inc.	NA	--	NA	--
MSC Industrial Direct Co., Inc.	NA	--	NA	--
O'Reilly Automotive, Inc.	Baa1	8.0	BBB	9.0
Packaging Corporation of America	Baa2	9.0	BBB	9.0
Philip Morris International Inc.	A2	6.0	A-	7.0
Selective Insurance Group, Inc.	Baa2	9.0	BBB	9.0
Sensient Technologies Corporation	WR	--	NR	--
Sherwin-Williams Company	Baa2	9.0	BBB	9.0
Smith Corporation (A.O.)	NA	--	NA	--
Texas Instruments Incorporated	Aa3	4.0	A+	5.0
Thermo Fisher Scientific Inc.	A3	7.0	A-	7.0
UniFirst Corporation	NA	--	NA	--
VeriSign, Inc.	Baa3	10.0	BBB	9.0
Verisk Analytics, Inc.	Baa1	8.0	BBB	9.0
Zoetis, Inc.	A3	7.0	BBB	9.0
Electric CEM Proxy Group Average	A3	7.2	BBB+	7.6

Notes:
(1) From page 4 of Schedule (ROR)-4.

Source of Information:
Bloomberg Professional Services.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Derivation of Equity Risk Premium Based on the Total Market Approach
Using the Beta for
Non-Price Regulated Companies of Comparable risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Line No.	Equity Risk Premium Measure	Proxy Group of Forty-Nine Non-Price Regulated Companies	Proxy Group of Forty-Seven Non-Price Regulated Companies
1.	Kroll Equity Risk Premium (1)	6.10 %	6.10 %
2.	Regression on Kroll Risk Premium Data (2)	6.82	6.82
3.	Kroll Equity Risk Premium based on PRPM (3)	7.32	7.32
4.	Equity Risk Premium Based on Value Line Summary and Index (4)	5.85	5.85
5.	Equity Risk Premium Based on Bloomberg, Value Line, and S&P Global Market Intelligence S&P 500 Companies (5)	9.88	9.88
6.	Conclusion of Equity Risk Premium	7.19 %	7.19 %
7.	Adjusted Beta (6)	0.87	0.88
8.	Forecasted Equity Risk Premium	6.26 %	6.33 %

Notes:
(1) From note 1 of page 6 of Schedule (ROR)-4.
(2) From note 2 of page 6 of Schedule (ROR)-4.
(3) From note 3 of page 6 of Schedule (ROR)-4.
(4) From note 4 of page 6 of Schedule (ROR)-4.
(5) From note 5 of page 6 of Schedule (ROR)-4.
(6) Average of mean and median beta from pages 8-9 of this Schedule.

Sources of Information:
Kroll Cost of Capital Navigator
Value Line Summary and Index.
Blue Chip Financial Forecasts, November 27, 2024 and February 28, 2025
Bloomberg Professional Services.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Traditional CAPM and ECAPM Results for the Proxy Groups of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Proxy Group of Forty-Nine Non-Price Regulated Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty-Nine Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
Abbott Labs.	0.85	0.62	0.73	8.15 %	4.55 %	10.50 %	11.05 %	10.78 %
AbbVie Inc.	0.80	0.49	0.65	8.15	4.55	9.85	10.56	10.21
Air Products & Chem.	0.90	0.89	0.89	8.15	4.55	11.80	12.03	11.92
Alphabet Inc.	0.90	0.98	0.94	8.15	4.55	12.21	12.33	12.27
Altria Group	0.85	0.46	0.66	8.15	4.55	9.93	10.62	10.28
Apple Inc.	0.95	0.93	0.94	8.15	4.55	12.21	12.33	12.27
Assurant Inc.	0.90	0.79	0.84	8.15	4.55	11.40	11.72	11.56
AutoZone Inc.	0.90	0.69	0.80	8.15	4.55	11.07	11.48	11.27
Booz Allen Hamilton	0.90	0.97	0.94	8.15	4.55	12.21	12.33	12.27
Brady Corp.	0.95	0.72	0.83	8.15	4.55	11.32	11.66	11.49
BWX Technologies	0.85	0.87	0.86	8.15	4.55	11.56	11.85	11.70
CACI Int'l	0.90	0.82	0.86	8.15	4.55	11.56	11.85	11.70
Casey's Gen'l Stores	0.90	0.66	0.78	8.15	4.55	10.91	11.36	11.13
Cencora	0.75	0.56	0.65	8.15	4.55	9.85	10.56	10.21
CSW Industrials	0.90	1.26	1.08	8.15	4.55	13.35	13.19	13.27
CVS Health	0.90	0.76	0.83	8.15	4.55	11.32	11.66	11.49
Danaher Corp.	0.90	0.90	0.90	8.15	4.55	11.89	12.09	11.99
Dolby Labs.	0.95	0.89	0.92	8.15	4.55	12.05	12.21	12.13
Exponent, Inc.	1.00	1.14	1.07	8.15	4.55	13.27	13.13	13.20
Fastenal Co.	0.85	0.93	0.89	8.15	4.55	11.80	12.03	11.92
Franklin Electric	0.90	1.01	0.96	8.15	4.55	12.38	12.46	12.42
GATX Corp.	0.95	1.04	1.00	8.15	4.55	12.70	12.70	12.70
Henry (Jack) & Assoc	0.85	0.69	0.77	8.15	4.55	10.83	11.30	11.06
Hunt (J.B.)	0.95	1.07	1.01	8.15	4.55	12.78	12.76	12.77
Huntington Ingalls	0.95	1.04	1.00	8.15	4.55	12.70	12.70	12.70
L3Harris Technologie	0.90	0.85	0.88	8.15	4.55	11.72	11.97	11.85
Landstar System	0.80	0.99	0.90	8.15	4.55	11.89	12.09	11.99
Lockheed Martin	0.85	0.47	0.66	8.15	4.55	9.93	10.62	10.28
McKesson Corp.	0.80	0.66	0.73	8.15	4.55	10.50	11.05	10.78
Microsoft Corp.	0.90	1.03	0.97	8.15	4.55	12.46	12.52	12.49
MSC Industrial Direc	0.90	0.88	0.89	8.15	4.55	11.80	12.03	11.92
Oracle Corp.	0.85	1.36	1.11	8.15	4.55	13.60	13.37	13.49
O'Reilly Automotive	0.90	0.59	0.75	8.15	4.55	10.66	11.17	10.92
OSI Systems	0.95	1.25	1.10	8.15	4.55	13.52	13.31	13.41
Packaging Corp.	0.95	0.79	0.87	8.15	4.55	11.64	11.91	11.77
Pfizer, Inc.	0.80	0.47	0.64	8.15	4.55	9.77	10.50	10.13
Philip Morris Int'l	0.90	0.45	0.67	8.15	4.55	10.01	10.68	10.35
Prestige Consumer	0.90	0.67	0.78	8.15	4.55	10.91	11.36	11.13
Selective Ins. Group	0.90	0.66	0.78	8.15	4.55	10.91	11.36	11.13
Service Corp. Int'l	0.95	0.90	0.92	8.15	4.55	12.05	12.21	12.13
Sherwin-Williams	0.95	1.16	1.05	8.15	4.55	13.11	13.01	13.06
Smith (A.O.)	0.90	0.96	0.93	8.15	4.55	12.13	12.27	12.20
Thermo Fisher Sci.	0.85	0.83	0.84	8.15	4.55	11.40	11.72	11.56
UniFirst Corp.	0.90	0.62	0.76	8.15	4.55	10.75	11.23	10.99
UnitedHealth Group	0.95	0.36	0.65	8.15	4.55	9.85	10.56	10.21
Universal Corp.	0.85	0.68	0.77	8.15	4.55	10.83	11.30	11.06
VeriSign Inc.	0.90	0.67	0.78	8.15	4.55	10.91	11.36	11.13
Waters Corp.	0.90	0.94	0.92	8.15	4.55	12.05	12.21	12.13
Watsco, Inc.	0.90	1.34	1.12	8.15	4.55	13.68	13.44	13.56
		Mean	0.86			11.58 %	11.86 %	11.72 %
		Median	0.87			11.64 %	11.91 %	11.77 %
		Average of Mean and Median	0.87			11.61 %	11.89 %	11.75 %

Notes on page 9 of this Schedule

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Traditional CAPM and ECAPM Results for the Proxy Groups of Non-Price-Regulated Companies Comparable in Total Risk to the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Proxy Group of Forty-Seven Non-Price Regulated Companies

	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Proxy Group of Forty-Seven Non-Price Regulated Companies	Value Line Adjusted Beta	Bloomberg Beta	Average Beta	Market Risk Premium (1)	Risk-Free Rate (2)	Traditional CAPM Cost Rate	ECAPM Cost Rate	Indicated Common Equity Cost Rate (3)
3M Company	NMF	0.95	0.95	8.15 %	4.55 %	12.29 %	12.40 %	12.34 %
Abbott Laboratories	0.85	0.62	0.73	8.15	4.55	10.50	11.05	10.78
Agilent Technologies, Inc.	0.90	1.02	0.96	8.15	4.55	12.38	12.46	12.42
Air Products and Chemicals, Inc.	0.90	0.89	0.89	8.15	4.55	11.80	12.03	11.92
Allstate Corporation	1.00	0.63	0.81	8.15	4.55	11.15	11.54	11.35
Altria Group, Inc.	0.85	0.46	0.66	8.15	4.55	9.93	10.62	10.28 (4)
Analog Devices, Inc.	1.00	1.19	1.09	8.15	4.55	13.44	13.25	13.34
Archer-Daniels-Midland Company	0.95	0.59	0.77	8.15	4.55	10.83	11.30	11.06
Assurant, Inc.	0.90	0.79	0.84	8.15	4.55	11.40	11.72	11.56
Brady Corporation	0.95	0.72	0.83	8.15	4.55	11.32	11.66	11.49
Broadridge Financial Solutions, Inc.	0.90	0.86	0.88	8.15	4.55	11.72	11.97	11.85
Brown & Brown, Inc.	1.00	0.72	0.86	8.15	4.55	11.56	11.85	11.70
Brown-Forman Corporation 'B'	0.90	0.82	0.86	8.15	4.55	11.56	11.85	11.70
CACI International Inc	0.90	0.82	0.86	8.15	4.55	11.56	11.85	11.70
Cisco Systems, Inc.	0.85	0.81	0.83	8.15	4.55	11.32	11.66	11.49
Danaher Corporation	0.90	0.90	0.90	8.15	4.55	11.89	12.09	11.99
Dolby Laboratories, Inc.	0.95	0.89	0.92	8.15	4.55	12.05	12.21	12.13
Expeditors International	0.90	0.77	0.84	8.15	4.55	11.40	11.72	11.56
FactSet Research Systems Inc.	1.00	0.84	0.92	8.15	4.55	12.05	12.21	12.13
Fastenal Company	0.85	0.93	0.89	8.15	4.55	11.80	12.03	11.92
Federal Signal Corporation	1.00	1.25	1.13	8.15	4.55	13.76	13.50	13.63 (4)
Franklin Electric Co., Inc.	0.90	1.01	0.96	8.15	4.55	12.38	12.46	12.42
GATX Corporation	0.95	1.04	1.00	8.15	4.55	12.70	12.70	12.70
Gentex Corporation	1.00	0.95	0.98	8.15	4.55	12.54	12.58	12.56
Home Depot, Inc.	0.95	1.08	1.01	8.15	4.55	12.78	12.76	12.77
Ingredion, Inc.	0.90	0.71	0.80	8.15	4.55	11.07	11.48	11.27
Innospec Inc.	0.95	1.15	1.05	8.15	4.55	13.11	13.01	13.06
International Business Machines Corporation	0.95	0.77	0.86	8.15	4.55	11.56	11.85	11.70
Juniper Networks, Inc.	0.95	0.62	0.79	8.15	4.55	10.99	11.42	11.20
Lockheed Martin Corporation	0.85	0.47	0.66	8.15	4.55	9.93	10.62	10.28 (4)
Microsoft Corporation	0.90	1.03	0.97	8.15	4.55	12.46	12.52	12.49
Motorola Solutions, Inc.	0.95	0.94	0.94	8.15	4.55	12.21	12.33	12.27
MSA Safety, Inc.	1.00	0.90	0.95	8.15	4.55	12.29	12.40	12.34
MSC Industrial Direct Co., Inc.	0.90	0.88	0.89	8.15	4.55	11.80	12.03	11.92
O'Reilly Automotive, Inc.	0.90	0.59	0.75	8.15	4.55	10.66	11.17	10.92
Packaging Corporation of America	0.95	0.79	0.87	8.15	4.55	11.64	11.91	11.77
Philip Morris International Inc.	0.90	0.45	0.67	8.15	4.55	10.01	10.68	10.35
Selective Insurance Group, Inc.	0.90	0.66	0.78	8.15	4.55	10.91	11.36	11.13
Sensient Technologies Corporation	0.95	0.97	0.96	8.15	4.55	12.38	12.46	12.42
Sherwin-Williams Company	0.95	1.16	1.05	8.15	4.55	13.11	13.01	13.06
Smith Corporation (A.O.)	0.90	0.96	0.93	8.15	4.55	12.13	12.27	12.20
Texas Instruments Incorporated	0.90	1.09	0.99	8.15	4.55	12.62	12.64	12.63
Thermo Fisher Scientific Inc.	0.85	0.83	0.84	8.15	4.55	11.40	11.72	11.56
UniFirst Corporation	0.90	0.62	0.76	8.15	4.55	10.75	11.23	10.99
VeriSign, Inc.	0.90	0.67	0.78	8.15	4.55	10.91	11.36	11.13
Verisk Analytics, Inc.	0.90	0.72	0.81	8.15	4.55	11.15	11.54	11.35
Zoetis, Inc.	1.00	0.86	0.93	8.15	4.55	12.13	12.27	12.20
		Mean	0.88			11.73 %	11.97 %	11.88 %
		Median	0.88			11.72 %	11.97 %	11.89 %
		Average of Mean and Media	0.88			11.73 %	11.97 %	11.89 %

Notes:
(1) From note 1 of page 2 of Schedule (ROR)-5.
(2) From note 2 of page 2 of Schedule (ROR)-5.
(3) Average of CAPM and ECAPM cost rates.
(4) Results were excluded from the final average and median as they were more than two standard deviations from the proxy group's mean.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Derivation of Investment Risk Adjustment Based upon
Ibbotson Associates' Size Premia for the Decile Portfolios of the NYSE/AMEX/NASDAQ

Line No.			[1] Market Capitalization on February 28, 2025 (1) (millions)			[2] Applicable Decile of the NYSE/AMEX/ NASDAQ (2)	[3] Applicable Size Premium (3)	[4] Spread from Applicable Size Premium (4)
1.	a.	Valley Energy, Inc.	$ 18.603			10	4.47%	
	b.	Citizens' Electric Company of Lewisburg, PA	$ 18.097			10	4.47%	
	c.	Wellsboro Electric Company	$ 24.787			10	4.47%	
2.	a.	Proxy Group of Seven Natural Gas Distribution Companies	$ 4,721.136	253.8	x	5	0.74%	3.73%
	b.	Proxy Group of Fifteen Electric Companies	$ 16,525.930	913.2	x	3	0.49%	3.98%
	c.	Proxy Group of Fifteen Electric Companies	$ 16,525.930	666.7	x	3	0.49%	3.98%
				[A]		[B]	[C]	[D]

	Decile	Market Capitalization of Smallest Company (millions)	Market Capitalization of Largest Company (millions)	Size Premium (Return in Excess of CAPM)*
Largest	1	$ 47,156.530	$ 3,522,211.140	-0.01%
	2	20,191.220	46,949.060	0.33%
	3	9,937.940	20,178.360	0.49%
	4	6,196.710	9,937.350	0.50%
	5	3,948.050	6,181.270	0.74%
	6	2,481.780	3,946.150	1.00%
	7	1,422.890	2,464.500	1.19%
	8	731.190	1,417.450	0.88%
	9	304.620	729.920	1.73%
Smallest	10	1.110	304.480	4.47%

*From 2025 Kroll Cost of Capital Navigator

Notes:

(1) From page 2 of this Exhibit.
(2) Gleaned from Columns [B] and [C] on the bottom of this page. The appropriate decile (Column [A]) corresponds to the market capitalization of the proxy group, which is found in Column [1].
(3) Corresponding risk premium to the decile is provided in Column [D] on the bottom of this page.
(4) Line No. 1 Column [3] – Line No. 2 Column [3]. For example, the 3.73% in Column [4], Line No. 2 is derived as follows 3.73% = 4.47% - 0.74%.

Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company
Market Capitalization of Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company and the
Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electric Companies

Company	Exchange	[1] Common Stock Shares Outstanding at Fiscal Year End 2024 (millions)	[2] Book Value per Share at Fiscal Year End 2023 (1)	[3] Total Common Equity at Fiscal Year End 2024 (millions)	[4] Closing Stock Market Price on February 28, 2025	[5] Market-to-Book Ratio on February 28, 2025 (2)	[6] Market Capitalization on February 28, 2025 (3) (millions)
Valley Energy, Inc.		NA	NA	$ 11.462 (4)	NA		
Citizens' Electric Company of Lewisburg, PA		NA	NA	$ 9.022 (4)	NA		
Wellsboro Electric Company		NA	NA	$ 12.356 (4)	NA		
Based upon Proxy Group of Seven Natural Gas Distribution Companies						162.3 (5)	$ 18.603 (6)
Based upon Proxy Group of Fifteen Electric Companies						200.6 (5)	$ 18.097 (6)
Based upon Proxy Group of Fifteen Electric Companies						200.6 (5)	$ 24.787 (6)
Proxy Group of Seven Natural Gas Distribution Companies							
Atmos Energy Corporation	NYSE	148.49	$ 73.203	$ 10,870.06	$ 152.13	207.8 %	$ 22,590.207
New Jersey Resources Corporation	NYSE	97.58	20.40	1,990.74	48.38	237.20	4,721.14
NiSource Inc.	NYSE	447.38	17.40	7,783.50	40.81	234.60	18,257.65
Northwest Natural Holding Company	NYSE	37.63	34.12	1,283.84	40.88	119.80	1,538.36
ONE Gas, Inc.	NYSE	56.55	48.91	2,765.88	75.15	153.60	4,249.43
Southwest Gas Holdings, Inc.	NYSE	71.56	46.25	3,310.04	75.05	162.30	5,370.86
Spire Inc.	NYSE	53.17	54.87	2,917.30	76.86	140.10	4,086.66
Median		71.564	$ 46.253	$ 2,917.300	$ 75.050	162.3 %	$ 4,721.136
Proxy Group of Fifteen Electric Companies							
Alliant Energy Corporation	NASDAQ	256.10	$ 26.463	$ 6,777.00	$ 64.53	243.8 %	$ 16,525.930
Ameren Corporation	NYSE	266.30	42.62	11,349.00	101.56	238.30	27,045.43
American Electric Power Corporation	NASDAQ	526.18	47.98	25,246.70	106.05	221.00	55,801.88
Duke Energy Corporation	NYSE	771.00	61.15	47,150.00	117.49	192.10	90,584.79
Edison International	NYSE	383.92	36.02	13,828.00	54.44	151.20	20,900.87
Entergy Corporation	NYSE	212.85	68.70	14,622.65	87.31	127.10	18,583.81
Evergy, Inc.	NASDAQ	229.73	42.06	9,663.10	68.91	163.80	15,830.65
IDACORP, Inc.	NYSE	50.62	57.45	2,907.57	117.91	205.30	5,968.04
North Western Corporation	NASDAQ	64.76	43.01	2,785.31	55.93	130.00	3,622.13
OGE Energy Corporation	NYSE	200.30	22.52	4,511.60	46.28	205.50	9,269.88
Pinnacle West Capital Corporation	NYSE	113.54	54.41	6,177.66	92.54	170.10	10,506.78
Portland General Electric Company	NYSE	101.16	32.81	3,319.00	44.83	136.60	4,534.99
Southern Company	NYSE	1,092.00	28.80	31,444.00	89.79	311.80	98,050.68
TXNM Energy, Inc.	NYSE	90.20	26.04	2,349.09	52.25	200.60	4,712.97
Xcel Energy Inc.	NASDAQ	554.94	31.75	17,617.00	72.10	227.10	40,011.30
Median		229.729	$ 42.063	$ 9,663.100	$ 72.100	200.6 %	$ 16,525.930

NA= Not Available

Notes: (1) Column 3 / Column 1.
(2) Column 4 / Column 2.
(3) Column 1 * Column 4.
(4) Requested rate base multiplied by the requested common equity ratio
(5) The market-to-book ratio of Valley Energy, Inc. / Citizens' Electric Company of Lewisburg, PA / Wellsboro Electric Company on February 28, 2025 is assumed to be equal to the market-to-book ratio of Proxy Group of Seven Natural Gas Distribution Companies and Proxy Group of Fifteen Electri
(6) Column [3] multiplied by Column [5].

Source of Information: 2024 Annual Forms 10K
Bloomberg Professional

H

Citizens' Statement No. 3
Wellsboro Statement No. 3
Valley Statement No. 3

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**		
	:		
v.	**:**	**Docket Nos.**	**R-2025-_____**
	:		**R-2025-_____**
Citizens' Electric Company of Lewisburg, PA	**:**		**R-2025-_____**
Wellsboro Electric Company	**:**		
and Valley Energy, Inc.	**:**		

DIRECT TESTIMONY

AND EXHIBITS

OF

MELISSA SULLIVAN

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA
WELLSBORO ELECTRIC COMPANY
AND
VALLEY ENERGY, INC.

APRIL 30, 2025

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**		
	:		
v.	**:**	**Docket Nos.**	**R-2025**
	:		**R-2025**
Citizens' Electric Company of Lewisburg, PA	**:**		**R-2025**
Wellsboro Electric Company	**:**		
and Valley Energy, Inc.	**:**		

DIRECT TESTIMONY OF MELISSA SULLIVAN
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
WELLSBORO ELECTRIC COMPANY, AND VALLEY ENERGY, INC.

Q. Please state your name and business address.

A. My name is Melissa Sullivan and my business address is 33 Austin Street, Wellsboro, Pennsylvania.

Q. By whom are you employed?

A. I am employed by C&T Enterprises, Inc. ("C&T"), as the Chief Financial Officer ("CFO").

Q. What are your duties in that capacity?

A. As CFO, I have a number of duties, including: administering C&T's financial activities; reporting to C&T's Chief Executive Officers and Board of Directors regarding C&T's financial condition and making recommendations when required; providing accounting support to the affiliated companies; arranging long-term and short-term financing for C&T's affiliates; reviewing the operating companies' monthly financial statements and consolidating the financial statements quarterly for C&T's officers, directors and lending institutions review; assisting each accounting department with preliminary and year-end audits; reviewing and consolidating annual budgets and supplying the operating companies with projections for shared services and long-term and short-term debt service projections;

and attending at least one Board of Directors meeting for each operating company to review audited financials and provide an update on C&T. In addition, I have responsibility for the oversight of regulatory activities of C&T's affiliates: Citizens' Electric Company of Lewisburg, PA ("Citizens'"); Wellsboro Electric Company ("Wellsboro"); and Valley Energy, Inc. ("Valley") (collectively, "Companies"). Regulatory activities include annual Pennsylvania Public Utility Commission ("PUC" or "Commission") reporting, securities certificate filings, rate filings, Public Utility Realty Tax Act ("PURTA") filings, State Tax Adjustment Surcharge ("STAS") filings and Generation Supply Service Rate ("GSSR")/Gas Cost Rate ("GCR") filings and GSSR/GCR audits.

Q. Please describe your employment and educational background.

A. I have a Bachelor of Science degree in Business Administration and Industrial Relations (Human Resources) from Clarion University of Pennsylvania as well as a Master of Science degree in Business Leadership from Wilkes University. I began my career as Business Manager at Galeton Area School District in 2007 and remained there until 2013. In 2013, I accepted a position at Mansfield University of Pennsylvania as Human Resources Manager working directly with the Director of Human Resources and other top officers. In 2014, due to cutbacks at the University, I began serving as Director of Human Resources at SMC Powder Metallurgy, where I remained until taking the position as Chief Financial Officer at C&T Enterprises, Inc. in 2018.

Q. What are your responsibilities with respect to this filing?

A. I am responsible for coordinating the internal and external resources for this case, including legal, consulting, auditing and company support.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to explain C&T's roles and procedures as the management services company, and to discuss the history and circumstances surrounding C&T's acquisition of the three operating companies that are seeking rate relief (Citizens', Wellsboro, and Valley). I will also discuss affiliate transactions, financing and tax issues.

Q. Did you provide information to other witnesses to prepare their testimony for this proceeding?

A. Yes. Mr. Gorman, Mr. D'Ascendis and the Citizens', Wellsboro and Valley witnesses rely upon certain information that I provided.

HISTORY OF C&T AND ACQUISITIONS

Q. Please explain the relationship between C&T and the affiliates.

A. C&T is a for-profit subsidiary of Claverack Rural Electric Cooperative ("Claverack") and Tri-Country Rural Electric Cooperative ("Tri-County"). C&T was formed in 1998 to facilitate the purchase of Citizens'. C&T now owns all of the stock of Citizens', Wellsboro and Valley. Charts showing the current corporate family structures are attached as Exhibit __ (MS-1). Also included in Exhibit __ (MS-1) is a description of each entity within the C&T family.

Q. Could you please provide a brief history of each of the affiliate acquisitions by C&T?

A. As noted above, C&T was originally formed by Tri-County and Claverack in 1998 to acquire Citizens'. On February 8, 1999, C&T completed a stock purchase acquiring approximately 99% of Citizens' stock. Subsequently, C&T acquired the remaining shares. On March 10, 1994, Tri-County formed Wilderness Area Utilities, Inc. ("Wilderness"), to acquire Wellsboro. On January 4, 1995, Wilderness completed a stock purchase acquiring

100% of Wellsboro. On January 1, 2005, Tri-County transferred 100% ownership of its common stock in Wilderness to C&T. Wilderness then transferred 100% of its stock in Wellsboro to C&T and Wilderness was subsequently inactivated.

C&T formed Valley on October 17, 2000, to facilitate the purchase of the assets of Valley Cities Gas and Waverly Gas Service from NUI Corporation. On November 7, 2002, the transaction was completed and Valley assumed ownership of the assets and began operation. C&T's most recent consolidated financial statements for the years ending 2023 and 2024 are included in Volume III as Joint Confidential Exhibit 1.

Q. Do you have any comments on the capital structures that exist for each operating company?

A. Yes. Attached as Exhibit__(MS-2) is a comparison of the capital structures for Citizens', Wellsboro, Valley and C&T (consolidated) for the HTY, FTY and FPFTY. C&T's three PUC-regulated subsidiaries have different capital structures, due to the historic financial practices of each particular subsidiary prior to C&T's acquisition, the amount of debt that has been incurred since acquisition to fund system improvements, and/or the deal structure for the acquisition. All three C&T subsidiaries have rate cases pending before the Commission. As the shareholder for all three utilities, C&T believes that it is fair and appropriate to adopt a reasonable hypothetical capital structure in each case to ensure that the interests of shareholders and ratepayers are balanced with respect to all three of its PUC-regulated subsidiaries. Mr. D'Ascendis' and Mr. Kucan's testimony explains the hypothetical capital structure that is appropriate for Citizens', Wellsboro, and Valley.

C&T SERVICES PROVIDED TO CITIZENS', WELLSBORO, AND VALLEY

Q. Please describe the services that C&T provides the affiliates.

A. In addition to being the parent holding company, C&T currently provides various management services to its affiliates. These services include shared services such as legal/regulatory; human resources and payroll; communications; call center; information technology; cyber-security; and safety oversight.

Q. Are there Affiliated Interest Agreements that address the services provided among the C&T entities?

A. Yes. There is an Affiliated Interest Agreement ("AIA") that was executed by all of the C&T entities (including the cooperatives) in 2022. A copy of the AIA is attached as Exhibit__(MS-3). C&T has a more detailed Contract for Services with each subsidiary that implements the AIA. The Contracts for Services for Citizens', Wellsboro and Valley are attached as Exhibits__(MS-4) (Citizens'), __(MS-5) (Wellsboro) and __(MS-6) (Valley). Please note that the schedule containing confidential salary and overhead information for specific positions has been redacted from each of these exhibits; however, the schedules are included in Volume III of the filings as Citizens' Confidential Exhibit 1, Wellsboro Confidential Exhibit 1 and Valley Confidential Exhibit 1

Q. How does C&T determine the wages and benefits that are billed to each of the affiliates for these assigned employees?

A. The affiliates choose their employees, but the official "employer" for all non-union employees is C&T. The wages and benefits billed to Citizens', Wellsboro and Valley for the C&T employees are a direct assignment of the salaries and benefits provided to the

particular employees by C&T. This applies only to non-union positions. Wellsboro's linemen are union employees that are employed directly by Wellsboro.

With the exception of the salaries for the CEOs of Claverack, Tri-County and the three subsidiaries, which are established by the respective Boards of Directors, C&T applies its recently-updated Wage & Salary Study to determine the salaries for each of its employees. The Companies' witnesses discuss the development of the study and how it impacted their FTY and FPFTY expenses.

Each year, our human resources department monitors general wage and salary trends. After consideration of these factors, C&T's Board of Directors, upon the recommendation of the human resources department and C&T's management oversight committee, determines the annual base salary plan maintenance adjustment to be applied to the pay rates of each employee. The CEOs of Citizens', Wellsboro and Valley are part of the oversight committee.

Based on performance, an employee may be awarded a merit increase or bonus. The CEO of the individual operating companies approve merit increases and bonuses when appropriate for their employees. Finally, a third-party consultant will be providing annual updates to the Wage & Salary Study that may result in targeted adjustments for certain positions based on the labor market for the particular position.

Q. Did you provide the Companies with an estimate of the base salary increase for the FPFTY?

A. Yes. Based on the historical increases approved by the Board of Directors, a 3% increase is a reasonable projection. The historic annual base salary plan maintenance increases for

the last five years are set forth in Joint Confidential Exhibit 2, which has been submitted with other confidential exhibits as Volume III of this filing.

Q. Please discuss the benefits costs for employees.

A. All full-time C&T employees assigned to the Companies are eligible for the benefits provided by C&T regardless of the operating company to which they are assigned. C&T negotiates with the providers for bulk benefit packages and premiums. The benefits for the C&T employees at Citizens', Wellsboro and Valley include: medical, vision, dental, short-term disability, long-term disability, pension and a 401(k) match.

Our pension plan, 401k, short-term disability insurance, and long-term disability insurance are provided through the National Rural Electric Cooperative Association ("NRECA"). We annually evaluate the options for health, dental and vision insurance with the assistance of an insurance broker. We also pursue negotiations regarding any insurance premium adjustments to request credits for longevity and other factors. C&T passes through the actual benefit costs of each employee.

Q. How did you forecast benefit costs for the FPFTY?

A. For the C&T Shared Services employees, we included a 3% increase.

Q. How has C&T historically billed the operating companies for the various employees and services provided?

A. When possible, C&T attempts to directly assign costs to the operating companies. If direct assignment is not administratively feasible, then we develop another reasonable allocation methodology consistent with the approved affiliated-interest agreements.

Wages are billed monthly based on weekly time sheets submitted by each operating company. The operating companies are billed for the direct and indirect labor expenses

for their employees. All employee benefits are arranged for and paid by C&T. The premiums for medical, prescription, vision, dental, life insurance, and contributions to the pension fund are directly assigned to the companies based on which company the employee is assigned. All other benefits are allocated monthly based on percentage of payroll.

C&T SHARED SERVICES

Q. Please provide a more detailed description of the "shared services" that the affiliates have access to from C&T.

A. The shared services provided by C&T are described in Exhibit__(MS-1) and include the following: human resources and payroll, information technology, communications, call center, controller, safety compliance, and legal/regulatory. These departments perform numerous services for the operating companies.

Human resources and payroll are responsible for employee wages and benefits. They complete bi-weekly payrolls, maintain employee personnel files, process insurance claims, counsel employees on benefits, handle job vacancies, administer evaluations and complete all payroll tax returns and other reports.

The information technology department lends support for the software and hardware used by the affiliates. They also purchase required software and hardware. They are the liaison between the operating companies and tech support of the third-party billing and accounting software companies. We also recently created an internal position for a Director of Cybersecurity, which oversees cybersecurity and network integrity. The costs for this function are allocated as a subset of the IT function costs.

Communications assists with public relations, preparing customer newsletters and other communications and coordinating press inquiries.

Customers of all entities in the C&T family can contact the Call Center after normal working hours to report outages and emergencies.

The legal/regulatory department provides corporate legal and regulatory support for C&T and its subsidiaries. This includes regulatory filings, PUC comments and working groups, assistance with various contracts (vendor and customer), regulatory and business strategy and other matters.

I have already detailed the activities of the controller's department. My assistance in these rate filings and on other regulatory and financial issues is part of the shared services that C&T provides.

Q. What are the advantages of providing the C&T affiliates with the shared services?

A. There are several advantages. First, the shared services are functions that any single entity within the C&T family may not be able to support on a stand-alone basis. For example, Citizens', Wellsboro, and Valley likely would not be able to justify having a person dedicated to human resources when viewed separately; however, when the needs of the entire C&T family are assessed, the six companies clearly can justify a person dedicated to human resources. The people filling our shared services functions have specialized knowledge on highly technical issues due, largely, to their ability to devote their entire attention to the particular topic.

Second, the personnel at C&T who provide this advice have the experience of working with three PUC-regulated entities and two non-PUC-regulated entities with a combined workforce in excess of 200 employees, more than 61,000 combined customers and combined 2021 revenues exceeding $106.5 million. These shared resources enable C&T

and its affiliates to implement more standardized solutions reflecting the "best practices" of all of the affiliated companies.

Q. How has C&T historically billed the operating companies for the shared services?

A. Salaries and benefits for shared services (except the Controller Department) are billed monthly based on a pro-rata comparison of the number of active meters and the revenues for each operating company during the previous year, as follows: 60% active meters and 40% revenue. Under the implementation plan approved by the Bureau of Audits in 2007, the expenses for the shared services and other C&T administrative expenses (other than salaries and benefits) are being allocated based on the same formula as above and billed monthly. The Controller's Department is allocated one-third to each regulated operating company. No allocation is made to Tri-County or Claverack because none of the controller's activities are performed for them.

Call Center charges are billed monthly based on a flat charge plus a nominal amount for incoming and outgoing calls attributed to the particular operating company.

Q. How do the companies allocate the costs for the Legal/Regulatory function?

A. The cost allocation for the legal/regulatory function reflects the anticipated activities for this department. Specifically, 10% of the costs of this function are classified as relating to the operation of the C&T corporation. That 10% is allocated among the member organizations using the meters/revenue allocation that is used for the other C&T Shared Support Services (except Treasury/Corporate Finance and Call Center). The remaining 90% of the Legal/Regulatory department costs are allocated 1/3, 1/3, 1/3 to Citizens', Valley and Wellsboro, like the allocation of the Treasury/Corporate Finance department costs. To appropriately account for any projects or activities done for Claverack and Tri-

County, the Legal/Regulatory department tracks the hours on those projects. Claverack and Tri-County compensate C&T for the tracked Legal/Regulatory hours, and those payments are used to offset the costs allocated to Citizens', Valley and Wellsboro.

Q. Did you compile an exhibit with historic affiliate charges between C&T and Citizens', Wellsboro and Valley?

A. Yes. Volume III includes Joint Confidential Exhibit 3 with the inter-affiliate charges by month for the last three years.

FINANCING AND OTHER BENEFITS OF C&T STRUCTURE

Q. How does the C&T relationship enhance financing options for Citizens', Wellsboro and Valley?

A. C&T's relationship with Tri-County and Claverack provides C&T access to reasonable cost financing with better terms. C&T offers this financing to the operating companies. Also, C&T has obtained reasonable premiums for Directors & Officers ("D&O"), liability, and property insurance for its electric affiliates through Federated Rural Electric Cooperative Insurance Company.[1] The parent companies (C&T, Claverack and Tri-County) also provide parental guarantees when necessary for various contracts such as Citizens' and Wellsboro's wholesale electricity supply agreements, thus reducing the operating companies' need to access independent or third-party financing for these arrangements. Citizens', Wellsboro, and Valley each have access from C&T to a $14 million short-term line of credit.

[1] Federated does not provide certain types of insurance for natural gas companies.

Q. Please describe the financing arrangements that C&T has in place for Citizens', Wellsboro, and Valley.

A. Due to its affiliation with Tri-County and Claverack, C&T is able to borrow funds for Citizens', Wellsboro's and Valley's use from the National Cooperative Services Corporation ("NCSC"). NCSC is a lending institution formed by the Cooperative Finance Corporation to address the financing needs of for-profit affiliates of rural electric cooperatives. C&T borrows funds from NCSC on behalf of Citizens', Wellsboro, and Valley. Currently, C&T has approximately $35.2 million in outstanding debt with NCSC on behalf of its subsidiaries. Citizens', Wellsboro, and Valley guarantee this debt with their assets and stock.

Q. Have you compiled a list of all outstanding loans between C&T and Citizens', Wellsboro and Valley?

A. Yes. Attached as Exhibit__(MS-7) is a table with the outstanding debt, original value, current outstanding, issuance date, maturity date and interest rate for all three affiliates.

Q. What requirements or covenants does NCSC place on C&T?

A. In addition to the standard Affirmative and Negative Covenants, NCSC requires C&T to meet certain financial ratios, such as an annual Debt Service Coverage ("DSC") ratio on a consolidated basis of not less than l.15, and an Equity Ratio. NCSC also requires quarterly financial reporting on a consolidated basis and an audited annual report for each subsidiary. By January 31 of each calendar year each subsidiary must provide an updated five-year financial plan.

Other covenants include that C&T shall not declare or make any dividend payments without the written consent of NCSC. Without the prior written consent of NCSC, C&T

shall not cause or permit any subsidiary to: (i) consolidate with, merge, or sell all or substantially all of its business or assets, to another entity or person, or (ii) acquire the assets of another business or entity. Finally, C&T must notify NCSC of any changes in its management agreements with any of its affiliates and shall submit copies of such revised agreements to NCSC.

Q. Will the requested rate relief be viewed positively by C&T's lender?

A. Yes. As discussed above, NCSC actively monitors the financial condition of C&T and its subsidiaries. Improving Citizens', Wellsboro's, and Valley's financial conditions through the requested rate relief will contribute to C&T's ability to continue meeting its loan covenants and also influence the amount of financing that NCSC may be willing to provide C&T and its subsidiaries in the future for various purposes. Finally, by ensuring that the Companies' rates provide the Companies with the opportunity to earn a fair return, the companies may be able to fund some capital improvements without incurring additional debt.

TAX MATTERS

Q. Does C&T submit a consolidated federal tax filing?

A. Yes. We submit a federal filing that consolidates C&T, Citizens', Wellsboro and Valley for tax purposes. A copy of our most recent tax filing is included in Volume III as Joint Confidential Exhibit 4. Each of the companies files a separate state income tax return.

Q. Does this complete your Direct Testimony?

A. Yes.

Citizens' Statement No. 3
Wellsboro Statement No. 3
Valley Statement No. 3

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**		
	:		
v.	**:**	**Docket Nos.**	**R-2025-_____**
	:		**R-2025-_____**
Citizens' Electric Company of Lewisburg, PA	**:**		**R-2025-_____**
Wellsboro Electric Company	**:**		
and Valley Energy, Inc.	**:**		

EXHIBITS

OF

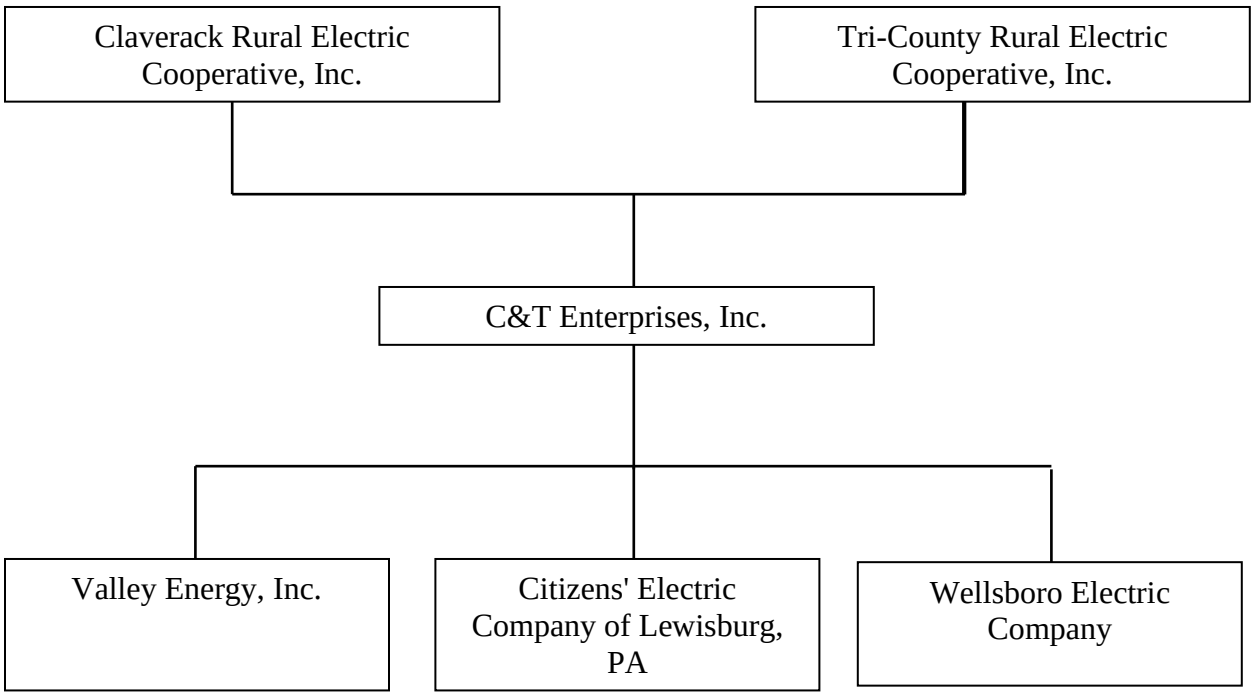
MELISSA SULLIVAN

ON BEHALF OF

DIRECT TESTIMONY OF MELISSA SULLIVAN
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
WELLSBORO ELECTRIC COMPANY, AND VALLEY ENERGY, INC.

APRIL 30, 2025

C&T ENTERPRISES, INC.
CORPORATE CHART



DESCRIPTION OF
C&T ENTERPRISES CORPORATE CHART

Citizens' Electric Company of Lewisburg, Inc.

Citizens' is an investor-owned, for-profit electric utility incorporated under the laws of Pennsylvania. Citizens' serves approximately 7,150 customers in and around Lewisburg, Pennsylvania, in a 55 square mile territory in Northumberland and Union Counties. Approximately eighty-three percent (83%) of Citizens' customers are residential, with the remaining seventeen percent (17%) of customers being commercial, small industrial, or lighting customers. Citizens' is subject to regulation by the Pennsylvania Public Utility Commission ("PUC" or "Commission").

Claverack Rural Electric Cooperative, Inc.

Claverack is a member-owned rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937 providing service to approximately 19,100 meters in an eight-county region in northeastern Pennsylvania. Its service area is approximately 1,820 square miles in area. Claverack's service area includes all or parts of the following counties: Bradford, Lackawanna, Luzerne, Lycoming, Sullivan, Susquehanna, Tioga and Wyoming. Approximately ninety (90%) of Claverack's customers are residential or seasonal customers.

C&T Enterprises, Inc.

C&T is a Pennsylvania business corporation originally established for the acquisition of Citizens' stock and generally for the management of Citizens' electric utility operations. C&T currently functions as a public utility holding company and a management services company for the Group Members.

Tri-County Rural Electric Cooperative, Inc.

Tri-County is a member-owned rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937. Tri-County provides electric service to approximately 19,600 meters in the following counties in northcentral Pennsylvania: Bradford, Cameron, Clinton, Lycoming, McKeon, Potter and Tioga. Tri-County's service territory is

approximately 4,484 square miles in area. The Rural Utility Service, Office of the United States Department of Agriculture, provides administrative oversight of Tri-County's operations.

Valley Energy, Inc.

Valley is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. Valley has two operating divisions: VE-PA and VE-NY. VE-PA is engaged in the business of supplying and distributing natural gas to approximately 6,500 residential customers, 850 commercial and industrial customers, and 73 transportation customers. VE-PA's service territory is in and around Sayre, Pennsylvania, in northcentral Pennsylvania. VE-PA is subject to regulation by the Commission.

VE-NY is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-NY is engaged in the business of supplying and distributing natural gas to approximately 1,800 residential and 200 commercial and industrial customers. VE-NY's service area is in and around Waverly, New York. VE-NY is subject to regulation by the New York Public Service Commission.

Wellsboro Electric Company

Wellsboro is a for-profit, investor owned utility rendering electric utility service in the Borough of Wellsboro, Pennsylvania and surrounding communities. Wellsboro serves approximately 6,400 customers, of which approximately eighty percent (80%) are residential and nineteen percent (20%) are commercial or industrial. Wellsboro is regulated by the PUC.

C&T ENTERPRISES CONSOLIDATED COMPANIES
CALCULATION OF CAPITAL STRUCTURE AND RELATED RATIOS
2022 - 2026

2022	CITIZENS ELECTRIC CO.		WELLSBORO ELECTRIC CO.		VALLEY ENERGY (PA)		C&T CONSOLIDATED (Elimination Entries Reflected)	
	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios
Total Debt	$ 2,359	14.90%	$ 14,294	74.93%	$ 6,477	32.51%	$ 31,932	50.64%
Total Preferred / Preference Stock	$ -	0.00%	$ 130	0.68%	$ -	0.00%	$ -	0.00%
Total Common Equity	$ 13,461	85.10%	$ 4,654	24.39%	$ 14,907	67.49%	$ 31,124	49.36%
Total Capital	$ 15,820	100.00%	$ 19,078	100.00%	$ 21,384	100.00%	$ 63,056	100.00%

2023	CITIZENS ELECTRIC CO.		WELLSBORO ELECTRIC CO.		VALLEY ENERGY (PA)		C&T CONSOLIDATED (Elimination Entries Reflected)	
	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios
Total Debt	$ 2,108	13.34%	$ 16,543	75.35%	$ 5,709	28.77%	$ 32,835	50.26%
Total Preferred / Preference Stock	$ -	0.00%	$ 126	0.59%	$ -	0.00%	$ -	0.00%
Total Common Equity	$ 13,697	86.66%	$ 5,282	24.06%	$ 15,655	71.23%	$ 32,489	49.74%
Total Capital	$ 15,805	100.00%	$ 21,951	100.00%	$ 21,364	100.00%	$ 65,324	100.00%

2024	CITIZENS ELECTRIC CO.		WELLSBORO ELECTRIC CO.		VALLEY ENERGY (PA)		C&T CONSOLIDATED (Elimination Entries Reflected)	
	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios
Total Debt	$ 5,160	26.96%	$ 20,822	79.84%	$ 7,785	33.91%	$ 41,624	55.21%
Total Preferred / Preference Stock	$ -	0.00%	$ 126	0.48%	$ -	0.00%	$ -	0.00%
Total Common Equity	$ 13,983	73.04%	$ 5,132	19.68%	$ 16,483	66.09%	$ 33,763	44.79%
Total Capital	$ 19,143	100.00%	$ 26,080	100.00%	$ 24,268	100.00%	$ 75,387	100.00%

2025	CITIZENS ELECTRIC CO.		WELLSBORO ELECTRIC CO.		VALLEY ENERGY (PA)		C&T CONSOLIDATED (Elimination Entries Reflected)	
	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios
Total Debt	$ 4,897	26.05%	$ 19,351	80.51%	$ 7,522	33.39%	$ 39,009	54.98%
Total Preferred / Preference Stock	$ -	0.00%	$ 126	0.52%	$ -	0.00%	$ -	0.00%
Total Common Equity	$ 13,903	73.95%	$ 4,558	18.96%	$ 15,009	66.61%	$ 31,944	45.02%
Total Capital	$ 18,800	100.00%	$ 24,035	100.00%	$ 22,531	100.00%	$ 70,953	100.00%

2026	CITIZENS ELECTRIC CO.		WELLSBORO ELECTRIC CO.		VALLEY ENERGY (PA)		C&T CONSOLIDATED (Elimination Entries Reflected)	
	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios	Total Company Actual Amount Outstanding (Thousands of Dollars)	Ratios
Total Debt	$ 4,634	24.34%	$ 18,915	77.33%	$ 9,230	36.35%	$ 35,570	51.92%
Total Preferred / Preference Stock	$ -	0.00%	$ 126	0.52%	$ -	0.00%	$ -	0.00%
Total Common Equity	$ 14,401	75.66%	$ 5,420	22.16%	$ 16,162	63.65%	$ 32,943	48.08%
Total Capital	$ 19,035	100.00%	$ 24,461	100.00%	$ 25,392	100.00%	$ 68,513	100.00%

AFFILIATED INTEREST AGREEMENT

Agreement dated as of this 31st day of May, 2022, between Citizens' Electric Company of Lewisburg, PA ("Citizens'), Wellsboro Electric Company ("WECO"), Valley Energy, Inc. – Pennsylvania Division ("VE-PA"), Valley Energy, Inc. – New York Division ("VE-NY"), C&T Enterprises, Inc. ("C&T"), Tri-County Rural Electric Cooperative, Inc. ("Tri-County"), and Claverack Rural Electric Cooperative, Inc. ("Claverack"), which are collectively referred to herein as the "Group" or individually as "Member".

Citizens', WECO and VE-PA are public utilities regulated by the Pennsylvania Public Utility Commission ("PUC-regulated Members"). VE-NY is a public utility regulated by the New York Public Service Commission. The other Members noted above do not provide public utility services that are subject to the jurisdiction of a state regulatory agency. A description of each Member is included as Attachment A. A corporate organization chart is included as Attachment B.

From time to time, Citizens', WECO, VE-PA, VE-NY, C&T, Claverack, and Tri-County may provide equipment for use by other Members and/or furnish services consistent with the categories specified herein and have agreed to the amounts to be paid.

Now, therefore, in consideration of the mutual covenants herein, the parties hereto agree as follows:

ARTICLE I

SERVICES PROVIDED AMONG GROUP MEMBERS ON TEMPORARY BASIS

Members of the Group may furnish personnel, equipment, and other resources on temporary basis to other Members of the Group. These services include C&T Shared Support

Services: Treasury/Corporate Finance, Human Resources, Information Technology, , Corporate Communication, Safety and Compliance, Call Center, Legal/Regulatory; and Group Member Services: Management, Construction, and Engineering. The rates and charges for such services shall be the lower of market or actual cost.

ARTICLE II

PAYMENT OF CHARGES FOR GROUP MEMBER SERVICES

A. Services. A Member of the Group receiving services hereunder shall pay to the Member providing said services the actual cost thereof or a market rate, whichever is less. Payment for services rendered by personnel for another Member or in common with another Member shall be based on actual time spent by such personnel as reflected in their daily time sheets or other reasonable means of determination, and will include the actual wages, fringe benefits and overheads applicable to such personnel, including the employee's wage and salary (including base pay, overtime, vacation, holiday, sick, personal days and bereavement), benefits (life insurance, pension, medical, prescription, vision, and dental) and overhead (FICA/Medicare, FUTA/SUTA, matching 401(k) contributions, and workers compensation). Attachment C sets forth the elements of Benefits and Overhead, and the source of the charges for each. Costs incurred in connection with services rendered which can be readily identified and related exclusively to a Member shall be charged directly to that Member. Costs incurred by C&T in rendering services in shared support services that cannot be identified to a specific Member shall be allocated among the appropriate Members using allocation methods specified in Article III.

B. Equipment. A Member of the Group using equipment hereunder shall pay to the Member providing the equipment all readily identifiable costs related to use of that equipment. Costs related to jointly-used equipment shall be allocated to Members based on the relative proportionate use of the equipment and/or other allocation methods generally accepted for ratemaking and financial reporting purposes.

ARTICLE III

C&T SHARED SUPPORT SERVICES

A. C&T shall provide to the Members of the Group certain shared support services, including:

1. Treasury/Corporate Finance - advice and assistance on accounting, financial, regulatory support, management of long-term and short-term financing arrangements.

2. Human Resources - responsibility for employee wages and benefits, completing bi-weekly payrolls, maintaining employee personnel files, processing insurance claims, counseling employees on benefits, handling job vacancies, administering evaluations and completing all payroll tax returns and other reports.

3. Information Technology - support for the network infrastructure, cybersecurity, software and hardware used by the Members, including the purchase of required networking equipment, security appliances, software and hardware, and acting as the liaison between the Members and third-party technology companies.

4. Corporate Communications - provides public relations support and assists with press inquiries.

5. Safety and Compliance - assists Members with understanding and fulfilling safety and compliance issues, including compliance with state and federal workplace safety regulations and requirements.

6. Call Center - after hours call center to handle inquiries from Members' customers.

7. Legal/Regulatory – advice and assistance on legal and regulatory issues, including contracts, rates, ratemaking, tariffs, commission proceedings, legislative proposals, regulatory business strategy and similar issues.

B. To the extent a cost incurred by C&T to perform the shared support services can be directly allocated to a particular Member of the Group, it will be billed in accordance with the procedures set forth in Article V below.

C. The labor, overhead, benefits, expenses, administrative expenses and other costs of C&T's provision shared support services that cannot be directly assigned shall be allocated as follows:

1. Treasury/Corporate Finance: The costs of the Corporate Finance function shall be allocated equally among Citizens', WECO and VE-PA/VE-NY (i.e., 1/3 to each). For purposes of this allocation, VE-PA/VE-NY will be classified as a single Member.

2. Call Center: The costs of the Call Center will be allocated to the Members based on a combination of a fixed monthly base fee and usage of the Call Center services during the month. On a calendar year basis, C&T will

compare the revenues collected for the Call Center and the expenses of the Call Center. If the revenues exceed the expenses, C&T will refund the excess amount to the Members pro rata based on the percentage of calls handled for each Member in comparison to the total calls handled for the group. If the expenses exceed the revenues, C&T will collect the excess amount from the Members pro rata based on the percentage of calls handled for each Member in comparison to the total calls handled for the group.

3. Legal/Regulatory: The costs of the Legal/Regulatory function shall be allocated: (A) 10% to C&T to reflect corporate administration activities (which shall then be subject to the apportionment as reflected in Section III(C)(4) below); and (B) 90% to the regulated utilities (Citizens', WECO and VE-PA/VE-NY), to be shared 1/3, 1/3 and 1/3. For purposes of this allocation, VE-PA/VE-NY will be classified as a single Member. The Legal/Regulatory department shall track and report hours that are spent on projects for Tri-County or Claverack, which shall be billed for such work by C&T as set forth in Article II(a). Citizens', WECO and VE-PA/VE-NY shall receive credits for any hours spent by the Legal/Regulatory department on projects for Tri-County or Claverack.

4. Other Shared Support Services: The costs for the other shared support services will be allocated based on each Member's pro-rata share of the total meters and total revenues. Specifically, 60% of the costs will be allocated based on active meters and 40% of the costs will be allocated based on

annual revenues. The results of this allocation shall be updated each calendar year.

5. Other Expenses: Any expenses of C&T that are not addressed through the allocations discussed in sections 1, 2, 3 and 4 above shall be billed to the Group Members based on the allocation formula specified in section 4 above.

ARTICLE IV

GROUP MEMBER SERVICES PROVIDED ON AS NEEDED BASIS

Members of the Group may provide the following services to other Members on an as needed basis:

A. Management - advice and guidance on business operations and projects such as additions or improvement to property, plant or equipment.

B. Construction - personnel to assist in construction or service restoration activities.

C. Engineering - advice on the design and implementation of utility system extensions and enhancements, including the connection of customer generation.

ARTICLE V

BILLING PRACTICES

As soon as practical after the 15th of each month, or such other period as may be agreed upon by the respective Members of the Group, a billing or accounting shall be rendered for all amounts due for services and expenses for such period, computed pursuant to this Agreement. These bills shall be in sufficient detail to show separately the charge for each class of service

rendered and any intercompany allocations hereunder. Each Member shall keep its books and records available at all times for inspection by regulatory bodies having jurisdiction over them and shall furnish, upon request, any and all information required with respect to services rendered, the costs thereof and the allocation of such costs among the parties to this Agreement.

ARTICLE VI

FINANCING

A Member may, from time to time, loan funds to another Member(s) of the Group. Short-term loans will be evidenced by promissory notes bearing interest at applicable market rates. Long-term loans will be evidenced by promissory notes bearing interest at applicable market rates or the equivalent cost of financing by the lending Member and containing repayment terms consistent with reasonable market terms or those assumed by the lending Member. All long term loans to PUC-regulated Members made pursuant to this Article shall be subject to the applicable provisions of the Public Utility Code, including but not limited to, Chapter 19 Securities and Obligations.

ARTICLE VII

CONTROLLING AGREEMENT

Until this Agreement takes effect, Citizens', C&T, Claverack, Tri-County, VE-PA/VE-NY and WECO will continue to operate pursuant to the Affiliated Interest Agreement dated October 9, 2019, that was approved at Pennsylvania Public Utility Commission Docket Nos. G-2008-2020732, G-2008-2020733 and G-2008-2021399. This Agreement shall be in full force and effect as of the date approved by the Pennsylvania Public Utility Commission, and shall continue in effect through December 31, 2022 (the "initial term"). Thereafter, the Agreement shall automatically

renew for successive one-year terms unless terminated by any party hereto by giving the others sixty days written notice of termination prior to the end of the initial or renewal terms; provided, however, this Agreement shall terminate immediately with regard to any party as of the date such Member ceases to be an affiliated Member of the Group (except to the extent that compensation is still to be paid for services rendered by, or to, any Member prior to the date of such cessation of affiliation). The terms of this Agreement shall be automatically extended to the successors and assignees of the parties. This Agreement may be executed in multiple counterparts.

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement as of the day and year first above written.

C&T ENTERPRISES, INC.

Date 5/19/22

By _____
Name STEVEN ALLABAUGH
Title PRESIDENT & CEO

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA.

Date 5/31/22

By _____
Name John Kelchner
Title President & CEO

CLAVERACK RURAL ELECTRIC COOPERATIVE

Date 5/19/22

By _____
Name STEVEN ALLABAUGH
Title PRESIDENT & CEO

TRI-COUNTY RURAL ELECTRIC COOPERATIVE, INC.

Date 5/25/22

By Aaron S. Young
Name Aaron S. Young
Title President/CEO

WELLSBORO ELECTRIC COMPANY

Date 5/24/22

By Byron Farnsworth Jr
Name Byron Farnsworth Jr
Title President/CEO

VALLEY ENERGY INC., New York Division

Date 5/26/22

By E E Rogers
Name EDWARD J ROGERS
Title PRESIDENT & CEO

VALLEY ENERGY, INC., Pennsylvania Division

Date 5/26/22

By E E Rogers
Name EDWARD J ROGERS
Title PRESIDENT & CEO

Attachment "A"

AFFILIATED INTEREST AGREEMENT
OF
CITIZENS' ELECTRIC COMPANY, WELLSBORO ELECTRIC COMPANY,
VALLEY ENERGY, INC. – PENNSYLVANIA DIVISION, ET AL.

DOCKET NO. _____

DESCRIPTION OF GROUP MEMBERS

Citizens' Electric Company of Lewisburg, PA

Citizens' is an investor-owned, for-profit electric utility incorporated under the laws of Pennsylvania. Citizens' serves approximately 7,200 customers in and around Lewisburg, Pennsylvania, in a 55 square mile territory in Northumberland and Union Counties. Approximately eighty percent (80%) of Citizens' customers are residential, with the remaining twenty percent (20%) of customers being commercial and small industrial users. Citizens' is subject to regulation by the Pennsylvania Public Utility Commission.

Claverack Rural Electric Cooperative, Inc.

Claverack is a rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937 providing service to approximately 18,000 members in an eight-county region in Northeastern Pennsylvania. It's service area is approximately 1,820 square miles in area. Claverack's service area includes all or parts of the following counties: Bradford, Lackawanna, Luzerne, Lycoming, Sullivan, Susquehanna, Tioga, and Wyoming. Approximately ninety-four percent (94%) of Claverack's customers are residential or seasonal customers. The remaining six percent (6%) are commercial or small industrial customers. The Rural Utility Service, Office of the United States Department of Agriculture, provides oversight of Claverack's operations.

C&T Enterprises, Inc.

C&T is a Pennsylvania business corporation that functions as a public utility holding company, which owns all of the stock of Valley Energy, WECO, and Citizens'. C&T acts as a management services company for the Group Members.

Tri-County Rural Electric Cooperative, Inc.

Tri-County is a member-owned rural electric cooperative incorporated under the Pennsylvania Electric Cooperative Corporation Act of 1937. Tri-County provides electric service to approximately 19.500 members in the following counties in Northcentral, Pennsylvania: Bradford, Cameron, Clinton, Lycoming, McKeon, Potter, and Tioga. Tri-County's service territory is approximately 4,484 square miles in area. The Rural Utility Service, Office of the United States Department of Agriculture, provides administrative oversight of Tri-County's operations.

Valley Energy, Inc. – Pennsylvania Division

VE-PA is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-PA is engaged in the business of supplying and distributing natural gas to approximately 6,450 residential customers and 950 commercial and industrial customers. VE-PA's service territory is in and around Sayre, Pennsylvania, in Northcentral Pennsylvania. VE-PA is subject to regulation by the Pennsylvania Public Utility Commission.

Valley Energy, Inc. – New York Division

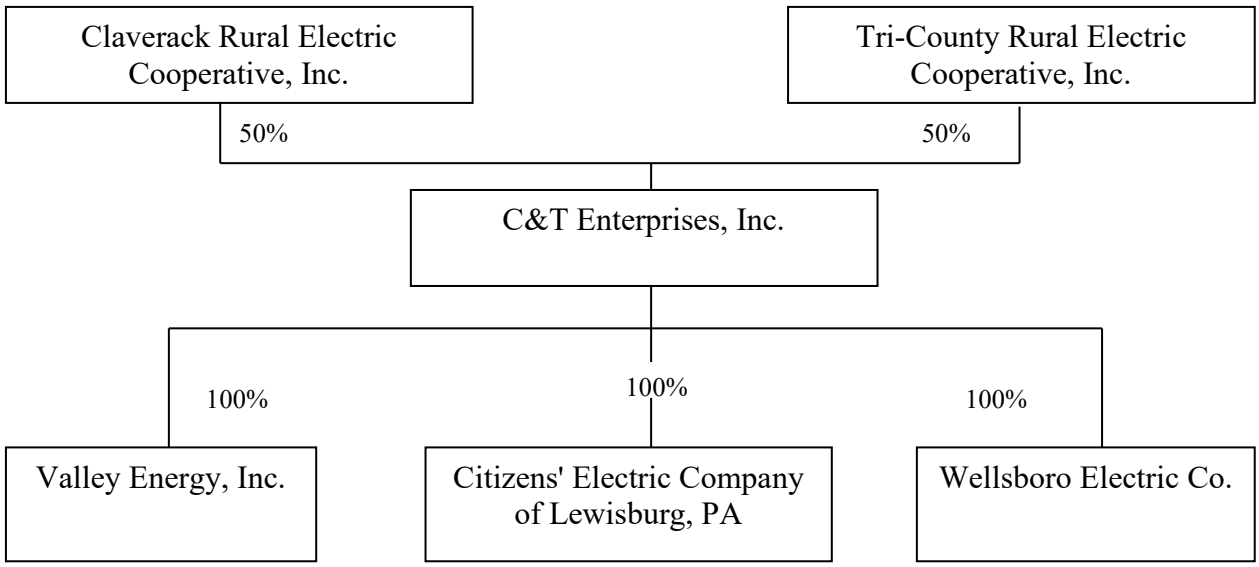
VE-NY is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-NY is engaged in the business of supplying and distributing natural gas to approximately 1,800 residential and 225 commercial and industrial customers. VE-NY's service area is in and around Waverly, New York. VE-NY is subject to regulation by the New York Public Service Commission.

Wellsboro Electric Company

WECO is a for-profit, investor-owned utility rendering electric utility service in the Borough of Wellsboro, Pennsylvania and surrounding communities. WECO serves approximately 6,400 customers, over eighty percent (80%) of which are residential and twenty percent (20%) of which are commercial or industrial. WECO is regulated by the Pennsylvania Public Utility Commission.

Attachment "B"

C & T ENTERPRISES, INC., CORPORATE CHART



Attachment "C"
Overhead and Benefits

Overhead and Benefits for C&T Employees Assigned to a Member or Providing Shared Services

Workers comp is allocated based on % of total payroll and the rate is based on the rated charged by Federated.

$$\frac{?}{\text{Total Payroll}} \times \text{Federated?} = \text{Workers Compensation}$$

NRECA R&S, medical (e.g., Blue Cross Blue Shield), dental (e.g., Delta Dental), NRECA group insurance - are all charged as billed by the provider and charged by employee to the company they are assigned to.

401k - allocated based on companies % of total payroll and the options elected by the employee under the available plan (e.g., contribution level selected by employee, current matching policy, etc.)

FICA, Medicare, FUTA, SUTA allocated based on payroll and calculated using Federal and state rates.

Overhead and Benefits—Temporary Use of Member Employees by other Members

When an assigned employee is temporarily used by another Member, the Member receiving the temporary services is billed the employee's wages plus an overhead rate of 10%.

REVISED CONTRACT FOR SERVICES

THIS CONTRACT, made and executed in duplicate this 24th day of October, 2019, by and between **C&T ENTERPRISES, INC.**, a Pennsylvania corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania, (hereinafter referred to as "C&T") and **CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA**, a Pennsylvania public utility corporation, with offices at 1775 Industrial Boulevard, Lewisburg, Pennsylvania (hereinafter referred to as "Operating Company") (each, individually, "Party" or collectively, "Parties").

WHEREAS, C&T is a public utility holding company organized for the purpose of providing management, communication, financial, technical, operational and other business-related services to its public utilities and others; and

WHEREAS, Operating Company is a for-profit, investor-owned public utility that desires to purchase services from C&T and C&T desires to sell services to Operating Company; and

WHEREAS, Operating Company and C&T are also parties to a general Affiliated Interest Agreement that is filed with the Pennsylvania Public Utility Commission among Operating Company, C&T and other entities that are classified as affiliates of Operating Company under the relevant state statutes (the "AIA")[1]; and

WHEREAS, the Parties wish to reduce their agreement to writing.

NOW THEREFORE, in consideration of the foregoing recitals of fact and the mutual benefits and obligations set forth herein, the Parties agree as follows:

1. DESCRIPTION OF SERVICES. The Parties agree to provide to each other the specific services described herein and set forth in the Addenda attached hereto, which Addenda shall be dated, signed by both C&T and Operating Company, marked alphabetically, e.g., Addendum "A," and so forth, and are incorporated by reference herein.

   1.1 PROVISION OF EMPLOYEES. C&T shall provide service to Operating Company through the assignment of individual C&T Employees to perform specific work and other activities for, and as directed by, the Operating Company. Services will be provided by the specific C&T Employees as identified in Addendum B. Such employees will be considered to be assigned to the Operating Company for purposes of the specific work and other activities.

   1.2 PROVISION AND USE OF VEHICLES, SPACE, MATERIALS AND OTHER EQUIPMENT. In addition to the services described in Paragraph 1.1 of this Contract, the Parties may provide to each other certain vehicles, space, materials and other equipment for use. The rates and charges for such vehicles, materials

[1] The Docket Number and date of approval of the most recent AIA will be set forth in Addendum A of this Contract, which will be updated as necessary.

and other equipment provided will be set forth in Addendum C to this Contract. The rates and charges for space will be set forth in Addendum D to this Contract.

1.3 OTHER SERVICES. In addition to the services described in Paragraphs 1.1 and 1.2 of this Contract, the Parties may provide other services of a nature mutually agreed on by C&T and Operating Company. C&T and Operating Company will execute additional Addenda to this Contract describing such services and specifying the rates and charges for the services. Alternatively, C&T and Operating Company may enter into additional contracts or agreements for such services.

2. RATES AND CHARGES. The rates and charges to be paid by each Party for the services provided shall be set forth on the Addenda attached hereto as provided for in Paragraph 1 of this Contract. These rates and charges shall reflect the lower of actual cost or market. Throughout the course and term of this Contract such rates and charges may be adjusted and revised for any calendar quarter period commencing on the first day of each calendar quarter, upon written notice from C&T to Operating Company not less than thirty (30) days in advance of the calendar quarter for which rates are to be changed. Operating Company's failure to notify C&T in writing of objection to the proposed rates and charges revision within thirty (30) days after receipt of proposed price revision shall be considered acceptance of such revision. In the absence of written notice from C&T to Operating Company regarding any revision of charges and rates, the rates and charges then in effect shall continue until notice is given in accordance with the foregoing schedule.

2.1 LABOR & OVERHEAD CHARGES. C&T shall calculate and bill, on a periodic basis, labor and overhead for all Employees assigned to Operating Company. Overhead charges include, but are not limited to, payroll taxes, pension, workers compensation and health insurance contributions. C&T reserves the right to estimate the monthly cost of certain benefits, subject to subsequent reconciliation. As soon as practical, any benefit adjustments will be charged or credited to the Operating Company.

2.2 SHARED SUPPORT SERVICE ALLOCATION. Consistent with the AIA, C&T will calculate and bill Operating Company for shared support services provided by C&T employees that are not assigned to Operating Company. Shared support services will include, but not be limited to, Human Resources, Payroll, Information Technology, Corporate Communications, Call, Center and Key Accounts.

3. BILLING AND PAYMENT. All rates and charges to be paid by Operating Company to C&T for services rendered to Operating Company shall be billed by C&T by invoice with sufficient detail to document and support the rates and charges set forth therein and submitted to Operating Company on or before the 15th day of each month for services rendered by C&T during the preceding month. Any amounts due from C&T to Operating Company shall be netted against the C&T charges on the monthly invoice. Payment of

such invoice shall be made in full by Operating Company to C&T on or before twenty (20) days from the date of receipt of such invoice, and in the event such invoice is not paid in full, the unpaid portion thereof shall, at C&T's option, accrue interest at the rate of one percent (1%) of the unpaid amount per month, with a partial month being counted as a full month.

3.1 ADVANCED PAYMENT. To enable C&T to meet its obligations due during the initial month of this Contract, C&T may continue to retain any Advanced Payment provided pursuant to the prior Contract for Services between the Parties. C&T may refund the Advanced Payment to the Operating Company, at any time before the termination of the Contract. To the extent not previously refunded, Operating Company shall be entitled to return of the Advanced Payment upon termination of this Contract. The amount of any Advanced Payment that remains in C&T's possession shall be set forth in Addendum E to this Contract.

3.2 ACCOUNTING LIABILITIES. In addition to any rates and charges due hereunder, Operating Company may set up a payable to C&T for amounts necessary under generally accepted accounting principles to book liabilities for future payments due, including for FAS 106 and accrued vacation obligations. C&T shall provide to Operating Company a separate invoice once per year indicating the amount of such liabilities for the year based on an actuarial estimate. Any variance between actual amounts paid by C&T during the year and the actuarial estimate provided to Operating Company shall be subject to reconciliation at the end of the year.

4. TERM. The initial term of this Contract for Services shall commence on the date of this Contract and shall continue for three years. This Contract will thereafter automatically renew for successive one-year terms unless terminated by either party by written notice provided at least sixty (60) days prior to the end of any initial or renewal term. Any such termination shall not affect any obligations undertaken or liabilities incurred by either party prior to the date of termination.

5. DESIGNATION OF OPERATING COMPANY OFFICERS. The Board of Directors of Operating Company retains full authority, power and discretion to designate the Officers for the Operating Company. To the extent the Board of the Operating Company designates a C&T Employee as an Officer of the Operating Company, the Parties shall enter into or revise Addendum B and appropriate schedules to assign the employee to the Operating Company.

6. TEMPORARY ASSIGNMENT OF C&T EMPLOYEES. Notwithstanding the categorization of the C&T Employees designated in Addendum B Schedule 1 to this Contract as being assigned to the Operating Company, C&T may, from time to time, request to use such employees to provide services to other entities. Operating Company's monthly compensation to C&T for such employee's services shall be reduced by the applicable percentage of employee's total working hours allocable to work outside Operating Company. Whenever employees assigned to Operating Company are

temporarily assigned to another operating company, their labor, overhead and expenses will be billed based the provisions of Article II, Section A and/or Article III of the AIA.

7. MANAGEMENT OF ASSIGNED C&T EMPLOYEES. Operating Company will have management authority over C&T Employees assigned to Operating Company under this Contract.

8. REQUEST FOR ADDITIONAL SERVICES. Operating Company may request, from time to time, that C&T provide additional services on a temporary or a permanent basis by C&T employees that are not permanently assigned to Operating Company. By way of example, Operating Company may request the placement of full-time staff members with IT experience on-site during a computer system conversion. Any request for additional services must be conveyed to C&T in a timely manner. To the extent such service is desired on a permanent basis, C&T and Operating Company shall mutually agree on addition of or modification to an Addendum to this Contract. If the permanently-assigned or temporarily-assigned C&T Employee is currently assigned to another entity, the Operating Company will pay a percentage of the compensation for said C&T Employee otherwise recoverable from the other entity based on the portion of total monthly working hours allocable to Operating Company or a written agreement between the two Operating Companies. To the extent such assignment is temporary and such C&T Employee is not currently assigned to another entity, C&T and Operating Company will mutually agree on appropriate compensation.

9. OVERSIGHT COMMITTEE. C&T shall form and convene an Oversight Committee to address complaints, problems or grievances that arise under this Contract or similar agreements entered into with other entities. Each such entity, including Operating Company, shall have the opportunity to designate a member of the Oversight Committee. The Oversight Committee will attempt to resolve all complaints, problems and grievances raised by the Operating Company and other represented entities. To the extent the Oversight Committee cannot resolve such issues, the issues will be submitted to a neutral arbitrator, mutually agreed to by Operating Company and C&T, for binding resolution. Such arbitration will be conducted according to the rules of the American Arbitration Association.

10. RELATIONSHIP OF THE PARTIES. The parties hereto understand and agree that C&T is to provide services under this Contract as an independent contractor to the Operating Company and not as an agent, employee, representative, or in any other manner or relationship whatsoever. At all times throughout the term hereof, C&T shall be free to and intends to contract to provide services to others. Except as stated herein nothing in this Contract shall in any way be construed to constitute C&T or any of C&T's agents or employees as the agent, employee or representative of the Operating Company.

11. CONFIDENTIALITY. All information furnished under and pursuant to this Contract shall be held by C&T and Operating Company in strict confidence and shall never be reproduced, revealed or made accessible in whole or in part, in any manner whatsoever, to any other persons unless required by law, applicable regulatory agencies (including the

Pennsylvania Public Utility Commission) or unless the Party first obtains the other Party's express and written consent; provided, however, the Party may reveal to the subject of the information that the other Party is a source of information about the subject and refer same to the Other Party for the purpose of obtaining such information and reviewing it. Any information specifically designated as "Confidential" may be viewed only by the Officers of the Party and only to the extent necessary to perform their designated duties. Each Party shall take reasonable steps to limit the public disclosure of confidential information provided hereunder.

12. INDEMNIFICATION. Operating Company shall hold C&T harmless against all liability or loss and against all claims or actions based on or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this contract or by conditions created thereby, or based on any violation of statue or regulation and the defense of any such claims or actions.

13. INSURANCE. C&T shall, at its sole cost and expense, be covered by comprehensive general liability insurance including contractual liability insurance with combined single limits of not less than One Million Dollars ($1,000,000.00), which insurance coverage and limits shall be evidenced by certificates of insurance as requested by the Operating Company and which insurance policies shall name the Operating Company as additional insured thereon.

14. WORKERS COMPENSATION. Any employees assigned to Operating Company hereunder shall at all times remain C&T Employees for workers compensation purposes. C&T will take reasonable actions with respect to such employees, including, but not limited to, retaining an appropriate amount of Workers Compensation Insurance. C&T agrees to indemnify, defend and hold harmless Operating Company for any workers compensation claim asserted by a C&T Employee.

15. HEADINGS. The description headings of the various paragraphs of this Contract are inserted for reference purposes only and do not form a part of this Contract and shall in no way affect meaning or interpretation thereof.

16. ENTIRE AGREEMENT. This Agreement constitutes and contains the entire understanding and agreement of the parties hereto and supersedes any and all prior understandings and agreements, oral or written, by, between and among the parties regarding the subject matter hereof.

17. AMENDMENTS. This Contract and the Addenda incorporated herein shall be modified and/or amended only by writing signed by both parties hereto, and shall not be effective until filed with and approved by any applicable regulatory agencies, including the Pennsylvania Public Utility Commission. The requirement for approval prior to effectiveness shall not apply to periodic changes to Addenda to update information such as the information regarding the AIA set forth in Addendum A and the employees and related costs assigned to Operating Company under Addendum B.

18. AUTHORITY. C&T and Operating Company hereby covenant and agree, each to the other, that their respective signatories have the authority to execute and bind each pursuant to the appropriate actions of the governing bodies of each. C&T also warrants that it has the authority to provide the services contemplated hereunder.

19. NOTICES. Any notices to be delivered under the terms of this Contract shall be sent by U.S. Mail certified, return receipt requested, addressed as follows;

To C&T:

C&T Enterprises, Inc.
33 Austin Street
Wellsboro, PA 16901

To Operating Company:

Citizens' Electric Company of Lewisburg, PA
1775 Industrial Boulevard
Lewisburg, PA 17837

20. FORCE MAJEURE. C&T shall use diligence to perform its obligations under this Contact, however, in the event that C&T is delayed in or prevented from performing or carrying out its obligations under this Contract by reason of an unforeseeable event or occurrence beyond reasonable control of and without the fault and negligence of C&T, including, but not limited to, acts of God, strike, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, acts of public enemy, explosion, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state or local legislative, executive, administrative, or judicial agency or body which, in any of the foregoing cases, by exercise of due foresight C&T could not reasonably have been expected to avoid, C&T shall not be liable to the Operating Company for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention, provided, however, that C&T shall use due diligence to remove the cause or causes thereof. The settlement of strikes and labor disturbances shall be wholly within the discretion of C&T. Economic hardship shall not constitute a Force Majeure under this Contract.

21. REGULATORY OVERSIGHT/APPROVAL. This Contract constitutes a component of the Affiliated Interest Agreement and relationship between C&T and Operating Company that is subject to oversight by the Pennsylvania Public Utility Commission ("PUC"). To the extent the PUC invalidates and/or modifies any portion of this Contract or the Affiliated Interest Agreement, either during an independent review of the agreement or in a proceeding before the Commission, and such action impacts the terms of this Contract, the parties agree to mutually negotiate in good faith modifications to this Contract consistent with the Commission's decision.

22. PRIOR AGREEMENTS. This Contract shall supersede and replace in its entirety the Contract for Services dated November 18, 1999 (as amended), between the Parties; provided, however, that the Parties shall remain liable for any obligations incurred under the prior Contract for Services.

23. SEVERABILITY. All agreements and covenants contained in this Contract are severable, and in the event any of them are held to be invalid by any competent court, this Contract will be interpreted as if the invalid agreements or covenants were not contained in this Contract.

24. ASSIGNMENT. This Contract may not be assigned, transferred or conveyed in whole or part by either party without the express written permission of the other.

25. CONSTRUCTION. This Contract shall be governed by the laws of the Commonwealth of Pennsylvania.

26. BINDING EFFECTS. The parties hereto covenant and agree that the terms, conditions and provisions of this Contract shall be binding upon themselves, their respective successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered as of the day and year first above written.

ATTEST:

Secretary

C&T ENTERPRISES, INC.

BY: Bobbi G Kilmer

TITLE: Co. President & CEO

ATTEST:

Secretary

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

BY: John A Kohler

TITLE: President/CEO

INDEX OF ADDENDA AND SCHEDULES
DATED THE 24TH DAY OF OCTOBER, 2019

Addendum A: Information regarding currently-effective Affiliated Interest Agreement among C&T companies

Addendum B: C&T Employees Assigned to Operating Company

Schedule B-1: Specific C&T Employees and Charges

Addendum C: Vehicles, Materials and Other Equipment

Schedule C-1: Specific Covered Items

Addendum D: Space

Schedule D-1: Summary of Leased Space

Addendum E: Outstanding Advanced Payment

CITIZENS' ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 24th DAY OF OCTOBER, 2019
ADDENDUM A
(INFORMATION ON CURRENT AFFILIATED INTEREST AGREEMENT AMONG C&T COMPANIES)

The Pennsylvania Public Utility Commission approved the currently effective Affiliated Interest Agreement among the C&T companies on July 15, 2019, at Docket No. G-2008-2020733.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby G Kilmer
President & CEO

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

10/24/2019
Date

by: John A Kahler
President & CEO

CITIZENS' ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 24TH DAY OF OCTOBER, 2019
ADDENDUM B
(EMPLOYEES)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company the services of the C&T Employees set forth on the attached listing, marked Schedule B-1. For the period during which this Addendum remains effective, the persons listed on Schedule B-1 shall be considered to be assigned to Operating Company. Schedule B-1 may be modified by mutual consent of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rate and charge for services provided by C&T Employees to Operating Company shall be calculated monthly based on C&T's direct monthly costs related to each such employee, including salary, payroll taxes and benefits. The annual charge for each employee will be listed on Schedule B-1, which shall consequently be designated as highly confidential and handled in accordance with the confidentiality provisions in Paragraph 11 of the Contract.

3. EMPLOYEE BONUSES.

The C&T Employees listed on Schedule B-1 may, from time to time, be provided certain bonuses or other performance-based incentives. To the extent such bonuses or incentives are proposed or instituted by C&T, Operating Company shall have the right to refuse, for reasonable reasons and grounds, to compensate C&T for such bonuses or incentives. Operating Company may also request that C&T provide a bonus or other incentive to specific C&T Employees listed on Schedule B-1. Bonuses or incentives shall be passed through to and paid by Operating Company.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Kime
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/2019
Date

by: John A Kelly
President & CEO

SCHEDULE 1 TO ADDENDUM A

[redacted]

Title	Annual Charge
PRESIDENT & CEO	$ [redacted]
SENIOR DIRECTOR OF ENG & OPERATIONS	$ [redacted]
TREASURER	$ [redacted]
CREW CHIEF	$ [redacted]
CREW CHIEF	$ [redacted]
JOURNEYMAN LINE TECHNICIAN	$ [redacted]
JOURNEYMAN LINE TECHNICIAN	$ [redacted]
MANAGER OF CUSTOMER SERVICE	$ [redacted]
JOURNEYMAN LINE TECHNICIAN	$ [redacted]
JOURNEYMAN LINE TECHNICIAN	$ [redacted]
ENGINEERING TECHNICIAN	$ [redacted]
JOURNEYMAN LINE TECHNICIAN	$ [redacted]
2ND CLASS LINE TECHNICIAN	$ [redacted]
ACCOUNTING ASSISTANT	$ [redacted]
CUSTOMER SERVICE REPRESENTATIVE	$ [redacted]
APPRENTICE LINE TECHNICIAN	$ [redacted]
CUSTOMER SERVICE REPRESENTATIVE	$ [redacted]
APPRENTICE LINE TECHNICIAN	$ [redacted]
Total	$ 3,046,764

Rachel R. Hauser
President & CEO
C&T Enterprses, Inc.

Date: 2/12/2025

President & CEO
Citizens' Electric Company

Date: 2/12/25

CITIZENS' ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 24th DAY OF OCTOBER, 2019
ADDENDUM C
(VEHICLES, MATERIALS AND EQUIPMENT)

4. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the vehicles, materials and other equipment more particularly detailed and set forth on the attached listing, marked Schedule C-1 , which schedule is incorporated herein as though set forth at length. Schedule C-1 may be changed from time to time by mutual agreement of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services set forth in Paragraph 1 hereof shall be calculated monthly based on the monthly fixed and variable costs related to such vehicles, material or equipment.

C&T ENTERPRISES, INC.

10/19/2019
Date

by: Bobby Kemmer
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: John A Kuhlmann
President & CEO

SCHEDULE C-1 TO ADDENDUM C

1. Currently there are no vehicles, material or other equipment being provided by the affiliated companies.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby J Kennedy
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: John A Kehler
President & CEO

CITIZENS' ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 24th DAY OF OCTOBER, 2019
ADDENDUM D
(SPACE)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the space more particularly detailed and set forth on the attached Schedules marked as D-1, D-2, D-3, etc. To the extent a formal lease agreement exists related to certain space, that agreement will also be included as a Schedule to this Addendum.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services for space will be negotiated between the Parties.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Kelly
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: John A Kelly
President & CEO

SCHEDULE D-1 TO ADDENDUM D
SUMMARY OF SPACE LEASED BETWEEN PARTIES

1. Currently there is no space leased between the parties.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: _____
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: _____
President & CEO

CITIZENS' ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 24th DAY OF OCTOBER, 2019
ADDENDUM E
(ADVANCED PAYMENT)

Pursuant to Paragraph 3.1 of the Contract, C&T currently holds an Advanced Payment from Operating Company of $90,700.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobbi A Kilmer
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: Joh A Kell
President & CEO

REVISED CONTRACT FOR SERVICES

THIS CONTRACT, made and executed in duplicate this 6th day of October, 2010, by and between **C&T ENTERPRISES, INC.**, a Pennsylvania corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania, (hereinafter referred to as "C&T") and **WELLSBORO ELECTRIC COMPANY** a Pennsylvania public utility corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania (hereinafter referred to as "Operating Company") (each, individually, "Party" or collectively, "Parties").

WHEREAS, C&T is a public utility holding company organized for the purpose of providing management, communication, financial, technical, operational and other business-related services to its public utilities and others; and

WHEREAS, Operating Company is a for-profit, investor-owned public utility that desires to purchase services from C&T and C&T desires to sell services to Operating Company; and

WHEREAS, Operating Company and C&T are also parties to a general Affiliated Interest Agreement that is filed with the Pennsylvania Public Utility Commission among Operating Company, C&T and other entities that are classified as affiliates of Operating Company under the relevant state statutes (the "AIA")[1]; and

WHEREAS, the Parties wish to reduce their agreement to writing.

NOW THEREFORE, in consideration of the foregoing recitals of fact and the mutual benefits and obligations set forth herein, the Parties agree as follows:

1. DESCRIPTION OF SERVICES. The Parties agree to provide to each other the specific services described herein and set forth in the Addenda attached hereto, which Addenda shall be dated, signed by both C&T and Operating Company, marked alphabetically, e.g., Addendum "A," and so forth, and are incorporated by reference herein.

   1.1 PROVISION OF EMPLOYEES. C&T shall provide service to Operating Company through the assignment of individual C&T Employees to perform specific work and other activities for, and as directed by, the Operating Company. Services will be provided by the specific C&T Employees as identified in Addendum B. Such employees will be considered to be assigned to the Operating Company for purposes of the specific work and other activities.

   1.2 PROVISION AND USE OF VEHICLES, SPACE, MATERIALS AND OTHER EQUIPMENT. In addition to the services described in Paragraph 1.1 of this Contract, the Parties may provide to each other certain vehicles, space, materials and other equipment for use. The rates and charges for such vehicles, materials

[1] The Docket Number and date of approval of the most recent AIA will be set forth in Addendum A of this Contract, which will be updated as necessary.

and other equipment provided will be set forth in Addendum C to this Contract. The rates and charges for space will be set forth in Addendum D to this Contract.

1.3 OTHER SERVICES. In addition to the services described in Paragraphs 1.1 and 1.2 of this Contract, the Parties may provide other services of a nature mutually agreed on by C&T and Operating Company. C&T and Operating Company will execute additional Addenda to this Contract describing such services and specifying the rates and charges for the services. Alternatively, C&T and Operating Company may enter into additional contracts or agreements for such services.

2. RATES AND CHARGES. The rates and charges to be paid by each Party for the services provided shall be set forth on the Addenda attached hereto as provided for in Paragraph 1 of this Contract. These rates and charges shall reflect the lower of actual cost or market. Throughout the course and term of this Contract such rates and charges may be adjusted and revised for any calendar quarter period commencing on the first day of each calendar quarter, upon written notice from C&T to Operating Company not less than thirty (30) days in advance of the calendar quarter for which rates are to be changed. Operating Company's failure to notify C&T in writing of objection to the proposed rates and charges revision within thirty (30) days after receipt of proposed price revision shall be considered acceptance of such revision. In the absence of written notice from C&T to Operating Company regarding any revision of charges and rates, the rates and charges then in effect shall continue until notice is given in accordance with the foregoing schedule.

2.1 LABOR & OVERHEAD CHARGES. C&T shall calculate and bill, on a periodic basis, labor and overhead for all Employees assigned to Operating Company. Overhead charges include, but are not limited to, payroll taxes, pension, workers compensation and health insurance contributions. C&T reserves the right to estimate the monthly cost of certain benefits, subject to subsequent reconciliation. As soon as practical, any benefit adjustments will be charged or credited to the Operating Company.

2.2 SHARED SUPPORT SERVICE ALLOCATION. Consistent with the AIA, C&T will calculate and bill Operating Company for shared support services provided by C&T employees that are not assigned to Operating Company. Shared support services will include, but not be limited to, Human Resources, Payroll, Information Technology, Corporate Communications, Call, Center and Key Accounts.

3. BILLING AND PAYMENT. All rates and charges to be paid by Operating Company to C&T for services rendered to Operating Company shall be billed by C&T by invoice with sufficient detail to document and support the rates and charges set forth therein and submitted to Operating Company on or before the 15th day of each month for services rendered by C&T during the preceding month. Any amounts due from C&T to Operating Company shall be netted against the C&T charges on the monthly invoice. Payment of

such invoice shall be made in full by Operating Company to C&T on or before twenty (20) days from the date of receipt of such invoice, and in the event such invoice is not paid in full, the unpaid portion thereof shall, at C&T's option, accrue interest at the rate of one percent (1%) of the unpaid amount per month, with a partial month being counted as a full month.

3.1 ADVANCED PAYMENT. To enable C&T to meet its obligations due during the initial month of this Contract, C&T may continue to retain any Advanced Payment provided pursuant to the prior Contract for Services between the Parties. C&T may refund the Advanced Payment to the Operating Company, at any time before the termination of the Contract. To the extent not previously refunded, Operating Company shall be entitled to return of the Advanced Payment upon termination of this Contract. The amount of any Advanced Payment that remains in C&T's possession shall be set forth in Addendum E to this Contract.

3.2 ACCOUNTING LIABILITIES. In addition to any rates and charges due hereunder, Operating Company may set up a payable to C&T for amounts necessary under generally accepted accounting principles to book liabilities for future payments due, including for FAS 106 and accrued vacation obligations. C&T shall provide to Operating Company a separate invoice once per year indicating the amount of such liabilities for the year based on an actuarial estimate. Any variance between actual amounts paid by C&T during the year and the actuarial estimate provided to Operating Company shall be subject to reconciliation at the end of the year.

4. TERM. The initial term of this Contract for Services shall commence on the date of this Contract and shall continue for three years. This Contract will thereafter automatically renew for successive one-year terms unless terminated by either party by written notice provided at least sixty (60) days prior to the end of any initial or renewal term. Any such termination shall not affect any obligations undertaken or liabilities incurred by either party prior to the date of termination.

5. DESIGNATION OF OPERATING COMPANY OFFICERS. The Board of Directors of Operating Company retains full authority, power and discretion to designate the Officers for the Operating Company. To the extent the Board of the Operating Company designates a C&T Employee as an Officer of the Operating Company, the Parties shall enter into or revise Addendum B and appropriate schedules to assign the employee to the Operating Company.

6. TEMPORARY ASSIGNMENT OF C&T EMPLOYEES. Notwithstanding the categorization of the C&T Employees designated in Addendum B Schedule 1 to this Contract as being assigned to the Operating Company, C&T may, from time to time, request to use such employees to provide services to other entities. Operating Company's monthly compensation to C&T for such employee's services shall be reduced by the applicable percentage of employee's total working hours allocable to work outside Operating Company. Whenever employees assigned to Operating Company are

temporarily assigned to another operating company, their labor, overhead and expenses will be billed based the provisions of Article II, Section A and/or Article III of the AIA.

7. MANAGEMENT OF ASSIGNED C&T EMPLOYEES. Operating Company will have management authority over C&T Employees assigned to Operating Company under this Contract.

8. REQUEST FOR ADDITIONAL SERVICES. Operating Company may request, from time to time, that C&T provide additional services on a temporary or a permanent basis by C&T employees that are not permanently assigned to Operating Company. By way of example, Operating Company may request the placement of full-time staff members with IT experience on-site during a computer system conversion. Any request for additional services must be conveyed to C&T in a timely manner. To the extent such service is desired on a permanent basis, C&T and Operating Company shall mutually agree on addition of or modification to an Addendum to this Contract. If the permanently-assigned or temporarily-assigned C&T Employee is currently assigned to another entity, the Operating Company will pay a percentage of the compensation for said C&T Employee otherwise recoverable from the other entity based on the portion of total monthly working hours allocable to Operating Company or a written agreement between the two Operating Companies. To the extent such assignment is temporary and such C&T Employee is not currently assigned to another entity, C&T and Operating Company will mutually agree on appropriate compensation.

9. OVERSIGHT COMMITTEE. C&T shall form and convene an Oversight Committee to address complaints, problems or grievances that arise under this Contract or similar agreements entered into with other entities. Each such entity, including Operating Company, shall have the opportunity to designate a member of the Oversight Committee. The Oversight Committee will attempt to resolve all complaints, problems and grievances raised by the Operating Company and other represented entities. To the extent the Oversight Committee cannot resolve such issues, the issues will be submitted to a neutral arbitrator, mutually agreed to by Operating Company and C&T, for binding resolution. Such arbitration will be conducted according to the rules of the American Arbitration Association.

10. RELATIONSHIP OF THE PARTIES. The parties hereto understand and agree that C&T is to provide services under this Contract as an independent contractor to the Operating Company and not as an agent, employee, representative, or in any other manner or relationship whatsoever. At all times throughout the term hereof, C&T shall be free to and intends to contract to provide services to others. Except as stated herein nothing in this Contract shall in any way be construed to constitute C&T or any of C&T's agents or employees as the agent, employee or representative of the Operating Company.

11. CONFIDENTIALITY. All information furnished under and pursuant to this Contract shall be held by C&T and Operating Company in strict confidence and shall never be reproduced, revealed or made accessible in whole or in part, in any manner whatsoever, to any other persons unless required by law, applicable regulatory agencies (including the

Pennsylvania Public Utility Commission) or unless the Party first obtains the other Party's express and written consent; provided, however, the Party may reveal to the subject of the information that the other Party is a source of information about the subject and refer same to the Other Party for the purpose of obtaining such information and reviewing it. Any information specifically designated as "Confidential" may be viewed only by the Officers of the Party and only to the extent necessary to perform their designated duties. Each Party shall take reasonable steps to limit the public disclosure of confidential information provided hereunder.

12. INDEMNIFICATION. Operating Company shall hold C&T harmless against all liability or loss and against all claims or actions based on or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this contract or by conditions created thereby, or based on any violation of statue or regulation and the defense of any such claims or actions.

13. INSURANCE. C&T shall, at its sole cost and expense, be covered by comprehensive general liability insurance including contractual liability insurance with combined single limits of not less than One Million Dollars ($1,000,000.00), which insurance coverage and limits shall be evidenced by certificates of insurance as requested by the Operating Company and which insurance policies shall name the Operating Company as additional insured thereon.

14. WORKERS COMPENSATION. Any employees assigned to Operating Company hereunder shall at all times remain C&T Employees for workers compensation purposes. C&T will take reasonable actions with respect to such employees, including, but not limited to, retaining an appropriate amount of Workers Compensation Insurance. C&T agrees to indemnify, defend and hold harmless Operating Company for any workers compensation claim asserted by a C&T Employee.

15. HEADINGS. The description headings of the various paragraphs of this Contract are inserted for reference purposes only and do not form a part of this Contract and shall in no way affect meaning or interpretation thereof.

16. ENTIRE AGREEMENT. This Agreement constitutes and contains the entire understanding and agreement of the parties hereto and supersedes any and all prior understandings and agreements, oral or written, by, between and among the parties regarding the subject matter hereof.

17. AMENDMENTS. This Contract and the Addenda incorporated herein shall be modified and/or amended only by writing signed by both parties hereto, and shall not be effective until filed with and approved by any applicable regulatory agencies, including the Pennsylvania Public Utility Commission. The requirement for approval prior to effectiveness shall not apply to periodic changes to Addenda to update information such as the information regarding the AIA set forth in Addendum A and the employees and related costs assigned to Operating Company under Addendum B.

18. AUTHORITY. C&T and Operating Company hereby covenant and agree, each to the other, that their respective signatories have the authority to execute and bind each pursuant to the appropriate actions of the governing bodies of each. C&T also warrants that it has the authority to provide the services contemplated hereunder.

19. NOTICES. Any notices to be delivered under the terms of this Contract shall be sent by U.S. Mail certified, return receipt requested, addressed as follows;

To C&T:

C&T Enterprises, Inc.
33 Austin Street
Wellsboro, PA 16901

To Operating Company:

Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901

20. FORCE MAJEURE. C&T shall use diligence to perform its obligations under this Contact, however, in the event that C&T is delayed in or prevented from performing or carrying out its obligations under this Contract by reason of an unforeseeable event or occurrence beyond reasonable control of and without the fault and negligence of C&T, including, but not limited to, acts of God, strike, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, acts of public enemy, explosion, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state or local legislative, executive, administrative, or judicial agency or body which, in any of the foregoing cases, by exercise of due foresight C&T could not reasonably have been expected to avoid, C&T shall not be liable to the Operating Company for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention, provided, however, that C&T shall use due diligence to remove the cause or causes thereof. The settlement of strikes and labor disturbances shall be wholly within the discretion of C&T. Economic hardship shall not constitute a Force Majeure under this Contract.

21. REGULATORY OVERSIGHT/APPROVAL. This Contract constitutes a component of the Affiliated Interest Agreement and relationship between C&T and Operating Company that is subject to oversight by the Pennsylvania Public Utility Commission ("PUC"). To the extent the PUC invalidates and/or modifies any portion of this Contract or the Affiliated Interest Agreement, either during an independent review of the agreement or in a proceeding before the Commission, and such action impacts the terms of this Contract, the parties agree to mutually negotiate in good faith modifications to this Contract consistent with the Commission's decision.

22. PRIOR AGREEMENTS. This Contract shall supersede and replace in its entirety the Contract for Services dated March 29, 2002, between the Parties; provided, however, that the Parties shall remain liable for any obligations incurred under the prior Contract for Services.

23. SEVERABILITY. All agreements and covenants contained in this Contract are severable, and in the event any of them are held to be invalid by any competent court, this Contract will be interpreted as if the invalid agreements or covenants were not contained in this Contract.

24. ASSIGNMENT. This Contract may not be assigned, transferred or conveyed in whole or part by either party without the express written permission of the other.

25. CONSTRUCTION. This Contract shall be governed by the laws of the Commonwealth of Pennsylvania.

26. BINDING EFFECTS. The parties hereto covenant and agree that the terms, conditions and provisions of this Contract shall be binding upon themselves, their respective successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered as of the day and year first above written.

C&T ENTERPRISES, INC.

BY: Bobby Kilmer

TITLE: Co. Pres. & CEO

WELLSBORO ELECTRIC COMPANY

BY: [signature]

TITLE: President & CEO

INDEX OF ADDENDA AND SCHEDULES
DATED THE 29th DAY OF SEPTEMBER 2023

Addendum A: Information regarding currently-effective Affiliated Interest Agreement among C&T companies

Addendum B: C&T Employees Assigned to Operating Company

Schedule B-1: Specific C&T Employees and Charges

Addendum C: Vehicles, Materials and Other Equipment

Schedule C-1: Specific Covered Items

Addendum D: Space

Schedule D-1: Summary of Leased Space
Schedule D-2: Lease for C&T Office

Addendum E: Outstanding Advanced Payment

WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM A
(INFORMATION ON CURRENT AFFILIATED INTEREST AGREEMENT AMONG C&T COMPANIES)

The Pennsylvania Public Utility Commission approved the currently effective Affiliated Interest Agreement among the C&T companies on March 29, 2002, at Docket No. G-00020948.

C&T ENTERPRISES, INC.

1/5/12
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

1/5/12
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM B
(EMPLOYEES)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company the services of the C&T Employees set forth on the attached listing, marked Schedule B-1. For the period during which this Addendum remains effective, the persons listed on Schedule B-1 shall be considered to be assigned to Operating Company. Schedule B-1 may be modified by mutual consent of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rate and charge for services provided by C&T Employees to Operating Company shall be calculated monthly based on C&T's direct monthly costs related to each such employee, including salary, payroll taxes and benefits. The annual charge for each employee will be listed on Schedule B-1, which shall consequently be designated as highly confidential and handled in accordance with the confidentiality provisions in Paragraph 11 of the Contract.

3. EMPLOYEE BONUSES.

The C&T Employees listed on Schedule B-1 may, from time to time, be provided certain bonuses or other performance-based incentives. To the extent such bonuses or incentives are proposed or instituted by C&T, Operating Company shall have the right to refuse, for reasonable reasons and grounds, to compensate C&T for such bonuses or incentives. Operating Company may also request that C&T provide a bonus or other incentive to specific C&T Employees listed on Schedule B-1. Bonuses or incentives shall be passed through to and paid by Operating Company.

C&T ENTERPRISES, INC.

1/5/12
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

1/6/12
Date

by: _____
President & CEO

SCHEDULE B-1 TO ADDENDUM B

CONFIDENTIAL

Title	Annual Charge
PRESIDENT & CEO	$ [redacted]
DIRECTOR OF ENGINEERING & OPERATIONS	$ [redacted]
MANAGER OF CUSTOMER SERVICE	$ [redacted]
VP & TREASURER	$ [redacted]
TECHNICAL ASSISTANT	$ [redacted]
EXECUTIVE ASSISTANT/STAFF SPECIALIST	$ [redacted]
CUSTOMER SERVICE REPRESENTATIVE	$ [redacted]
CUSTOMER SERVICE REPRESENTATIVE	$ [redacted]
ACCOUNTING ASSISTANT	$ [redacted]
Total	$ 1,466,651

Rachel R. Hauser

President & CEO
C&T Enterprses, Inc.

Date: 2/12/2025

President & CEO
Wellsboro Electric Company

Date: 2/4/2025

WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM C
(VEHICLES, MATERIALS AND EQUIPMENT)

4. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the vehicles, materials and other equipment more particularly detailed and set forth on the attached listing, marked Schedule C-1 , which schedule is incorporated herein as though set forth at length. Schedule C-1 may be changed from time to time by mutual agreement of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services set forth in Paragraph 1 hereof shall be calculated monthly based on the monthly fixed and variable costs related to such vehicles, material or equipment.

C&T ENTERPRISES, INC.

1/5/12
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

1/5/12
Date

by: _____
President & CEO

SCHEDULE D-1 TO ADDENDUM D
SUMMARY OF SPACE LEASED BETWEEN PARTIES
UPDATED SEPTEMBER 2023

1. **C&T Office Lease:** Wellsboro ("Lessors") shall lease to C&T ("Lessee") approximately 860 square feet of space on the 3rd floor of Wellsboro's primary office building located at 33 Austin Street, Wellsboro, Pennsylvania. The lease is for a term of one (1) year commencing on January 1, 2022, and will renew automatically for successive monthly terms thereafter unless terminated by either party. The monthly rent is Two Hundred Fifty and 00/100 ($250.00) DOLLARS in advance on the first (1st) day of each month for that month's rental. This lease is attached as Schedule D-2.

2. RESERVED.

C&T ENTERPRISES, INC.

9/28/2023
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

9/28/2023
Date

by: _____
President & CEO

COMMERCIAL PROPERTY LEASE

This lease is made between **WELLSBORO ELECTRIC COMPANY**, of 33 Austin Street, Wellsboro, Tioga County, Pennsylvania, 16901, herein called "Lessors", and **C&T ENTERPRISES, INC.**, of P.O. Box 551, Lewisburg, Pennsylvania, 17838, herein called the "Lessee".

Lessors hereby offer to lease to Lessee the premises situate in the Borough of Wellsboro, County of Tioga, Commonwealth of Pennsylvania, 33 Austin Street, 3rd Floor, Wellsboro, Tioga County, 16901, upon the following TERMS and CONDITIONS:

SGA 3/25/22 BMF 3/25/2022

1. **USE:** Lessee agrees that he will use and occupy the demised premises as a ~~communication center~~ office space only and for no other purpose without the written consent of the Lessors first had and obtained; nor shall Lessee obstruct or interfere with the rights of other Lessees, or in any other way injure or annoy them nor will the Lessee allow the leased premises, or any part of it, to be occupied by any other person, business or entity, other than the Lessee or Lessee's employees without the written consent of the Lessors endorsed on this Agreement.

2. **TERM:** Lessors demise the office space at 33 Austin Street, 3rd Floor, Wellsboro, Tioga County, Pennsylvania 16901, for a term of one (1) year commencing on January 1, 2022, and terminating on December 31, 2022. After the initial term, this lease shall automatically renew on a month to month basis. Either party may terminate the lease with thirty (30) days' written notice provided to the other party.

3. **RENT:** Monthly rent for the lease term shall be at of $250.00 per month payable in advance on the first (1st) day of each month for that month's rental. All rental payments shall be made to Lessors at the address specified above. Any payment made ten (10) days or later after the due date shall be assessed a ten (10%) percent late fee which will be added to the monthly payment.

4. **ALTERATIONS:** Lessee shall not, without first obtaining the written consent of Lessors, make any alterations, additions, or improvements, in, to or about the premises. Lessors will pay only for materials that they deem necessary. Any alterations, additions or improvements, in, to or about the leased premises shall be made solely at the Lessee's expense, except for repairs to the roof. Further, any alterations, additions, or improvements in, to or about the premises, except movable or attachable office equipment shall be the property of the Lessors, and shall remain upon and be surrendered with the premises, as a part of it, at the termination of this lease, without molestation or injury.

5. **ORDINANCES AND STATUTES:** Lessee shall comply with all statutes, ordinances and requirements of a municipal, state, and federal authorities now in force, or which may hereafter be in force, pertaining to the premises, occasioned by or affecting the use thereof by Lessee.

6. **ASSIGNMENT AND SUBLETTING:** Lessee shall not assign this Lease or sublet any portion of the premises without prior written consent of the Lessors. Any such assignment or

subletting without consent shall be void and, at the option of the Lessors, may terminate this Lease.

7. **UTILITIES:** Lessors agree to provide and be responsible for the payment of the following: electric, gas, water, sewer, and removal of garbage. Lessee shall be solely liable for telephone/FAX/TV and/or cable bills, as they become due.

8. **ENTRY AND INSPECTION:** Lessee shall permit Lessors or Lessors' agents to enter upon the premises at reasonable times and upon reasonable notice, for the purpose of inspecting the same, and will permit Lessors anytime within sixty (60) days prior to the expiration of this Lease, to place upon the premises any usual "To Let" or "For Lease" signs, and permit persons desiring to lease the same to inspect the premises thereafter. It is understood that the Lessors shall have the option and right to enter the leased premises at any time upon activation of the fire alarm system.

9. **INDEMNIFICATION OF LESSORS:** Lessors shall not be liable for any damage or injury to Lessee, or any other person, or to any property, occurring on the demised premises or any part thereof, and Lessee agrees to hold Lessors harmless from any/and all claims for damages, no matter how caused. Further, Lessee agrees to carry liability insurance in the minimum of $1,000000.00 on the demised premises listing the Lessors as a named insured.

10. **EMINENT DOMAIN:** If the premises or any part thereof or any estate therein, or any other part of the building materially affecting Lessee's use of the premises, shall be taken by eminent domain, this lease shall terminate on the date when title vests pursuant to such taking. The rent, and any additional rent, shall be apportioned as of the termination date, and any rent paid for any period beyond that date shall be repaid to Lessee. Lessee shall not be entitled to any part of the award for such taking or any payment in lieu thereof, but Lessee may file a claim for any taking of fixtures and improvements owned by Lessee, and for moving expenses.

11. **DESTRUCTION OF PREMISES:** In the event of partial destruction of the premises during the term hereof, from any cause, Lessors shall forthwith repair the same, provided that such repairs can be made within sixty (60) days under the existing governmental laws and regulations, but such destruction shall not terminate this lease except that Lessee shall be entitled to a proportionate reduction of rent while such repairs are being made, based upon the extent to which the making of such repairs shall interfere with the business of Lessee on the premises. If such repairs cannot be made within the said sixty (60) days, Lessors, at their option, may take the same within a reasonable time, this lease continuing in effect, with the rent proportionately abated as aforementioned, and in the event that Lessors shall not elect to make such repairs which cannot be made within sixty (60) days, this lease may be terminated at the option of either party. In the event that the building in which the demised premises may be situated is destroyed to an extent of not less than one-third (1/3) of the replacement costs thereof, Lessors may elect to terminate this lease whether the demised premises be injured or not. A total destruction of the building in which the premises may be situated shall terminate this lease.

12. **LESSORS' REMEDIES ON DEFAULT:** If Lessee defaults in the payment of rent, or any additional rent, or default in the performance of any of the other covenants or conditions hereof, Lessors may give Lessee notice of such default, and if Lessee does not cure any such

default, and if Lessee does not cure any such default within fifteen (15) days, after the giving of such notice [or if such default is of such a nature that it cannot be completely cured within reasonable diligence and in good faith to cure such default], then Lessors may terminate this lease on not less than ten (10) days' notice to Lessees. On the date specified in such notice the tenn of this lease shall terminate, and Lessees shall then quit and surrender premises to Lessors, but Lessee shall remain liable as hereinafter provided. If this lease shall have been so terminated by Lessors, Lessors may at any time thereafter resume possession of the premises by any lawful means and remove Lessee or other occupants and their effects.

13. **NO WAIVER OF DEFAULT:** No failure to enforce any term shall be deemed a waiver. This agreement shall remain in full force and effect unless and until terminated under and pursuant to the terms of this agreement. The failure of either party to insist upon strict performance of any of the provisions of this agreement shall in no way affect the right of such party thereafter to enforce that provision. The waiver of any breach of any provision hereof shall not be construed as a waiver of any subsequent breach of the same or similar nature, and shall not be construed as a waiver of strict performance of any other obligations.

14. **ATTORNEY'S FEES:** In case suit should be brought for recovery of the premises, or for any sum due hereunder, or because of any act which may arise out of the possession of the premises, by either party, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney's fees.

15. **NOTICES:** Any notice which either party may be or is required to give, shall be given by mailing the same, postage prepaid, to the addresses shown below:

LESSEES: 1775 Industrial Blvd.
Lewisburg, Pennsylvania 17837

LESSORS: 33 Austin Street
Wellsboro, Pennsylvania 16901

Or at such other places as may be designated by the parties from time to time.

16. **NOTICE OF DEFECTS:** Lessee shall give to Lessors prompt written notice of any accident to, or any defects in, to, or on the demised premises that may come to its attention.

17. **ASSIGNS AND SUCCESSORS:** This Lease is binding upon and inures to the benefit of the assigns and successors in interest to the parties.

18. **SUBORDINATION:** This Lease is and shall be subordinated to all existing and future liens and encumbrances against the property.

19. **JURISDICTION, VENUE AND CHOICE OF LAW:** This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania. Furthermore, the parties agree to utilize and submit to the Jurisdiction and Venue of the Court of Common Pleas of Tioga County, Pennsylvania.

20. **ENTIRE AGREEMENT:** The foregoing constitutes the entire agreement between the parties and may be modified only by a writing signed by both parties. The following Exhibits, if any, have been made a part of this lease before the parties' execution hereof:

Signed this 17th day of December 2021

WELLSBORO ELECTRIC COMPANY:

Attest: Melissa D Sullivan

By: Byron Smith Jr (SEAL)

Signed this 17th day of December 2021

C&T ENTERPRISES, INC:

Attest: Annette L Koder

By: [signature] (SEAL)
STEVEN ALLABAUGH CO-CEO

WELLSBORO ELECTRIC COMPANY
CONTRACT FOR SERVICES
DATED THE 6TH DAY OF OCTOBER, 2010
ADDENDUM E
(ADVANCED PAYMENT)

Pursuant to Paragraph 3.1 of the Contract, C&T currently holds an Advanced Payment from Operating Company of $49,000.

C&T ENTERPRISES, INC.

1/5/12
Date

by: _____
President & CEO

WELLSBORO ELECTRIC COMPANY

1/5/12
Date

by: _____
President & CEO

REVISED CONTRACT FOR SERVICES

THIS CONTRACT, made and executed in duplicate this 28th day of October, 2019, by and between **C&T ENTERPRISES, INC.**, a Pennsylvania corporation, with offices at 33 Austin Street, Wellsboro, Pennsylvania, (hereinafter referred to as "C&T") and **VALLEY ENERGY, INC.** a Pennsylvania public utility corporation, with offices at 523 South Keystone Avenue, Sayre, Pennsylvania (hereinafter referred to as "Operating Company") (each, individually, "Party" or collectively, "Parties").

WHEREAS, C&T is a public utility holding company organized for the purpose of providing management, communication, financial, technical, operational and other business-related services to its public utilities and others; and

WHEREAS, Operating Company is a for-profit, investor-owned public utility that desires to purchase services from C&T and C&T desires to sell services to Operating Company; and

WHEREAS, Operating Company and C&T are also parties to a general Affiliated Interest Agreement that is filed with the Pennsylvania Public Utility Commission among Operating Company, C&T and other entities that are classified as affiliates of Operating Company under the relevant state statutes (the "AIA")[1]; and

WHEREAS, the Parties wish to reduce their agreement to writing.

NOW THEREFORE, in consideration of the foregoing recitals of fact and the mutual benefits and obligations set forth herein, the Parties agree as follows:

1. DESCRIPTION OF SERVICES. The Parties agree to provide to each other the specific services described herein and set forth in the Addenda attached hereto, which Addenda shall be dated, signed by both C&T and Operating Company, marked alphabetically, e.g., Addendum "A," and so forth, and are incorporated by reference herein.

   1.1 PROVISION OF EMPLOYEES. C&T shall provide service to Operating Company through the assignment of individual C&T Employees to perform specific work and other activities for, and as directed by, the Operating Company. Services will be provided by the specific C&T Employees as identified in Addendum B. Such employees will be considered to be assigned to the Operating Company for purposes of the specific work and other activities.

   1.2 PROVISION AND USE OF VEHICLES, SPACE, MATERIALS AND OTHER EQUIPMENT. In addition to the services described in Paragraph 1.1 of this Contract, the Parties may provide to each other certain vehicles, space, materials and other equipment for use. The rates and charges for such vehicles, materials

[1] The Docket Number and date of approval of the most recent AIA will be set forth in Addendum A of this Contract, which will be updated as necessary.

and other equipment provided will be set forth in Addendum C to this Contract. The rates and charges for space will be set forth in Addendum D to this Contract.

1.3 OTHER SERVICES. In addition to the services described in Paragraphs 1.1 and 1.2 of this Contract, the Parties may provide other services of a nature mutually agreed on by C&T and Operating Company. C&T and Operating Company will execute additional Addenda to this Contract describing such services and specifying the rates and charges for the services. Alternatively, C&T and Operating Company may enter into additional contracts or agreements for such services.

2. RATES AND CHARGES. The rates and charges to be paid by each Party for the services provided shall be set forth on the Addenda attached hereto as provided for in Paragraph 1 of this Contract. These rates and charges shall reflect the lower of actual cost or market. Throughout the course and term of this Contract such rates and charges may be adjusted and revised for any calendar quarter period commencing on the first day of each calendar quarter, upon written notice from C&T to Operating Company not less than thirty (30) days in advance of the calendar quarter for which rates are to be changed. Operating Company's failure to notify C&T in writing of objection to the proposed rates and charges revision within thirty (30) days after receipt of proposed price revision shall be considered acceptance of such revision. In the absence of written notice from C&T to Operating Company regarding any revision of charges and rates, the rates and charges then in effect shall continue until notice is given in accordance with the foregoing schedule.

2.1 LABOR & OVERHEAD CHARGES. C&T shall calculate and bill, on a periodic basis, labor and overhead for all Employees assigned to Operating Company. Overhead charges include, but are not limited to, payroll taxes, pension, workers compensation and health insurance contributions. C&T reserves the right to estimate the monthly cost of certain benefits, subject to subsequent reconciliation. As soon as practical, any benefit adjustments will be charged or credited to the Operating Company.

2.2 SHARED SUPPORT SERVICE ALLOCATION. Consistent with the AIA, C&T will calculate and bill Operating Company for shared support services provided by C&T employees that are not assigned to Operating Company. Shared support services will include, but not be limited to, Human Resources, Payroll, Information Technology, Corporate Communications, Call, Center and Key Accounts.

3. BILLING AND PAYMENT. All rates and charges to be paid by Operating Company to C&T for services rendered to Operating Company shall be billed by C&T by invoice with sufficient detail to document and support the rates and charges set forth therein and submitted to Operating Company on or before the 15th day of each month for services rendered by C&T during the preceding month. Any amounts due from C&T to Operating Company shall be netted against the C&T charges on the monthly invoice. Payment of

such invoice shall be made in full by Operating Company to C&T on or before twenty (20) days from the date of receipt of such invoice, and in the event such invoice is not paid in full, the unpaid portion thereof shall, at C&T's option, accrue interest at the rate of one percent (1%) of the unpaid amount per month, with a partial month being counted as a full month.

3.1 ADVANCED PAYMENT. To enable C&T to meet its obligations due during the initial month of this Contract, C&T may continue to retain any Advanced Payment provided pursuant to the prior Contract for Services between the Parties. C&T may refund the Advanced Payment to the Operating Company, at any time before the termination of the Contract. To the extent not previously refunded, Operating Company shall be entitled to return of the Advanced Payment upon termination of this Contract. The amount of any Advanced Payment that remains in C&T's possession shall be set forth in Addendum E to this Contract.

3.2 ACCOUNTING LIABILITIES. In addition to any rates and charges due hereunder, Operating Company may set up a payable to C&T for amounts necessary under generally accepted accounting principles to book liabilities for future payments due, including for FAS 106 and accrued vacation obligations. C&T shall provide to Operating Company a separate invoice once per year indicating the amount of such liabilities for the year based on an actuarial estimate. Any variance between actual amounts paid by C&T during the year and the actuarial estimate provided to Operating Company shall be subject to reconciliation at the end of the year.

4. TERM. The initial term of this Contract for Services shall commence on the date of this Contract and shall continue for three years. This Contract will thereafter automatically renew for successive one-year terms unless terminated by either party by written notice provided at least sixty (60) days prior to the end of any initial or renewal term. Any such termination shall not affect any obligations undertaken or liabilities incurred by either party prior to the date of termination.

5. DESIGNATION OF OPERATING COMPANY OFFICERS. The Board of Directors of Operating Company retains full authority, power and discretion to designate the Officers for the Operating Company. To the extent the Board of the Operating Company designates a C&T Employee as an Officer of the Operating Company, the Parties shall enter into or revise Addendum B and appropriate schedules to assign the employee to the Operating Company.

6. TEMPORARY ASSIGNMENT OF C&T EMPLOYEES. Notwithstanding the categorization of the C&T Employees designated in Addendum B Schedule 1 to this Contract as being assigned to the Operating Company, C&T may, from time to time, request to use such employees to provide services to other entities. Operating Company's monthly compensation to C&T for such employee's services shall be reduced by the applicable percentage of employee's total working hours allocable to work outside Operating Company. Whenever employees assigned to Operating Company are

temporarily assigned to another operating company, their labor, overhead and expenses will be billed based the provisions of Article II, Section A and/or Article III of the AIA.

7. MANAGEMENT OF ASSIGNED C&T EMPLOYEES. Operating Company will have management authority over C&T Employees assigned to Operating Company under this Contract.

8. REQUEST FOR ADDITIONAL SERVICES. Operating Company may request, from time to time, that C&T provide additional services on a temporary or a permanent basis by C&T employees that are not permanently assigned to Operating Company. By way of example, Operating Company may request the placement of full-time staff members with IT experience on-site during a computer system conversion. Any request for additional services must be conveyed to C&T in a timely manner. To the extent such service is desired on a permanent basis, C&T and Operating Company shall mutually agree on addition of or modification to an Addendum to this Contract. If the permanently-assigned or temporarily-assigned C&T Employee is currently assigned to another entity, the Operating Company will pay a percentage of the compensation for said C&T Employee otherwise recoverable from the other entity based on the portion of total monthly working hours allocable to Operating Company or a written agreement between the two Operating Companies. To the extent such assignment is temporary and such C&T Employee is not currently assigned to another entity, C&T and Operating Company will mutually agree on appropriate compensation.

9. OVERSIGHT COMMITTEE. C&T shall form and convene an Oversight Committee to address complaints, problems or grievances that arise under this Contract or similar agreements entered into with other entities. Each such entity, including Operating Company, shall have the opportunity to designate a member of the Oversight Committee. The Oversight Committee will attempt to resolve all complaints, problems and grievances raised by the Operating Company and other represented entities. To the extent the Oversight Committee cannot resolve such issues, the issues will be submitted to a neutral arbitrator, mutually agreed to by Operating Company and C&T, for binding resolution. Such arbitration will be conducted according to the rules of the American Arbitration Association.

10. RELATIONSHIP OF THE PARTIES. The parties hereto understand and agree that C&T is to provide services under this Contract as an independent contractor to the Operating Company and not as an agent, employee, representative, or in any other manner or relationship whatsoever. At all times throughout the term hereof, C&T shall be free to and intends to contract to provide services to others. Except as stated herein nothing in this Contract shall in any way be construed to constitute C&T or any of C&T's agents or employees as the agent, employee or representative of the Operating Company.

11. CONFIDENTIALITY. All information furnished under and pursuant to this Contract shall be held by C&T and Operating Company in strict confidence and shall never be reproduced, revealed or made accessible in whole or in part, in any manner whatsoever, to any other persons unless required by law, applicable regulatory agencies (including the

Pennsylvania Public Utility Commission and the New York Public Service Commission) or unless the Party first obtains the other Party's express and written consent; provided, however, the Party may reveal to the subject of the information that the other Party is a source of information about the subject and refer same to the Other Party for the purpose of obtaining such information and reviewing it. Any information specifically designated as "Confidential" may be viewed only by the Officers of the Party and only to the extent necessary to perform their designated duties. Each Party shall take reasonable steps to limit the public disclosure of confidential information provided hereunder.

12. INDEMNIFICATION. Operating Company shall hold C&T harmless against all liability or loss and against all claims or actions based on or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this contract or by conditions created thereby, or based on any violation of statue or regulation and the defense of any such claims or actions.

13. INSURANCE. C&T shall, at its sole cost and expense, be covered by comprehensive general liability insurance including contractual liability insurance with combined single limits of not less than One Million Dollars ($1,000,000.00), which insurance coverage and limits shall be evidenced by certificates of insurance as requested by the Operating Company and which insurance policies shall name the Operating Company as additional insured thereon.

14. WORKERS COMPENSATION. Any employees assigned to Operating Company hereunder shall at all times remain C&T Employees for workers compensation purposes. C&T will take reasonable actions with respect to such employees, including, but not limited to, retaining an appropriate amount of Workers Compensation Insurance. C&T agrees to indemnify, defend and hold harmless Operating Company for any workers compensation claim asserted by a C&T Employee.

15. HEADINGS. The description headings of the various paragraphs of this Contract are inserted for reference purposes only and do not form a part of this Contract and shall in no way affect meaning or interpretation thereof.

16. ENTIRE AGREEMENT. This Agreement constitutes and contains the entire understanding and agreement of the parties hereto and supersedes any and all prior understandings and agreements, oral or written, by, between and among the parties regarding the subject matter hereof.

17. AMENDMENTS. This Contract and the Addenda incorporated herein shall be modified and/or amended only by writing signed by both parties hereto, and shall not be effective until filed with and approved by any applicable regulatory agencies, including the Pennsylvania Public Utility Commission. The requirement for approval prior to effectiveness shall not apply to periodic changes to Addenda to update information such as the information regarding the AIA set forth in Addendum A and the employees and related costs assigned to Operating Company under Addendum B.

18. AUTHORITY. C&T and Operating Company hereby covenant and agree, each to the other, that their respective signatories have the authority to execute and bind each pursuant to the appropriate actions of the governing bodies of each. C&T also warrants that it has the authority to provide the services contemplated hereunder.

19. NOTICES. Any notices to be delivered under the terms of this Contract shall be sent by U.S. Mail certified, return receipt requested, addressed as follows;

To C&T:

C&T Enterprises, Inc.
33 Austin Street
Wellsboro, PA 16901

To Operating Company:

Valley Energy, Inc.
523 South Keystone Avenue
Sayre, PA 18840

20. FORCE MAJEURE. C&T shall use diligence to perform its obligations under this Contact, however, in the event that C&T is delayed in or prevented from performing or carrying out its obligations under this Contract by reason of an unforeseeable event or occurrence beyond reasonable control of and without the fault and negligence of C&T, including, but not limited to, acts of God, strike, flood, earthquake, storm, fire, lightning, epidemic, war, riot, civil disturbance, sabotage, acts of public enemy, explosion, change in law or applicable regulation subsequent to the date hereof and action or inaction by any federal, state or local legislative, executive, administrative, or judicial agency or body which, in any of the foregoing cases, by exercise of due foresight C&T could not reasonably have been expected to avoid, C&T shall not be liable to the Operating Company for or on account of any loss, damage, injury or expense resulting from or arising out of such delay or prevention, provided, however, that C&T shall use due diligence to remove the cause or causes thereof. The settlement of strikes and labor disturbances shall be wholly within the discretion of C&T. Economic hardship shall not constitute a Force Majeure under this Contract.

21. REGULATORY OVERSIGHT/APPROVAL. This Contract constitutes a component of the Affiliated Interest Agreement and relationship between C&T and Operating Company that is subject to oversight by the Pennsylvania Public Utility Commission ("PUC") and the New York Public Service Commission ("PSC"). To the extent the PUC or PSC invalidates and/or modifies any portion of this Contract or the Affiliated Interest Agreement, either during an independent review of the agreement or in a proceeding before the Commission, and such action impacts the terms of this Contract, the parties agree to mutually negotiate in good faith modifications to this Contract consistent with the Commission's decision.

22. PRIOR AGREEMENTS. This Contract shall supersede and replace in its entirety the Contract for Services dated March 29, 2002, between the Parties; provided, however, that the Parties shall remain liable for any obligations incurred under the prior Contract for Services.

23. SEVERABILITY. All agreements and covenants contained in this Contract are severable, and in the event any of them are held to be invalid by any competent court, this Contract will be interpreted as if the invalid agreements or covenants were not contained in this Contract.

24. ASSIGNMENT. This Contract may not be assigned, transferred or conveyed in whole or part by either party without the express written permission of the other.

25. CONSTRUCTION. This Contract shall be governed by the laws of the Commonwealth of Pennsylvania.

26. BINDING EFFECTS. The parties hereto covenant and agree that the terms, conditions and provisions of this Contract shall be binding upon themselves, their respective successors, and assigns.

IN WITNESS WHEREOF, the parties have caused this Contract to be executed and delivered as of the day and year first above written.

ATTEST:

Secretary

C&T ENTERPRISES, INC.

BY:

TITLE: Co Pres. & CEO

ATTEST:

Secretary

VALLEY ENERGY, INC.

BY:

TITLE: PRESIDENT & CEO

INDEX OF ADDENDA AND SCHEDULES
DATED THE 28th DAY OF OCTOBER, 2019

Addendum A: Information regarding currently-effective Affiliated Interest Agreement among C&T companies

Addendum B: C&T Employees Assigned to Operating Company

Schedule B-1: Specific C&T Employees and Charges

Addendum C: Vehicles, Materials and Other Equipment

Schedule C-1: Specific Covered Items

Addendum D: Space

Schedule D-1: Summary of Leased Space

Addendum E: Outstanding Advanced Payment

VALLEY ENERGY, INC.
CONTRACT FOR SERVICES
DATED THE 28TH DAY OF OCTOBER, 2019
ADDENDUM A
(INFORMATION ON CURRENT AFFILIATED INTEREST AGREEMENT AMONG C&T COMPANIES)

The Pennsylvania Public Utility Commission approved the currently effective Affiliated Interest Agreement among the C&T companies on July 15, 2019, at Docket No. G-2008-2020732.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobbi J Kilmer
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: S E Rogers
President & CEO

VALLEY ENERGY, INC.
CONTRACT FOR SERVICES
DATED THE 23rd DAY OF OCTOBER, 2019
ADDENDUM B
(EMPLOYEES)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company the services of the C&T Employees set forth on the attached listing, marked Schedule B-1. For the period during which this Addendum remains effective, the persons listed on Schedule B-1 shall be considered to be assigned to Operating Company. Schedule B-1 may be modified by mutual consent of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rate and charge for services provided by C&T Employees to Operating Company shall be calculated monthly based on C&T's direct monthly costs related to each such employee, including salary, payroll taxes and benefits. The annual charge for each employee will be listed on Schedule B-1, which shall consequently be designated as highly confidential and handled in accordance with the confidentiality provisions in Paragraph 11 of the Contract.

3. EMPLOYEE BONUSES.

The C&T Employees listed on Schedule B-1 may, from time to time, be provided certain bonuses or other performance-based incentives. To the extent such bonuses or incentives are proposed or instituted by C&T, Operating Company shall have the right to refuse, for reasonable reasons and grounds, to compensate C&T for such bonuses or incentives. Operating Company may also request that C&T provide a bonus or other incentive to specific C&T Employees listed on Schedule B-1. Bonuses or incentives shall be passed through to and paid by Operating Company.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Akers
President & CEO

VALLEY ENERGY, INC.

10/23/19
Date

by: E. E. Rogers
President & CEO

SCHEDULE 1 TO ADDENDUM A

[redacted]

Title	Annual Charge
PRESIDENT & CEO	$ [redacted]
VP & TREASURER	$ [redacted]
VP OPERATIONS	$ [redacted]
OPERATIONS MANAGER	$ [redacted]
CUSTOMER SERVICE MANAGER	$ [redacted]
GIS ANALYST	$ [redacted]
CORROSION/MEASUREMENT TECHNICIAN	$ [redacted]
SURVEILLANCE TECHNICIAN	$ [redacted]
FIELD SERVICE TECHNICIAN	$ [redacted]
REGULATOR SHOP TECHNICIAN	$ [redacted]
EXECUTIVE ASSISTANT	$ [redacted]
GAS FITTER 2	$ [redacted]
CONSTRUCTION MANAGER	$ [redacted]
TRAINING & COMPLIANCE COORDINATOR	$ [redacted]
OPERATIONS ASSISTANT	$ [redacted]
REGULATOR TECHNICIAN	$ [redacted]
CORROSION/MEASUREMENT TECHNICIAN	$ [redacted]
FIELD SERVICE TECHNICIAN	$ [redacted]
CUSTOMER REPRESENTATIVE	$ [redacted]
FIELD SERVICE TECHNICIAN	$ [redacted]
SURVEILLANCE TECHNICIAN	$ [redacted]
OPERATIONS TECHNICIAN	$ [redacted]
INVENTORY PURCHASING AGENT	$ [redacted]
METER READER/TESTER	$ [redacted]
GAS FITTER 2	$ [redacted]
ACCOUNTING ASSISTANT	$ [redacted]
CUSTOMER REPRESENTATIVE	$ [redacted]
FIELD SERVICE TECHNICIAN	$ [redacted]
CUSTOMER REPRESENTATIVE	$ [redacted]
GAS FITTER 1	$ [redacted]
GAS FITTER 1	$ [redacted]
Total	$ 4,136,934

Rachel R. Hauser
President & CEO
C&T Enterprses, Inc.

Date: 2/12/2025

E E Rogers
President & CEO
Valley Energy, Inc.

Date: 2/12/25

VALLEY ENERGY, INC.
CONTRACT FOR SERVICES
DATED THE 28th DAY OF OCTOBER, 2019
ADDENDUM C
(VEHICLES, MATERIALS AND EQUIPMENT)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the vehicles, materials and other equipment more particularly detailed and set forth on the attached listing, marked Schedule C-1 , which schedule is incorporated herein as though set forth at length. Schedule C-1 may be changed from time to time by mutual agreement of C&T and Operating Company.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services set forth in Paragraph 1 hereof shall be calculated monthly based on the monthly fixed and variable costs related to such vehicles, material or equipment.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby G Kinney
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Boggess
President & CEO

SCHEDULE C-1 TO ADDENDUM C

1. Currently there are no vehicles, material or other equipment being provided by the affiliated companies.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Akers
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Rogers
President & CEO

VALLEY ENERGY, INC.
CONTRACT FOR SERVICES
DATED THE 28th DAY OF OCTOBER, 2019
ADDENDUM D
(SPACE)

1. DESCRIPTION OF SERVICES.

C&T shall provide to Operating Company (or Operating Company shall provide to C&T) the space more particularly detailed and set forth on the attached Schedules marked as D-1, D-2, D-3, etc. To the extent a formal lease agreement exists related to certain space, that agreement will also be included as a Schedule to this Addendum.

2. RATES AND CHARGES FOR SERVICES.

The rates and charges for services for space will be negotiated between the Parties.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Kilmer
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Rogers
President & CEO

SCHEDULE D-1 TO ADDENDUM D
SUMMARY OF SPACE LEASED BETWEEN PARTIES

1. There currently is no space leased between the Parties.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby J Kilmer
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Reagan
President & CEO

VALLEY ENERGY, INC.
CONTRACT FOR SERVICES
DATED THE 28th DAY OF OCTOBER, 2019
ADDENDUM E
(ADVANCED PAYMENT)

Pursuant to Paragraph 3.1 of the Contract, C&T currently holds an Advanced Payment from Operating Company of $100,398.47.

C&T ENTERPRISES, INC.

10/21/2019
Date

by: Bobby Gilmore
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Rogers
President & CEO

Wellsboro Electric, Citizens Electric & Valley Energy
Long-Term Debt and Letter of Credit Certificates
As of 12/31/2024

Wellsboro Electric, Inc

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00030942	9005001		$ 618,446	LT Fixed Rate	11/26/2003	09/30/2038
S-00030942	9005002		$ 1,902,152	LT Fixed Rate	11/26/2003	09/30/2038
S-00030942	9005003		$ 1,908,479	LT Fixed Rate	11/26/2003	09/30/2038
S-00030942	9005004		$ 979,869	LT Fixed Rate	11/26/2003	09/30/2038
S-00030942	9005006		$ 1,289,656	LT Fixed Rate	11/26/2003	09/30/2038
S-00030942	9005007		$ 321,085	LT Fixed Rate	11/26/2003	09/30/2038
		$ 12,155,017	$ 7,019,687			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00051045	9006002	$ 1,000,000	$ 280,213	LT Fixed Rate	11/01/2006	12/31/2028

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00061153	9012001	$ 500,000	$ 207,911	LT Fixed Rate	12/27/2006	09/30/2031
S-00061153	9012002	$ 500,000	$ 210,428	LT Fixed Rate	08/31/2007	09/30/2031
S-00061153	9012003	$ 500,000	$ 197,364	LT Fixed Rate	02/06/2008	09/30/2031
		$ 1,500,000	$ 615,703			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2010-2162071	9015001	$ 1,200,000	$ 675,020	LT Fixed Rate	02/25/2011	12/31/2034

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2011-2240234	9016001	$ 1,000,000	$ 587,972	LT Fixed Rate	03/01/2012	06/30/2035
S-2011-2240234	9016002	$ 1,000,000	$ 616,625	LT Fixed Rate	12/29/2014	06/30/2035
		$ 2,000,000	$ 1,204,597			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2016-2581844	9018001	$ 1,000,000	$ 787,765	LT Fixed Rate	5/8/2017	3/31/2042
S-2016-2581844	9018002	$ 1,000,000	$ 828,462	LT Fixed Rate	6/30/2019	12/31/2041
		$ 2,000,000	$ 1,616,228			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2020-3019803	9022001	$ 2,000,000	$ 1,818,139	LT Fixed Rate	9/30/2020	6/30/2050

Wellsboro Electric, Citizens Electric & Valley Energy
Long-Term Debt and Letter of Credit Certificates
As of 12/31/2024

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2022-3033413	9023001	$ 3,000,000	$ 2,920,865	LT Fixed Rate	10/31/2022	9/30/2052
S-2022-3033413	9023002	$ 2,000,000	$ 1,961,712	LT Fixed Rate	6/15/2023	3/31/2053
S-2022-3033413	9023003	$ 1,000,000	$ 980,386	LT Fixed Rate	6/30/2023	3/31/2053
		$ 6,000,000	$ 5,862,962			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2024-3050970	9025001	$ 4,000,000	$ 4,000,000	LT Fixed Rate	10/15/2024	12/31/1954

Docket No. S-00030942 not to exceed $12,200,000. The balance outstanding at December 31, 2024 was $7,019,687.
Docket No. S-00051045 not to exceed $1,000,000. The balance outstanding at December 31, 2024 was $280,213.
Docket No. S-00061153 not to exceed $1,500,000. The balance outstanding at December 31, 2024 was $615,703.
Docket No. S-2010-2162071 not to exceed $1,200,000. The balance outstanding at December 31, 2024 was $675,020.
Docket No. S-2011-2240234 not to exceed $2,000,000. The balance outstanding at December 31, 2024 was $1,204,597.
Docket No. S-2016-2581844 not to exceed $2,000,000. The balance outstanding at December 31, 2024 was $1,616,228.
Docket No. S-2020-3019803 not to exceed $2,000,000. The balance outstanding at December 31, 2024 was $1,818,139.
Docket No. S-2022-3033413 not to exceed $6,000,000. The balance outstanding at December 31, 2024 was $5,862,962.
Docket No. S-2024-3050970 not to exceed $5,000,000. The balance oustanding at December 31, 2024 was $4,000,000.

Citizens Electric Company

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00990736	9001001		$ 970,459	LT Fixed Rate	02/08/1999	12/31/2033
S-00990736	9001002		$ 980,452	LT Fixed Rate	02/08/1999	12/31/2033
S-00990736	9001003		$ 999,097	LT Fixed Rate	02/08/1999	12/31/2033
S-00990736	9001004		$ 237,284	LT Fixed Rate	02/08/1999	12/31/2033
S-00990736	9001005		$ 967,396	LT Fixed Rate	02/08/1999	12/31/2033
		$ 8,814,700	$ 4,154,687			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00051064	9007001	$ 450,000	$ 18,457	LT Fixed Rate	10/14/2005	06/30/2025
S-00051064	9007002	$ 550,000	$ 22,559	LT Fixed Rate	10/14/2005	06/30/2025
		$ 1,000,000	$ 41,016			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2016-2581804	9020001	$ 1,200,000	$ 945,319	LT Fixed Rate	5/8/2017	3/31/2042
S-2016-2581804	9020002	$ 800,000	$ 662,770	LT Fixed Rate	6/30/2019	12/31/2041
		$ 2,000,000	$ 1,608,089			

Docket No. S-000990736 not to exceed $9,315,200. The balance outstanding at December 31, 2024 was $4,154,687.
Docket No. S-00051064 not to exceed 1,000,000. The balance outstanding at December 31,2024 was $41,0169.
Docket No. S-2016-2581804 not to exceed 2,000,000. The balance outstanding at December 31,2024 was $1,608,089.

Wellsboro Electric, Citizens Electric & Valley Energy
Long-Term Debt and Letter of Credit Certificates
As of 12/31/2024

Valley Energy, Inc.

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-00020894	9003001		$ 1,211,122	LT Fixed Rate	11/07/2002	03/31/2032
S-00020894	9003002		$ 1,219,567	LT Fixed Rate	11/07/2002	03/31/2032
S-00020894	9003003		$ 1,225,399	LT Fixed Rate	11/07/2002	03/31/2032
S-00020894	9003004		$ 329,782	LT Fixed Rate	11/07/2002	03/31/2032
S-00020894	9003005		$ 847,535	LT Fixed Rate	11/07/2002	03/31/2032
		$ 12,000,000	$ 4,833,404			

Docket No.	Facility No.	Original Amount	12/31/2024 Balance	Issuance Type	Advance Date	Maturity Date
S-2024-3046097	9024001	$ 1,500,000	$ 1,500,000	LT Fixed Rate	12/19/2024	12/31/1954

Docket No. S-00020894 not to exceed $13,000,000. The balance outstanding at December 31, 2024 was $4,833,404.
Docket No. S-2024-3046097 not to exceed $1,500,000. The Balance outstanding at December 31, 2024 was $1,500,000.

Master Letter of Credit Security Certificates

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
S-00071217	Citizens'	$ 2,333,333.33	Varies	Letter	09/26/2007	10/06/2012
S-00071218	Wellsboro	$ 2,333,333.33	Varies	Letter	09/26/2007	10/06/2012
S-00071219	Valley	$ 2,333,333.34	Varies	Letter	09/26/2007	10/06/2012
		$ 7,000,000.00				

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
S-2008-2079859	Citizens'	$ 5,000,000.00	Varies	Letter	11/13/2008	10/06/2012
S-2008-2079943	Wellsboro	$ 5,000,000.00	Varies	Letter	11/13/2008	10/06/2012
S-2008-2079949	Valley	$ 5,000,000.00	Varies	Letter	11/13/2008	10/06/2012
		$ 15,000,000.00				

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
S-2012-2317822	Citizens'	$ 5,000,000.00	Varies	Letter	10/06/2012	10/06/2015
S-2012-2318247	Wellsboro	$ 5,000,000.00	Varies	Letter	10/06/2012	10/06/2015
S-2012-2318254	Valley	$ 5,000,000.00	Varies	Letter	10/06/2012	10/06/2015
		$ 15,000,000.00				

Wellsboro Electric, Citizens Electric & Valley Energy
Long-Term Debt and Letter of Credit Certificates
As of 12/31/2024

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
	Citizens'	$ 5,000,000.00	Varies	Letter	10/6/2015	10/06/2018
	Wellsboro	$ 5,000,000.00	Varies	Letter	10/6/2015	10/06/2018
	Valley	$ 5,000,000.00	Varies	Letter	10/6/2015	10/06/2018
		$ 15,000,000.00				

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
	Citizens'	$ 2,333,333.33	Varies	Letter	10/6/2018	10/5/2021
	Wellsboro	$ 2,333,333.33	Varies	Letter	10/6/2018	10/5/2021
	Valley	$ 2,333,333.34	Varies	Letter	10/6/2018	10/5/2021
		$ 7,000,000.00				

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
	Citizens'	$ 2,333,333.33	Varies	Letter	10/6/2021	10/5/2024
	Wellsboro	$ 2,333,333.33	Varies	Letter	10/6/2021	10/5/2024
	Valley	$ 2,333,333.34	Varies	Letter	10/6/2021	10/5/2024
		$ 7,000,000.00				

Docket No.	Company	Original Amount	Balance	Issuance Type	Advance Date	Maturity Date
	Citizens'	$ 2,333,333.33	Varies	Letter	10/6/2024	10/5/2029
	Wellsboro	$ 2,333,333.33	Varies	Letter	10/6/2024	10/5/2029
	Valley	$ 2,333,333.34	Varies	Letter	10/6/2024	10/5/2029
		$ 7,000,000.00				

Citizens' Statement No. 4

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY
AND EXHIBITS

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY OF NATHAN JOHNSON
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Q. Please state your name and business address.

A. My name is Nathan (Nate) Johnson. My business address is 1775 Industrial Blvd., Lewisburg, Pennsylvania.

Q. By whom are you employed and what position do you hold with Citizens' Electric Company of Lewisburg, PA?

A. I am employed by C&T Enterprises, Inc., ("C&T"), and assigned to Citizens' Electric Company of Lewisburg, PA ("Citizens'" or "Company"), as the President and Chief Executive Officer.

Q. What are your duties in that capacity?

A. My duties are to lead and provide general management to Citizens'. I am also responsible for power supply and regulatory issues.

Q. Please describe your educational and professional background.

A. I have a bachelor's degree in electrical engineering from Bucknell University. I joined Citizens' as the Senior Director of Engineering and Operations in 2018. In 2023, I became the President and Chief Executive Officer. Prior to joining Citizens', I held various

technical and supervisory positions in distribution operations with PPL Electric Utilities Corporation. I am also a registered professional engineer in Pennsylvania.

Q. Please describe the purpose of your testimony.

A. My testimony supports the operations, maintenance and capital plan projections that were used by HSG Group, Inc. ("HSG Group") for compilation and preparation of the filing. In discussing this topic, I also address our capital improvement activities, vegetation management, and the proposed changes to Citizens' tariff.

I also provide a general overview of Citizens', its service territory, and its customer base. In addition, I address portions of the historical data, future test year expenses, and capital improvements information provided to Company witness Mr. Gorman for compilation and preparation of the filing. Finally, I will discuss the unique circumstances faced by Citizens' as a small electric utility, and the basis for a performance adjustment to the Company's rate of return.

Q. Please provide a brief overview of Citizens' and its service territory.

A. Citizens' is a small investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Pennsylvania Public Utility Commission ("PUC" or "Commission") operating in Lewisburg Borough, Buffalo, East Buffalo and Kelly Townships in Union County, Pennsylvania. Citizens' service territory is surrounded by PPL Electric Utilities Corporation ("PPL"). As of December 31, 2024, Citizens' served 5,964 residential customers, 1,164 commercial and industrial customers, and 39 lighting customers – a total of 7,176.

Citizens' was acquired on February 8, 1999, by C&T through the purchase of 99.9% of Citizens' stock with the remaining shares being held by several minority shareholders.

C&T subsequently acquired the remaining outstanding shares, making C&T the sole shareholder of Citizens'. C&T is a holding company and management services firm that is jointly owned by Tri-County Rural Electric Cooperative based in Mansfield, Pennsylvania, and Claverack Rural Electric Cooperative based in Wysox, Pennsylvania. C&T is also the parent corporation of Wellsboro Electric Company ("Wellsboro") and Valley Energy, Inc. ("Valley").

Q. What changes were made to the Company's tariff and operations as a result of the Electricity Generation Customer Choice and Competition Act ("Competition Act")?

A. Citizens' unbundled its generation supply service from its electric distribution service. Electric distribution service remains a service that is regulated by the Commission pursuant to traditional ratemaking processes under Chapter 13 of the Public Utility Code. This filing proposes changes to our unbundled distribution rates in accordance with the Chapter 13 requirements and process.

Citizens' retains the obligation to provide generation supply service to all customers as the Default Service Provider ("DSP") in its service territory in conformance with requirements set forth in the Competition Act. The Commission approves the rules and tariff mechanism to pass through our costs for DSP generation supply service in separate proceedings that address only generation issues. The generation rate is known as our Generation Supply Service Rate ("GSSR" includes GSSR-1 and GSSR-2). We are not proposing to make any changes to the GSSR in this proceeding; however, one change will clarify that we are using a consistent way to measure a customer's billing demand for distribution and generation rate determinations.

Q. Do the proposed distribution rates include any expenses related to generation supply?

A. No. Mr. Gorman's analysis focused solely on our regulated distribution service rates. As a result, both the revenues and expenses related to generation supply services in the historic, future, and fully-projected future test years (HTY, FTY and FPFTY) are removed from our overall revenue and expenses.

In addition, the legal and consulting fees that Citizens' incurs for the generation function are collected through the GSSR and were not included in the distribution rates in this filing. Finally, our cash working capital assumption for the new distribution rates is based only on the portion of the expenses and bills related to distribution service and does not include generation expenses.

Q. When was Citizens' last base rate proceeding?

A. Citizens' last base rate proceeding was in 2022, with the new rates taking effect on January 31, 2023. In that proceeding, we reached a settlement with the parties that resulted in an increase of $930,000 in annual distribution revenues.

Q. What revenue requirement increase is Citizens' requesting in this proceeding?

A. Citizens' is requesting an increase of $1.79 million. On a total bill basis (including generation costs), for the average residential customer using 1,250 kWh per month, this will be a 10.8% increase. A typical small commercial customer on Rate GLP-1 will experience a 5 to 9% increase on a total bill basis. For a larger commercial customer on Rate GLP-3, the increase is 4 to 7%.

Q. Can you explain generally the changes that have occurred since the last rate case?

A. First, although some of the inflation since the COVID period has lessened, we continue to see increases in the costs of materials and equipment, and of labor over that time. To remain competitive in attracting and retaining our employees, we conducted a Wage &

Salary Study in 2024, the results of which are being phased-in over three years (2025 through 2027). The combined impacts of the material cost increases and labor expense increases have increased our Operations and Maintenance ("O&M") expenses by approximately $1.3 million over the expenses reflected in our prior case. In addition, we continue to invest in improvements to our facilities, adding approximately $4.5 million to our net rate base, which to date has not been reflected in our rates. These increases to expenses and rate base have been offset by some increases to our revenues from customers; however, not enough to continue earning a fair return. Mr. Gorman's Exhibit__(HSG-1), Schedule C5-1 calculates how the major elements of our rates have changed since the 2022 settlement.

Without rate relief, we are projected to earn only 1.46% on our rate base in 2026. This clearly is inadequate for any business and will not support our ongoing investments in the system that are needed to continue providing safe and reliable service. Mr. Gorman's Exhibit__(HSG-1), Schedule C1 calculates the rate of return for Citizens' with and without the rate increase requested in this proceeding.

Q. Please discuss the Wage & Salary Study undertaken by Citizens' and C&T 2024.

A. In 2024, Citizens', along with its affiliates in the C&T Enterprises, Inc. family of companies, conducted wage and salary reviews for all non-bargaining positions employed through C&T. This included all positions at Citizens' Electric. A consultant was engaged to facilitate a review of the 105 affected positions by a team comprised of executive management from each affiliated company as well as human resources and legal counsel from C&T Shared Services. The team assessed each position using a quantitative matrix of expertise, leadership, accountability, problem solving, and communication factors to

determine the internal equity of positions and place them in appropriate pay grades. The consultant then brought in external market data from the National Rural Electric Cooperative Association (NRECA), Economic Research Institute (ERI), and American Gas Association (AGA) to align internal salary grades with current labor markets. A final review of grades and associated market salary ranges identified, evaluated, and corrected any outlier positions.

Upon completion of the study, the management team assessed the total magnitude of disparity between current and market wages for all positions to identify a reasonable implementation strategy. The team concluded that an overall 3-year implementation goal was appropriate, with each company given the discretion to manage market adjustments for each employee based on the total disparity to market, performance history, and experience on an individual basis. Citizens' applied the first round of market adjustments effective January 1, 2025. Ms. Stauder's testimony provides an exhibit showing the annual impact on operating expense of the planned implementation.

SMALL UTILITY ISSUES AND COMPANY PERFORMANCE

Q. Do you classify Citizens' as a small utility?

A. Yes. As I mentioned previously, Citizens' serves over 7,200 customers. I further note that in their Direct Testimony, Company witnesses Dylan D'Ascendis and Ryan Kucan of ScottMadden, Inc. conduct a market capitalization analysis showing Citizens' to be a small public utility relative to their comparison group.

Q. As a small, privately-held utility, does Citizens' face any unique financial challenges?

A. Yes. As explained in Mr. D'Ascendis' and Mr. Kucan's testimony, small utilities face increased financial and business risks. A significant risk we face is the reduction of electric load due to business closures or other factors outside of our control that adversely impact our kWh sales (such as weather, net metering, customer on-site generation, etc.). Citizens' capital investment and operating expenses that are necessary to maintain service and reliability remain the same or continue to increase whether we lose customers or distribute less kWh; however, our operating income is decreased. Small utilities also experience greater revenue swings and variation based on weather patterns. Finally, at times, the costs of complying with regulatory requirements can have greater impact on Citizens' than it would on larger EDCs.

Q. Can you discuss the risk of customer loss that Citizens' faces as a small utility?

A. Yes. Approximately one-third of Citizens' load is large commercial and industrial, with 10 of our largest customers representing approximately 23% of our total kWh sales. In the current economic environment, we view a portion of that load as having a high potential risk of closure or relocation. As an unfortunate and actual example, when one customer, Pennsylvania House Furniture ("Pennsylvania House"), ceased operations in Lewisburg at the end of 2004, Citizens' suffered the substantial loss of approximately 5.4% of annual revenues. We had a similar loss in late 2021, when RR Donnelley stopped production in Lewisburg. This reduced our load by 7,104,000 kWh. A portion of the RR Donnelley loss was offset in the last case by adding a new hotel; however, overall, we saw a decrease. Although we are not projecting a loss similar to the RR Donnelley closure in this

proceeding, such events are unpredictable by Citizens' and outside of our control. We face the risk of losing a larger account at any time.

Q. Is Citizens' facing other variables that could reduce anticipated distribution revenues?

A. Yes. We face load variability risks due to solar net metering and energy efficiency efforts. In fact, from 2022 to the current case, we are actually projecting to lose approximately 5,000,000 kWh in sales despite having more customer accounts. *See* Exhibit__(HSG-1), Schedule C5-1.

Q. Can you explain how regulatory requirements can have a magnified impact on smaller utilities?

A. First, let me express our appreciation to the Commission and the General Assembly for recognizing in many instances where smaller utilities should have flexibility in meeting certain regulations and policies. The General Assembly exempted Citizens' and Wellsboro from the mandatory Energy Efficiency and Conservation Plans and from Smart Meter requirements. Similarly, the Commission has allowed us flexibility in designing our DSP plans. In addition, the Commission recently adopted revised regulations for rate case filing requirements that will enable us to request increases of up to $5 million without compiling all of the lengthy requirements set forth in Section 53.53 of the regulations. Because the new regulations have not yet been published in the *Pennsylvania Bulletin*, we used our best efforts in this filing to respond to the old Section 53.53 requirements where we could.

For some items, however, we have the same requirements as the larger EDCs. One requirement is Net Metering. Because of our small size, we have fewer customers to offset

any lost distribution revenues from net metering. The impact of virtual net metering or an oversized net metering project is greater on a smaller EDC than on larger EDCs.

Q. How do you recommend the Commission should address the additional risks faced by small utilities?

A. In my opinion, it is reasonable for the Commission to address this risk through an appropriate overall return on our investment through distribution rates. For the rate of return, the Commission should adopt the recommendation of Mr. D'Ascendis and Mr. Kucan.

Q. Regarding the Company's rate of return, did Mr. D'Ascendis and Mr. Kucan propose any adjustments?

A. Yes, they proposed both a small company adjustment and a performance adjustment.

Q. What are the bases for the small company and performance adjustments proposed by Mr. D'Ascendis and Mr. Kucan?

A. I have already discussed the Company's size, which forms the basis for the proposed small company adjustment. For the performance adjustment, Mr. D'Ascendis' and Mr. Kucan's testimony cites to Section 523 of the Public Utility Code, which provides the Commission's guidelines for performance adjustments. I am advised by counsel that the Public Utility Code identifies several criteria to be considered in assessing the performance of a fixed utility for purposes of a performance factor adjustment, including consideration of any relevant and material evidence of efficiency, effectiveness, and adequacy of service. The Commission should consider Citizens' operations as supportive of the proposed performance adjustment, including the following:

- **Low customer complaints.** For the period 2022-2024, Citizens' received no formal complaints and 22 informal complaints, resolved in an average resolution period of 24 days. Of the 22 informal complaints, 18 were requests for Commission issued payment arrangements. The remaining 4 related to billing disputes, all of which were dismissed by BCS staff. A spreadsheet tracking the formal and informal PUC complaints and resolution timeframes for the period 2022-2024 is attached as Exhibit__(NJ-1).
- **Favorable customer feedback.** We consistently receive very favorable evaluations and comments from our customers, with over 90% of customers providing a 'Very Satisfied' rating on the past three years' Annual Customer Contact survey.
- **High responsiveness: customer support calls.** Records from the Commission's Quality of Service System attached as Exhibit__(NJ-2) show Citizens' has answered, on average, more than 97% of customer phone calls within 30 seconds. Citizens' has been and remains very responsive to customer inquiries.
- **High responsiveness: energizing new service locations.** The spreadsheet attached as Exhibit__(NJ-3) demonstrates that new service locations are energized, on average, within four days of receipt of an approved cut-in card from an electrical inspector.
- **Excellent reliability metrics.** The PUC's *Pennsylvania Electric Reliability Report 2023* (the latest report available), shows that Citizens' has maintained the lowest 3-year average CAIDI, SAIFI and SAIDI of all Pennsylvania EDCs. Exhibit__(NJ-

4) contains *Appendix A – Electric Reliability Metrics* from the PUC's 2023 report, showing Citizens' performance for the 2023 calendar year and 3-year average.

- **Zero reportable injuries.** Citizens' had zero reportable injuries in 2024, as demonstrated by the OSHA Form 300A attached as Exhibit__(NJ-5).
- **Technology adoption: SmartHub use.** A total of 3,210 customers, representing 3,863 accounts (over half of Citizens' total accounts) are now using SmartHub to receive and/or pay their bills electronically, analyze detailed usage reports, report and check on outages, and conduct other business with the Company via a mobile application or the website. SmartHub provides significant customer convenience and is available 24 hours a day.
- **Technology adoption: tablets for line crews.** With tablets provided to line crews, the crews are able to complete inspections, report some types of work completed, view up-to-date system maps, view live analysis of outages, access online material safety information, consult company safety and procedures manuals, complete time sheets, and view live system, customer and right-of-way records. This is a significant asset to the crews and increases their efficiency, safety, and knowledge.
- **Increased pole attachment billing.** Citizens' continues to update its pole attachment fees annually since implementing the FCC cost formulae in 2022. The Company is currently assessing the value of a system-wide one-time or programmatic audit of attachments to capture undocumented attachments and other violations, further shifting costs from ratepayers to the organizations actually incurring attachments-related costs.

- **"Tree Line USA" designation.** The Company has been recognized by the National Arbor Day Foundation as a "Tree Line USA" utility for the 23rd consecutive year. This recognition acknowledges Citizens' commitment to proper tree pruning techniques which result in a more efficient vegetation management program and healthier trees. Exhibit__(NJ-6) contains a recent press release documenting this designation.
- **Significant capital investment.** As discussed below, Citizens' continues to invest approximately $1.9 million annually in system replacements and improvements. Exhibit__(NJ-7) shows three years of capital results. These investments were funded from base rates, without assessing a Distribution System Improvement Charge upon customers.

CITIZENS' CAPITAL PROJECTS

Q. Could you please describe some of the distribution system projects Citizens' has completed since the Company's last rate case?

A. In addition to ongoing maintenance and operations, the Company has invested in capital improvements. These plant investments were in the form of replacing aged poles, increasing conductor size to provide greater operating flexibility and reliability, replacing underground cable, reconductoring to increase capacity and reliability, replacing first-generation smart meters, and relocating lines for reliability improvement. Additionally, Citizens' has completed numerous small line extensions and upgrades.

Q. Please provide some examples of projects that the Company is undertaking in 2025 and 2026.

A. Significant capital projects for our Future Test Year and Fully-Projected Future Test Year include:

- **Neutral Reconductoring along Route 15.** The Company has budgeted $15,000 each in 2025 and 2026 to upgrade the neutral conductor on the main supply circuit to the southeastern extent of the service area. This will allow full utilization of the capacity of the existing three-phase primary conductors in the area.
- **Recloser Replacements.** The Company budgeted $67,000 to replace single-phase reclosers and older-style three-phase reclosers with new electronic vacuum reclosers ("VCR") in 2025 and 2026. The new VCRs will be installed in lieu of preventative maintenance on the Company's existing fleet of single-phase and three-phase hydraulic oil circuit reclosers ("OCR"), which are nearing end-of-life. This will provide both a cost and operational benefit by reducing maintenance needs and increasing reliability.
- **Underground Cable Reconductoring in Weiser Heights Development.** This project upgrades 1970s vintage cable and will ensure continued reliability for customers. The Company has budgeted $65,000 in 2025 for this project and $100,000 in 2026. Recognizing the limited, remaining life expectancy of the 1970-vintage direct buried, underground, high voltage cables, the Company plans to continue a systematic cable replacement program.
- **Three-Phase Relocation along Glover Hill Rd.** The Company has budgeted $150,000 in 2025 to relocate an inaccessible three-phase circuit along Glover Hill Rd. This project will

also address replacing several poles that have failed recent inspections and moving them along the road.

Q. Do you anticipate that the rate of capital improvements will continue?

A. Yes, Citizens' has a 5-year work plan that includes additional improvements. A copy of our 5-year work plan is included in the filing as Citizens Confidential Exhibit 2.

Q. Please discuss Citizens' vegetation management program.

A. Citizens' annually inspects all of its approximately 160 miles of overhead line to assess vegetation management needs. Most of our scheduled vegetation management is accomplished by an outside contractor. We solicit bids for vegetation management and specify to the contractor the total miles to be accomplished. Prior to the contract year, we establish a specific schedule for projects based on a number of factors, including identification of priority trees.

For 2025, we are increasing our vegetation management expenses by approximately 6% over 2024 to address faster than expected regrowth and increased efforts to identify and remove emergent hazard trees. This will be an ongoing increase to our historic performance to reflect both operational realities (i.e., faster regrowth) and the Commission's emphasis on vegetation management efforts to enhance reliability. Additionally, 2025 bids for the tree trimming contract indicate that significant price increases can be expected in future years; Exhibit__(NJ-8) demonstrates this trend. For 2026, we have increased our budget forecast for tree trimming work by 81% in anticipation of these cost increases.

Q. Is Citizens' using technology to assist with vegetation management?

A. Yes. In 2023, we conducted a pilot project with an outside vendor to conduct drone inspections of our system. Beginning in 2025 and for the subsequent years, we are contracting with a vendor to conduct drone inspections of our facilities. This program will assist us in identifying conditions that are not readily apparent from a ground-level inspection. Also, the company is evaluating various digital tools to increase the efficiency and accuracy of conducting and documenting vegetation management inspections.

Q. Does Citizens' O&M and Capital spending vary from quarter to quarter during the year?

A. Yes. Due our small size, Citizens' can only work on a limited number of projects concurrently. Since work on budgeted projects is typically continuous from start to finish, spending tends to reflect any individual major projects under way at the time. For example, when a major line reconductoring project is under construction, it may require 75% or more of the workforce on a typical day. The result is that spending during that time will be predominantly Capital. Upon completion of the project, the workforce may move on to I&M inspections, at which point spending will shift towards O&M. This is also true of contracted work, such as tree trimming or underground cable replacement. In addition to an inherently low volume of concurrent work, weather also drives certain patterns in spending. Major projects tend to be completed in the shoulder months when favorable weather and low demand allow for uninterrupted work and greater flexibility in load transfers. During winter and storm season, smaller projects or I&M inspections provide work that requires little switching and can easily be put on hold during foul weather or outage restorations.

Q. Are Citizens' operations, maintenance and replacement practices resulting in safe, adequate and reliable service to customers?

A. Yes. Citizens' traditionally has among the best SAIDI (System Average Interruption Duration Index – measures average outage duration time for every customer served), SAIFI (System Average Interruption Frequency Index – measures average frequency of interruptions for every customer), and CAIDI (Customer Average Interruption Duration Index – measures average restoration time for every customer who lost power) among Pennsylvania electric utilities.

PROPOSED TARIFF CHANGES

Q. What changes does Citizens' propose to make to its tariff as part of this filing?

A. In preparation for this filing, the Citizens' management and staff reviewed each provision in the tariff to determine where updates or changes may be appropriate.

One important issue that we are clarifying is how customers with smaller on-site generation resources will be placed on distribution rate schedules and billed for service. We also have some clarifications to tariff rules.

Q. Please provide an overview of the changes to address customer-generators.

A. Since the adoption of the Alternative Energy Portfolio Standards ("AEPS") Act in 2014, Pennsylvania has been focused on issues surrounding "customer generators", which are defined as:

> A nonutility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service or not larger than 3,000 kilowatts at other customer service locations, 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 electric utility during grid emergencies as defined by the regional transmission organization or where a microgrid is in place for the primary or secondary purpose of maintaining critical infrastructure . . . .

Customer generators are entitled to receive "Net Metering" from the electric distribution company.

Until recently, we assumed that customer generators must be classified for distribution and generation purposes based on amount of peak electricity that the electric distribution company supplied to the customer generator's account. However, a recent decision by the Commission in *Petition of UGI Utilities, Inc-Electric Division for Approval of a Default Service Plan for the Period of June 1, 2025 though May 31, 2029*¸ Docket No. P-2004-3049343, et al., indicated that customer generators can be classified for generation purposes according to their peak electricity imported from the EDC or exported to the EDC.

We are proposing to clarify in our tariff that we will use customer generator's net power flow from or onto the Company's distribution system to establish the distribution charges for the account and eligibility for the Generation Supply Service Rate ("GSSR") 1 or GSSR-2. For customers with Billing Demands over 400 kW, the annual cash out will be a weighted average locational marginal price ("LMP").

.

Q. Why is it appropriate to use the net power flow from or onto the Company's distribution system?

A. Using these measures provides an accurate reflection of the Customer's use of the distribution system. From a distribution perspective, we have to plan the same for a customer that is exporting 400 kW to Citizens' as we do for a customer that is receiving 400 kW from Citizens'. In fact, our planning for the export of power to us is more complicated because of potential variability, voltage sags/surges and other issues. It is

equitable to charge a customer exporting 400 kW to us similar to how we charge a customer that uses 400 kW.

In the recent *UGI Electric* Order, the Commission determined that is appropriate to treat these customers similarly for generation supply services. For Citizens', this will ensure that we apply a uniform definition of "billing demand", which is used in our distribution rate schedules and the GSSR-1 and GSSR-2 Riders.

Q. Please discuss the tariff changes to implement this proposal.

First, we are proposing to add an explanation in Rule 26—Determination of Billing Demand stating:

> (a) **Billing Demand:** Billing Demand shall reflect the Customer's use of the distribution system, which will be the greater of Gross Generator Rating (kW(AC)) as stated in the generator interconnection application or the maximum demand of the customer during any 15-minute period during the current month.

Second, for GLP-1 and GLP-3, we would modify the 'Billing Demand" sections of each as follows:

> "Billing Demand" is <u>defined in Rule 26(a),</u> but not less than 50% of the highest Billing Demand during the preceding eleven months."

Third, in the "Generation Supply Rates" portion of GLP-1 and GLP-3, we propose to capitalize the two occurrences of "Billing Demand". We would make the same capitalization changes in the GSSR-1 and GSSR-2 Riders, where "monthly billing demand" occurs in the first paragraph of each rider.

Q. Do you have any other changes to the tariff to standardize the definition of Billing Demand?

A. Yes. We are proposing to clarify the "Application of Schedule" sections of GLP-1 and GLP-3 to remove the reference to the customer choosing alternative service voltages.

Finally, for GLP-3, we are specifying that the 50 kW minimum demand is based on the Billing Demand.

Q. Does Citizens' have additional tariff changes?

A. Yes. We have clarifications to Rules 5, 12(b), and 17(b), and a modification to how we will treat seasonal service.

Q. Please provide the clarifications.

In Rule 5, we are changing the phrase "is willing to" to "may".

In Rule 12(b), we are adding language that confirms a Customer's ability to request an in-person meter reading for a charge of $35.00.

In Rule 17(b), we are clarifying the premises owner's responsibility to accurately label meters if there are two or more meters installed at a building.

Q. What changes is Citizens' proposing to seasonal service?

A. Citizens' current seasonal service provisions in Rule 30(B)(2) is confusing for customers and cumbersome for Citizens' to administer. We are proposing to streamline the rule by requiring the premises owner or customer to pay the minimum charge under the tariff for each month the seasonal service is disconnected, as well as the cost of disconnection and reconnection.

Q. Does this conclude your Direct Testimony?

A. Yes.

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

EXHIBITS

OF

NATHAN JOHNSON

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

CITIZENS' Electric COMPANY
Over a Century of Service

2022 Formal Complaints

Case #	Type of Complaint
Total Cases:	**0**

2022 Informal Complaints

Case #	Resolved *(days)*	Type of Complaint
	46	PAR/TERMINATION
Total Cases:		**1**
Avg Days to Resolution:		**46**

*** PAR - PAYMENT ARRANGEMENT ***

CITIZENS' Electric COMPANY
Over a Century of Service

2023 Formal Complaints

Case #	Type of Complaint
Total Cases:	**0**

2023 Informal Complaints

Case #	Resolved *(days)*	Type of Complaint
	9	PAR/TERMINATION
	32	PAR/TERMINATION
	9	PAR/TERMINATION
	44	PAR/TERMINATION
	7	PAR/TERMINATION
	120	FOREIGN LOAD/DISMISSED
	36	PAR/DISMISSED
	17	PAR/DISMISSED
	7	PAR/DISMISSED
	9	PAR/DISMISSED
	1	PAR/DISMISSED
	9	PAR/TERMINATION
	9	PAR/TERMINATION
Total Cases:		**13**
Avg Days to Resolution:		**24**

*** PAR - PAYMENT ARRANGEMENT ***

CITIZENS' Electric COMPANY
Over a Century of Service

2024 Formal Complaints

Case #	Type of Complaint
Total Cases:	**0**

2024 Informal Complaints

Case #	Resolved *(days)*	Type of Complaint
	17	BILLING DISPUTE/DISMISSED
	7	PAR/TERMINATION
	1	TERMINATION DISPUTE/DISMISSED
	53	BILLING DISPUTE/DISMISSED
	7	PAR/TERMINATION
	1	PAR/TERMINATION
	34	BILLING DISPUTE/DISMISSED
	58	PAR/INCOME CHANGE
Total Cases:	**8**	
Avg Days to Resolution:	**22**	

*** PAR - PAYMENT ARRANGEMENT ***

Year	Month	% Calls <30s
2022	January	97.0%
2022	February	98.3%
2022	March	97.7%
2022	April	98.5%
2022	May	98.3%
2022	June	99.3%
2022	July	99.3%
2022	August	99.7%
2022	September	100.0%
2022	October	98.6%
2022	November	99.5%
2022	December	98.1%
	12-mo Average:	98.69%

Year	Month	% Calls <30s
2023	January	99.4%
2023	February	100.0%
2023	March	100.0%
2023	April	100.0%
2023	May	98.8%
2023	June	98.6%
2023	July	99.2%
2023	August	99.1%
2023	September	99.1%
2023	October	97.9%
2023	November	98.7%
2023	December	100.0%
	12-mo Average:	99.23%

Year	Month	% Calls <30s
2024	January	99.4%
2024	February	99.4%
2024	March	99.5%
2024	April	99.3%
2024	May	99.5%
2024	June	99.4%
2024	July	98.6%
2024	August	97.9%
2024	September	100.0%
2024	October	82.6%
2024	November	87.6%
2024	December	82.9%
	12-mo Average:	95.51%

SO WIN	Open Dt	Close Date	SO Type	Work Order	Cut-In Card Received	Days to Connect
66692	3/20/2020	5/5/2022	NEW - New Service		3/18/2020	*
70082	5/7/2021	3/29/2022	NEW - New Service	20220308	3/25/2022	4
71695	8/18/2021	3/3/2022	NEW - New Service	20210901	3/3/2022	0
72061	9/21/2021	2/11/2022	NEW - New Service		2/2/2021	*
72152	10/6/2021	1/21/2022	NEW - New Service	20211102	1/13/2022	8
72309	11/9/2021	8/26/2022	NEW - New Service	20220604	6/10/2022	*
72311	11/9/2021	8/26/2022	NEW - New Service	20220604	6/10/2022	*
72312	11/9/2021	8/26/2022	NEW - New Service	20220604	6/10/2022	*
72313	11/9/2021	8/26/2022	NEW - New Service	20220604	6/10/2022	*
72434	11/26/2021	3/22/2022	NEW - New Service	20220201	3/18/2021	*
72501	12/9/2021	4/26/2022	NEW - New Service	20211205	4/20/2022	6
72516	12/13/2021	1/31/2022	NEW - New Service		1/25/2022	6
72700	1/20/2022	2/8/2022	NEW - New Service	20220103	2/3/2022	5
72777	2/15/2022	5/11/2022	NEW - New Service	20220202	4/28/2022	*
72860	3/7/2022	5/12/2023	NEW - New Service	20220407	5/9/2022	*
72876	3/9/2022	5/6/2022	NEW - New Service	20220309	4/28/2022	8
73033	4/7/2022	4/13/2022	NEW - New Service		4/7/2022	6
73098	4/22/2022	4/26/2022	NEW - New Service	20220403	4/22/2022	4
73099	4/22/2022	4/29/2022	NEW - New Service	20220405	5/4/2022	*0*
73169	4/29/2022	4/29/2022	NEW - New Service		4/29/2022	0
73178	5/3/2022	5/5/2022	NEW - New Service		5/3/2022	2
73808	5/26/2022	7/12/2022	NEW - New Service	20220702	10/6/2022	*0*
74083	6/7/2022	6/15/2022	NEW - New Service	20220603	6/10/2022	5
74423	6/14/2022	9/1/2022	NEW - New Service	20220605	8/17/2022	*
74459	6/17/2022	9/26/2022	NEW - New Service	20220607	9/13/2022	*
74488	6/22/2022	6/29/2022	NEW - New Service	20220608	6/24/2022	5
74798	7/12/2022	9/20/2022	NEW - New Service	20220906	9/21/2022	*0*
74836	7/18/2022	9/14/2022	NEW - New Service	20220704	9/9/2022	5
74861	7/22/2022	7/28/2022	NEW - New Service		7/25/2022	3
74862	7/22/2022	7/28/2022	NEW - New Service		7/25/2022	3
74863	7/22/2022	7/28/2022	NEW - New Service		7/25/2022	3
74864	7/22/2022	7/28/2022	NEW - New Service		7/25/2022	3
74920	7/27/2022	8/11/2022	NEW - New Service	20220803	8/10/2022	1
74925	7/28/2022	10/10/2022	NEW - New Service	20220908	10/6/2022	4
75046	8/3/2022	9/13/2023	NEW - New Service	20220805	9/11/2023	2
75057	8/4/2022	11/1/2022	NEW - New Service	20221002	10/19/2022	*
75058	8/4/2022	9/30/2022	NEW - New Service	20220904	9/13/2022	*
75106	8/9/2022	8/9/2022	NEW - New Service		10/21/2022	*0*
75390	9/15/2022	11/11/2022	NEW - New Service	20220909	11/10/2022	1
75658	11/1/2022	2/28/2023	NEW - New Service		2/22/2023	6
75764	11/22/2022	1/25/2023	NEW - New Service		1/19/2023	6
75794	11/28/2022	1/17/2023	NEW - New Service	20221202	1/12/2023	5

SO WIN	Open Dt	Close Date	SO Type	Work Order	Cut-In Card Received		Days to Connect
75831	12/1/2022	1/9/2023	NEW - New Service	20221204	1/5/2023		4
76023	1/6/2023	1/11/2023	NEW - New Service		1/9/2023		2
76032	1/10/2023	1/12/2023	NEW - New Service		2/24/2025		*0*
76068	1/16/2023	10/23/2023	NEW - New Service	20230508	10/17/2023		6
76123	1/27/2023	2/27/2023	NEW - New Service	20230202	2/22/2023		5
76177	2/6/2023	6/6/2023	NEW - New Service	20230309	4/20/2023	*	
76179	2/6/2023	6/6/2023	NEW - New Service	20230309	4/20/2023	*	
76213	2/13/2023	3/24/2023	NEW - New Service	20230207	3/21/2023		3
76218	2/14/2023	2/17/2023	NEW - New Service		2/14/2023		3
76330	3/7/2023	3/23/2023	NEW - New Service	20230303	3/22/2023		1
76338	3/8/2023	3/16/2023	NEW - New Service		3/13/2023		3
76339	3/8/2023	3/16/2023	NEW - New Service		3/13/2023		3
76418	3/23/2023	10/11/2023	NEW - New Service	20230402	9/14/2023	*	
76458	3/31/2023	3/27/2024	NEW - New Service	20230307	3/26/2024		1
76505	4/12/2023	6/19/2023	NEW - New Service	20230405	6/12/2023		7
77129	6/8/2023	8/23/2023	NEW - New Service	20230713	7/25/2023	*	
77195	6/15/2023	7/6/2023	NEW - New Service	20230605	6/28/2023		8
77196	6/15/2023	7/6/2023	NEW - New Service	20230605	6/28/2023		8
77309	6/30/2023	9/20/2023	NEW - New Service	20230803	9/18/2023		2
77387	7/7/2023	9/5/2023	NEW - New Service	20230201	8/7/2023	*	
77473	7/14/2023	9/15/2023	NEW - New Service	20230608	9/13/2023		2
77475	7/14/2023	8/30/2023	NEW - New Service	20230608	8/30/2023		0
77476	7/14/2023	9/15/2023	NEW - New Service	20230608	9/13/2023		2
77633	7/28/2023	9/12/2023	NEW - New Service	20230712	9/11/2023		1
77772	8/11/2023	9/18/2023	NEW - New Service	20230711	9/6/2023		12
77807	8/16/2023	9/14/2023	NEW - New Service	20230801	9/11/2023		3
77845	8/21/2023	11/1/2023	NEW - New Service	20230904	10/11/2023	*	
77883	9/8/2023	9/29/2023	NEW - New Service	20230902	9/6/2023	*	
77884	9/8/2023	10/2/2023	NEW - New Service	20230903	9/6/2023	*	
78237	9/27/2023	1/5/2024	NEW - New Service	20230901	1/2/2024		3
78395	10/27/2023	6/26/2024	NEW - New Service	20231101	5/21/2024	*	
78463	11/6/2023	9/19/2024	NEW - New Service	20230704	9/17/2024		2
78479	11/7/2023	11/13/2023	NEW - New Service	20231102	11/10/2023		3
78575	11/21/2023	2/14/2024	NEW - New Service	20231105	2/9/2024		5
78583	11/22/2023	11/22/2023	NEW - New Service		11/23/2023		*0*
78618	11/30/2023	1/3/2024	NEW - New Service		12/27/2023		7
78619	11/30/2023	1/3/2024	NEW - New Service		12/27/2023		7
78668	12/11/2023	1/2/2024	NEW - New Service	20231207	3/20/2024		*0*
78681	12/13/2023	12/13/2023	NEW - New Service		8/14/2023	*	
78752	12/29/2023	9/9/2024	NEW - New Service	20231004B	4/12/2024	*	
78847	1/15/2024	4/19/2024	NEW - New Service	20240108	3/25/2024	*	
78915	1/31/2024	1/31/2024	NEW - New Service		2/9/2024		*0*

SO WIN	Open Dt	Close Date	SO Type	Work Order	Cut-In Card Received	Days to Connect	
78978	2/13/2024	5/8/2024	NEW - New Service	20240301	5/2/2024	6	
78979	2/13/2024	5/8/2024	NEW - New Service	20240301	5/2/2024	6	
79101	3/12/2024	4/5/2024	NEW - New Service	20240307	3/25/2024	11	
79119	3/15/2024	3/25/2024	NEW - New Service	20240304	3/22/2024	3	
79120	3/15/2024	7/9/2024	NEW - New Service	20240305	5/13/2024	*	
79130	3/20/2024	3/22/2024	NEW - New Service	20240202	3/20/2024	2	
79140	3/21/2024	5/3/2024	NEW - New Service	20240402	4/18/2024	*	
79223	4/4/2024	4/17/2024	NEW - New Service	20231205	4/9/2024	8	
79224	4/4/2024	4/17/2024	NEW - New Service	20231205	4/9/2024	8	
79304	4/19/2024	10/15/2024	NEW - New Service	20240504	10/11/2024	4	
79579	5/17/2024	5/30/2024	NEW - New Service	20230602B	5/23/2024	7	
79856	6/11/2024	6/11/2024	NEW - New Service	20231205B	6/19/2024	*0*	
79908	6/18/2024	11/11/2024	NEW - New Service	20240704	9/10/2024	*	
79923	6/19/2024	9/5/2024	NEW - New Service		8/9/2024	*	
79925	6/19/2024	6/26/2024	NEW - New Service		6/19/2024	7	
79982	6/25/2024	9/13/2024	NEW - New Service	20230602	9/11/2024	2	
79983	6/25/2024	9/13/2024	NEW - New Service		9/11/2024	2	
79986	6/25/2024	9/13/2024	NEW - New Service		9/11/2024	2	
79987	6/25/2024	9/13/2024	NEW - New Service		9/11/2024	2	
79988	6/25/2024	9/13/2024	NEW - New Service		9/11/2024	2	
79989	6/25/2024	9/13/2024	NEW - New Service		9/11/2024	2	
79991	6/26/2024	7/29/2024	NEW - New Service		8/19/2024	*0*	
79992	6/26/2024	7/29/2024	NEW - New Service		7/25/2024	4	
79993	6/26/2024	7/29/2024	NEW - New Service		7/25/2024	4	
79994	6/26/2024	7/29/2024	NEW - New Service		7/25/2024	4	
79995	6/26/2024	7/29/2024	NEW - New Service		7/25/2024	4	
79996	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
79997	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
79998	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
79999	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80000	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80001	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80003	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80004	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80005	6/26/2024	7/29/2024	NEW - New Service		7/24/2024	5	
80006	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80008	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80009	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80010	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80011	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80012	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	
80013	6/26/2024	10/11/2024	NEW - New Service		10/9/2024	2	

SO WIN	Open Dt	Close Date	SO Type	Work Order	Cut-In Card Received		Days to Connect
80014	6/26/2024	10/11/2024	NEW - New Service		10/9/2024		2
80015	6/26/2024	10/25/2024	NEW - New Service		10/22/2024		3
80016	6/26/2024	10/25/2024	NEW - New Service		10/22/2024		3
80017	6/26/2024	10/25/2024	NEW - New Service		10/22/2024		3
80018	6/26/2024	10/25/2024	NEW - New Service		10/22/2024		3
80019	6/26/2024	11/26/2024	NEW - New Service		11/22/2024		4
80020	6/26/2024	11/26/2024	NEW - New Service		11/22/2024		4
80021	6/26/2024	11/26/2024	NEW - New Service		11/22/2024		4
80022	6/26/2024	11/26/2024	NEW - New Service		11/22/2024		4
80030	6/26/2024	10/28/2024	NEW - New Service	20230602	10/25/2024		3
80031	6/26/2024	9/13/2024	NEW - New Service		9/11/2024		2
80353	7/16/2024	8/21/2024	NEW - New Service	20240708	8/19/2024		2
80456	7/23/2024	9/16/2024	NEW - New Service	20240904	9/16/2024		0
80466	7/24/2024	10/25/2024	NEW - New Service	20240802	10/11/2024	*	
80636	7/31/2024	8/7/2024	NEW - New Service		7/31/2024		7
80639	7/31/2024	11/12/2024	NEW - New Service	20240711	11/7/2024		5
80741	8/9/2024	10/11/2024	NEW - New Service	20241003	10/8/2024		3
81182	10/4/2024	12/6/2024	NEW - New Service		12/4/2024		2
81205	10/7/2024	11/21/2024	NEW - New Service		11/19/2024		2
81206	10/7/2024	11/21/2024	NEW - New Service		11/19/2024		2
81207	10/7/2024	11/21/2024	NEW - New Service		11/19/2024		2
81209	10/8/2024	11/21/2024	NEW - New Service		11/19/2024		2
81246	10/16/2024	10/30/2024	NEW - New Service	20240702	11/21/2024		*0*
81281	10/22/2024	12/19/2024	NEW - New Service	20241006	12/16/2024		3
81531	12/10/2024	12/19/2024	NEW - New Service	20241201	12/17/2024		2

Delayed due to or at request of customer.

Average	3.5

Appendix A – Electric Reliability Metrics

12-Month Average Electric Reliability Indices for 2023

Customer Average Interruption Duration Index (CAIDI)- min/yr/cust				% Above (+) or	% Above (+) or
EDC	Dec-23	Benchmark	Standard	Below (-) Benchmark	Below (-) Standard
Citizens'	90	105	141	-14.5%	-36.3%
Duquesne Light	110	108	130	1.9%	-15.4%
Met-Ed (FE)	202	117	140	72.4%	44.0%
PECO	138	112	134	23.2%	3.0%
Penelec (FE)	189	117	141	61.7%	34.2%
Penn Power (FE)	157	101	121	55.0%	29.3%
Pike County	95	174	235	-45.4%	-59.6%
PPL	189	145	174	30.3%	8.6%
UGI	112	169	228	-33.7%	-50.9%
Wellsboro	114	124	167	-8.1%	-31.7%
West Penn (FE)	266	170	204	56.6%	30.5%
System Average Interruption Frequency Index (SAIFI)- outages/yr/cust				% Above (+) or	% Above (+) or
EDC	Dec-23	Benchmark	Standard	Below (-) Benchmark	Below (-) Standard
Citizens'	0.32	0.20	0.27	60.0%	18.5%
Duquesne Light	0.57	1.17	1.40	-51.3%	-59.3%
Met-Ed (FE)	1.27	1.15	1.38	10.4%	-8.0%
PECO	0.74	1.23	1.48	-39.8%	-50.0%
Penelec (FE)	1.60	1.26	1.52	27.0%	5.3%
Penn Power (FE)	0.78	1.12	1.34	-30.4%	-41.8%
Pike County	0.86	0.61	0.82	41.0%	4.9%
PPL	0.78	0.98	1.18	-20.4%	-33.9%
UGI	0.54	0.83	1.12	-34.9%	-51.8%
Wellsboro	1.37	1.23	1.66	11.4%	-17.5%
West Penn (FE)	1.07	1.05	1.26	1.9%	-15.1%
System Average Interruption Duration Index (SAIDI)- min/yr/cust				% Above (+) or	% Above (+) or
EDC	Dec-23	Benchmark	Standard	Below (-) Benchmark	Below (-) Standard
Citizens'	29	21	38	38.1%	-23.7%
Duquesne Light	63	126	182	-49.9%	-65.3%
Met-Ed (FE)	257	135	194	90.3%	32.4%
PECO	103	138	198	-25.4%	-48.0%
Penelec (FE)	303	148	213	104.9%	42.4%
Penn Power (FE)	121	113	162	7.4%	-25.1%
Pike County	82	106	194	-22.6%	-57.7%
PPL	147	142	205	3.5%	-28.3%
UGI	61	140	256	-56.4%	-76.2%
Wellsboro	155	153	278	1.3%	-44.2%
West Penn (FE)	285	179	257	59.3%	11.0%

*Note: **GREEN** = better than benchmark; **RED** = worse than standard; **BLACK** = between benchmark and standard.*

Performance Benchmark. An EDC's performance benchmark is calculated by averaging the EDC's annual, system-wide reliability performance indices over the five-year period directly prior to the implementation of electric restructuring (1994 to 1998). The benchmark is the level of performance that the EDC should strive to achieve and maintain.

2023 Pennsylvania Electric Reliability Report

Three-Year Average Electric Reliability Indices for 2021-2023

Customer Average Interruption Duration Index (CAIDI)-min/yr/cust				*3-Year*	*3-Year*	*% Above (+) or*
EDC	*2021*	*2022*	*2023*	*Average*	*Standard*	*Below (-) Standard*
Citizens'	*94*	*101*	*90*	*95*	*115*	*-17.4%*
Duquesne Light	*187*	*146*	*110*	*148*	*119*	*24.1%*
Met-Ed (FE)	*173*	*160*	*202*	*178*	*129*	*38.2%*
PECO	*187*	*99*	*138*	*141*	*123*	*14.9%*
Penelec (FE)	*151*	*199*	*189*	*180*	*129*	*39.3%*
Penn Power (FE)	*129*	*134*	*157*	*140*	*111*	*26.0%*
Pike County	*153*	*159*	*95*	*136*	*192*	*-29.3%*
PPL	*187*	*164*	*189*	*180*	*160*	*12.5%*
UGI	*134*	*156*	*112*	*134*	*186*	*-28.0%*
Wellsboro	*144*	*130*	*114*	*129*	*136*	*-4.9%*
West Penn (FE)	*192*	*276*	*266*	*245*	*187*	*30.9%*
System Average Interruption Frequency Index (SAIFI)-outages/yr/cust				*3-Year*	*3-Year*	*% Above (+) or*
EDC	*2021*	*2022*	*2023*	*Average*	*Standard*	*Below (-) Standard*
Citizens'	*0.27*	*0.27*	*0.32*	*0.29*	*0.22*	*30.3%*
Duquesne Light	*0.93*	*0.92*	*0.57*	*0.81*	*1.29*	*-37.5%*
Met-Ed (FE)	*1.35*	*1.32*	*1.27*	*1.31*	*1.27*	*3.4%*
PECO	*0.88*	*0.71*	*0.74*	*0.78*	*1.35*	*-42.5%*
Penelec (FE)	*1.84*	*1.83*	*1.60*	*1.76*	*1.39*	*26.4%*
Penn Power (FE)	*1.00*	*0.99*	*0.78*	*0.92*	*1.23*	*-24.9%*
Pike County	*1.40*	*0.50*	*0.86*	*0.92*	*0.67*	*37.3%*
PPL	*0.91*	*0.87*	*0.78*	*0.85*	*1.08*	*-21.0%*
UGI	*0.95*	*0.87*	*0.54*	*0.79*	*0.91*	*-13.6%*
Wellsboro	*0.93*	*1.09*	*1.37*	*1.13*	*1.35*	*-16.3%*
West Penn (FE)	*1.26*	*1.32*	*1.07*	*1.22*	*1.16*	*4.9%*
System Average Interruption Duration Index (SAIDI)-min/yr/cust				*3-Year*	*3-Year*	*% Above (+) or*
EDC	*2021*	*2022*	*2023*	*Average*	*Standard*	*Below (-) Standard*
Citizens'	*26*	*28*	*29*	*27*	*25*	*9.5%*
Duquesne Light	*173*	*134*	*63*	*123*	*153*	*-19.4%*
Met-Ed (FE)	*233*	*211*	*257*	*234*	*163*	*43.3%*
PECO	*164*	*71*	*103*	*113*	*167*	*-32.5%*
Penelec (FE)	*277*	*364*	*303*	*315*	*179*	*75.9%*
Penn Power (FE)	*129*	*133*	*121*	*128*	*136*	*-6.1%*
Pike County	*216*	*79*	*82*	*126*	*129*	*-2.6%*
PPL	*170*	*142*	*147*	*153*	*172*	*-11.0%*
UGI	*127*	*135*	*61*	*108*	*170*	*-36.7%*
Wellsboro	*133*	*142*	*155*	*143*	*185*	*-22.5%*
West Penn (FE)	*242*	*364*	*285*	*297*	*217*	*36.9%*

*Note: **GREEN** = better than standard; **RED** = worse than standard.*

Performance Standard. An EDC's performance standard is a numerical value that represents the minimal performance allowed for each reliability index for a given EDC. Performance standards are based on a percentage of each EDC's historical performance benchmarks.

OSHA's Form 300A (Rev. 01/2004)

Summary of Work-Related Injuries and Illnesses

Note: You can type input into this form and save it.
Because the forms in this recordkeeping package are "fillable/writable" PDF documents, you can type into the input form fields and then save your inputs using the free Adobe PDF Reader.

Year 20 24

U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

All establishments covered by Part 1904 must complete this Summary page, even if no work-related injuries or illnesses occurred during the year. Remember to review the Log to verify that the entries are complete and accurate before completing this summary.

Using the Log, count the individual entries you made for each category. Then write the totals below, making sure you've added the entries from every page of the Log. If you had no cases, write "0."

Employees, former employees, and their representatives have the right to review the OSHA Form 300 in its entirety. They also have limited access to the OSHA Form 301 or its equivalent. See 29 CFR Part 1904.35, in OSHA's recordkeeping rule, for further details on the access provisions for these forms.

Number of Cases

Total number of deaths	Total number of cases with days away from work	Total number of cases with job transfer or restriction	Total number of other recordable cases
0	0	0	0
(G)	(H)	(I)	(J)

Number of Days

Total number of days away from work	Total number of days of job transfer or restriction
0	0
(K)	(L)

Injury and Illness Types

Total number of . . . (M)			
(1) Injuries	0	(4) Poisonings	0
(2) Skin disorders	0	(5) Hearing loss	0
(3) Respiratory conditions	0	(6) All other illnesses	0

Post this Summary page from February 1 to April 30 of the year following the year covered by the form.

Public reporting burden for this collection of information is estimated to average 50 minutes per response, including time to review the instructions, search and gather the data needed, and complete and review the collection of information. Persons are not required to respond to the collection of information unless it displays a currently valid OMB control number. If you have any comments about these estimates or any other aspects of this data collection, contact: US Department of Labor, OSHA Office of Statistical Analysis, Room N-3644, 200 Constitution Avenue, NW, Washington, DC 20210. Do not send the completed forms to this office.

Establishment information

Your establishment name: Citizens' Electric Co

Street: 1775 Industrial Blvd

City: Lewisburg State: PA Zip: 17837

Industry description (*e.g., Manufacture of motor truck trailers*)
Electric Distribution Utility

Standard Industrial Classification (SIC), if known (*e.g., 3715*)

OR

North American Industrial Classification (NAICS), if known (e.g., 336212)
221122

Employment information *(If you don't have these figures, see the Worksheet on the next page to estimate.)*

Annual average number of employees: 19

Total hours worked by all employees last year: 36185

Sign here

Knowingly falsifying this document may result in a fine.

I certify that I have examined this document and that to the best of my knowledge the entries are true, accurate, and complete.

Company executive: [signature] Title: Safety Director

Phone: 570 - 463 - 5814 Date: 1/20/24

Save Input

Annual Tree-Pruning Begins This Week

Citizens' Electric's annual tree-pruning program is expected to begin this week in the Lewisburg area.

Citizens' has awarded its right-of-way maintenance contract to Asplundh Tree Expert, LLC (Asplundh) headquartered in Willow Grove, PA.

Asplundh will attempt to contact customers before beginning pruning work on their properties. The company's tree-pruning professionals possess photo identification and all work vehicles are marked with the company logo.

Asplundh brings experienced personnel, specialized equipment, innovative technology, and logistical resources to help execute successful vegetation management programs. All pruning methods used will follow the ideal method of tree care practice for electric utilities, according to the American National Standards Institute (ANSI).

By keeping the lines clear, Citizens' Electric can provide safer and more reliable service and reduce overall system maintenance costs.

For more information about the company's right-of-way program or planting trees near electric lines,
please contact **Ryan James, Engineering Technician for Citizens' Electric, at (570) 524-2231**.

Tree-Planting Tips

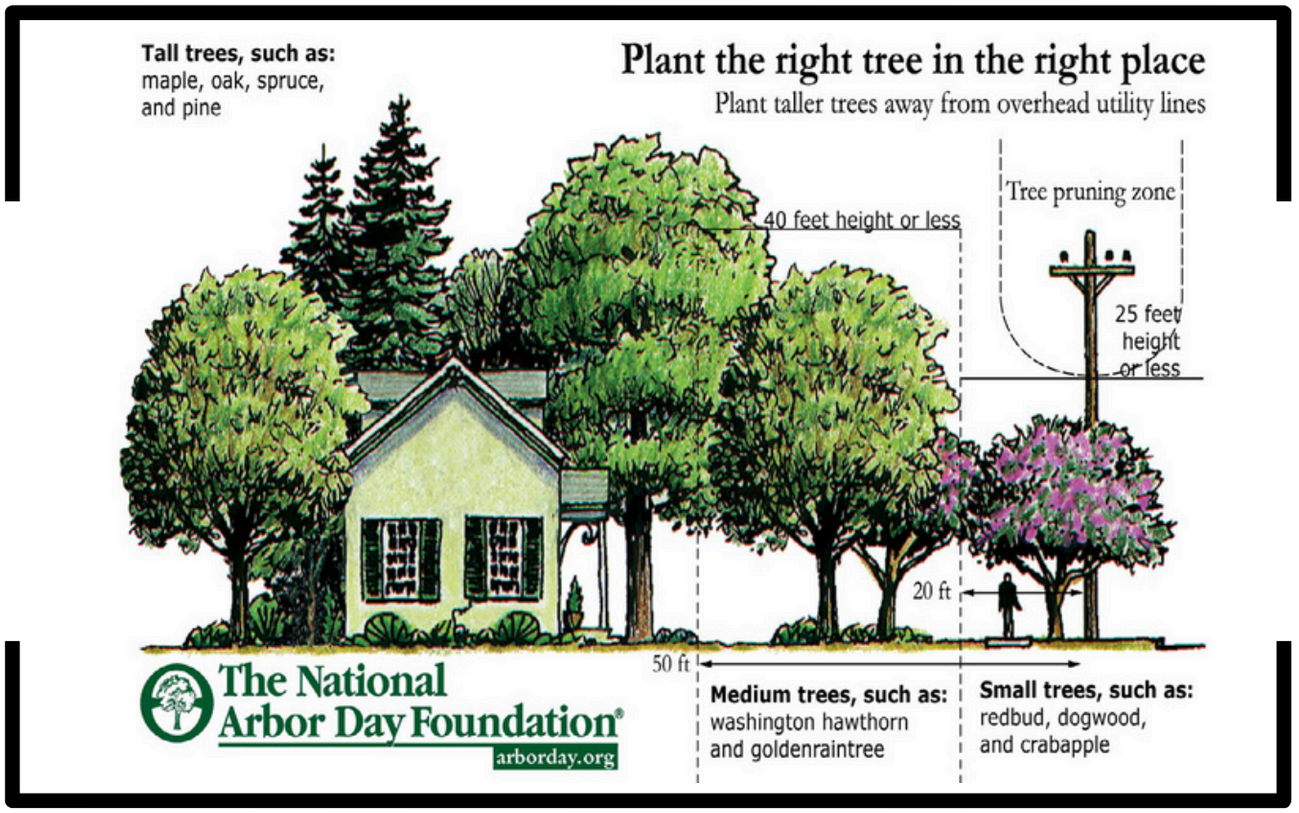
You can help reduce right-of-way maintenance costs by selecting trees appropriate for your yard based on their mature height and proximity to electric lines.

• Plant tall trees far away from overhead lines, and ensure the roots have room to grow and won't interfere with underground lines.

• Plant only smaller trees and shrubs near any electric lines.

• Check to make sure there are no underground power lines where you plan to dig. To do so, call Pennsylvania One Call at 811.

• Trees planted too close to electric lines must be pruned. Your cooperation is appreciated when your trees require pruning. Thank you!



Citizens' Electric Recognized as a Tree Line USA Utility for Over Two Decades

The Arbor Day Foundation's Tree Line USA program helps forward-looking utility providers to be seen as community partners, by outlining best practices in public and private utility arboriculture.

"The Tree Line USA designation reflects our commitment to consistent vegetation-management work using proven techniques," said Citizens' Electric President & CEO Nate Johnson. "Trimming trees adjacent to electric lines is essential to our mission of providing safe, reliable service to our customers. Using methods that promote long-term tree health, minimize property owner impact, and reduce follow-up trimming is the responsible way to accomplish that goal."

This ad is sponsored by Citizens' Electric Co. and Asplundh Tree Expert, LLC

Citizens' Electric Company **Comparison - Actual Capital Expenditures Against Budget** **End of December 2022**

Description	Reimbursement Capital Expense		Material Cost		Labor w/ G&A Allocation		Overhead Cost		Truck Cost		Total Cost		Percent Used To Date	Item Complete Y/N
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
1. General Construction**	$ 7,730	$ -	$ 193,716	$ 205,908	$ 310,643	$ 411,817	$ 369,746	$ 469,029	$ 69,380	$ 67,212	$ 935,755	$ 1,153,966	81%	Y
2. New Transformers	$ -	$ -	$ 87,522	$ 77,000	$ 8,030	$ 9,071	$ 9,146	$ 10,331	$ 3,078	$ 2,139	$ 107,776	$ 98,541	109%	Y
3. New Meters	$ -	$ -	$ 100,575	$ 92,238	$ 20,487	$ 25,425	$ 23,333	$ 28,957	$ 9,594	$ 8,299	$ 153,989	$ 154,919	99%	Y
4. Beagle Club Reconductor WO 20220001	$ -	$ -	$ 21,383	$ 17,774	$ 56,767	$ 32,764	$ 63,436	$ 37,316	$ 11,929	$ 5,347	$ 153,515	$ 93,201	165%	Y
5. Valley View UG WO 20220002	$ -	$ -	$ 71,714	$ 65,500	$ 16,522	$ 11,626	$ 19,814	$ 13,241	$ 4,709	$ 1,897	$ 112,758	$ 92,264	122%	Y
6. Rt 45 Neutral Reconductor Ph 1 WO 20220003	$ -	$ -	$ 5,250	$ 4,537	$ 14,735	$ 15,377	$ 17,598	$ 17,513	$ 3,468	$ 2,510	$ 41,051	$ 39,937	103%	Y
7. Single Phase Recloser Pilot WO 20220406	$ -	$ -	$ 7,944	$ 5,500	$ 1,824	$ 612	$ 2,213	$ 697	$ 204	$ 100	$ 12,185	$ 6,909	176%	Y
8. IT Replacements & Enhancements	$ -	$ -	$ 102,995	$ 95,072	$ -	$ -	$ -	$ -	$ -	$ -	$ 102,995	$ 95,072	108%	Y
9. SUV - #28 2022 Jeep Grand Cherokee to Kevin Nutt	$ -	$ -	$ 43,994	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 43,994	$ 45,000	98%	Y
10. SUV - #29 2022 Jeep Grand Cherokee L to Nate Johnson	$ -	$ -	$ 48,245	$ 45,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,245	$ 45,000	107%	Y
11. Pickup -#27 2022 Ford F350 4x4	$ -	$ -	$ 52,093	$ 55,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,093	$ 55,000	95%	Y
12. Pickup w/Plow - #25 2022 Ford F350 4x4 w/ Plow Pkg	$ -	$ -	$ 52,424	$ 57,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,424	$ 57,500	91%	Y
13. Door Security 3980006 - Bldg5doors / 3980007 - Subst 1door	$ -	$ -	$ 16,688	$ 25,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 16,688	$ 25,000	67%	Y
14. Gravel Along W Edge Parking Lot	$ -	$ -	$ 3,990	$ 4,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,990	$ 4,500	89%	Y
15. Warehouse Lighting 3900005	$ -	$ -	$ 8,268	$ 7,300	$ 1,899	$ 918	$ 2,128	$ 1,045	$ 156	$ 150	$ 12,451	$ 9,413	132%	Y
16. Warehouse Insulation Ph 1 3900006	$ -	$ -	$ 6,755	$ 6,750	$ -	$ 1,224	$ -	$ 1,394	$ -	$ 200	$ 6,755	$ 9,568	71%	Y
17. Vinyl Siding Replacement 3900007	$ -	$ -	$ 8,632	$ 8,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,632	$ 8,500	102%	Y
18. Battery Operated Crimper/Cutter	$ -	$ -	$ 3,169	$ 2,850	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,169	$ 2,850	111%	Y
19. Contingency	$ -	$ -	$ 8,459	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,459	$ 20,000	0%	Y
Total	$ 7,730	$ -	$ 843,816	$ 840,929	$ 430,907	$ 508,834	$ 507,413	$ 579,523	$ 102,518	$ 87,854	$ 1,876,925	$ 2,017,140	93%	

Citizens' Electric Company **Comparison - Actual Capital Expenditures Against Budget** **End of December 2023**

Description	Reimbursement Capital Expense		Material Cost		Labor w/ G&A Allocation		Overhead Cost		Truck Cost		Total Cost		Percent Used To Date	Item Complete Y/N
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
1. General Construction**	$ 12,010	$ -	$ 156,341	$ 210,915	$ 353,282	$ 421,831	$ 396,239	$ 471,894	$ 89,326	$ 73,640	$ 983,179	$ 1,178,280	83%	Y
2. New Transformers	$ -	$ -	$ 161,811	$ 72,365	$ 10,464	$ 6,675	$ 11,708	$ 7,467	$ 3,399	$ 1,651	$ 187,381	$ 88,158	213%	Y
3. New Meters	$ -	$ -	$ 125,677	$ 166,450	$ 7,220	$ 10,596	$ 8,077	$ 11,853	$ 3,175	$ 3,700	$ 144,149	$ 192,599	75%	Y
4. UG Repl - Terrace & Meadow WO 20230001	$ -	$ -	$ 26,970	$ 29,000	$ 7,695	$ 5,039	$ 8,296	$ 5,637	$ 1,618	$ 880	$ 44,579	$ 40,556	110%	Y
5. Young Rd Reconductor WO 20230002	$ -	$ -	$ 1,377	$ 2,000	$ 5,718	$ 4,409	$ 5,990	$ 4,933	$ 3,327	$ 770	$ 16,413	$ 12,112	136%	Y
6. Smoketown Rd ABS WO 20230003	$ -	$ -	$ 9,769	$ 20,000	$ 4,012	$ 3,735	$ 4,225	$ 4,179	$ 1,866	$ 652	$ 19,872	$ 28,566	70%	N
7. Line Recloser Repl	$ -	$ -	$ 49,170	$ 40,000	$ 15,613	$ 8,189	$ 21,200	$ 9,161	$ 3,282	$ 1,430	$ 89,265	$ 58,780	152%	Y
8. 3ph Recloser Pilot WO 20230010	$ -	$ -	$ 32,388	$ 30,000	$ 6,985	$ 3,150	$ 3,836	$ 3,523	$ 2,694	$ 550	$ 45,904	$ 37,223	123%	Y
9. 3ph PQ Recorder	$ -	$ -	$ 8,746	$ 7,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,746	$ 7,500	117%	Y
10. Press/Guy Wire Cutters	$ -	$ -	$ 7,583	$ 6,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 7,583	$ 6,000	126%	Y
11. 2 Way Radio Upgrade	$ -	$ -	$ 47,200	$ 55,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 47,200	$ 55,000	86%	N
12. IT Replacements and Enhancements	$ -	$ -	$ 36,675	$ 59,400	$ -	$ -	$ -	$ -	$ -	$ -	$ 36,675	$ 59,400	62%	N
13. Warehouse Insulation Phase #2 *	$ -	$ -	$ -	$ 10,500	$ -	$ 1,260	$ -	$ 1,409	$ -	$ 220	$ -	$ 13,389	0%	N
14. Break Room Renovation	$ -	$ -	$ 41,435	$ 50,000	$ 1,850	$ -	$ -	$ -	$ -	$ -	$ 43,285	$ 50,000	87%	Y
15. Track Loader	$ -	$ -	$ 82,044	$ 95,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 82,044	$ 95,000	86%	Y
16. Tilt Deck Trailer #3920024 Truck #108	$ -	$ -	$ 10,190	$ 17,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,190	$ 17,000	60%	Y
17. Contingency	$ -	$ -	$ 36,188	$ 20,000	$ -	$ -	$ -	$ -	$ -	$ -	$ 36,188	$ 20,000	181%	Y
Total	$ 12,010	$ -	$ 833,564	$ 891,130	$ 412,839	$ 464,884	$ 459,571	$ 520,056	$ 108,688	$ 83,493	$ 1,802,653	$ 1,959,563	92%	

Citizens' Electric Company **Comparison - Actual Capital Expenditures Against Budget** **End of December 2024**

Description	Reimbursement Capital Expense		Material Cost		Labor w/ G&A Allocation		Overhead Cost		Truck Cost		Total Cost		Percent Used To Date	Item Complete Y/N
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget		
1. General Construction**	$ 81,315	$ -	$ 203,466	$ 207,487	$ 395,800	$ 414,974	$ 444,212	$ 483,183	$ 90,849	$ 84,378	$ 1,053,012	$ 1,190,022	88%	Y
2. New Transformers	$ -	$ -	$ 118,783	$ 109,361	$ 5,023	$ 6,403	$ 5,916	$ 7,455	$ 1,896	$ 1,827	$ 131,618	$ 125,046	105%	Y
3. New Meters	$ -	$ -	$ 180,324	$ 75,039	$ 9,661	$ 5,560	$ 11,251	$ 6,474	$ 4,591	$ 2,261	$ 205,827	$ 89,334	230%	Y
4. Phase 1 Reclosers WO 20240007,8,9,10,11,12,13	$ -	$ -	$ 43,897	$ 47,600	$ 13,504	$ 10,694	$ 13,829	$ 12,451	$ 3,035	$ 2,174	$ 74,265	$ 72,919	102%	Y
5. Phase 3 Reclosers (Sub Station) WO 20240110	$ -	$ -	$ 60,402	$ 26,000	$ 2,945	$ 5,092	$ 3,287	$ 5,929	$ 62	$ 1,035	$ 66,695	$ 38,056	175%	Y
6. Pheasant Ridge & James Rds Relocation WO 20240002	$ -	$ -	$ 99,516	$ 70,000	$ 20,896	$ 19,096	$ 22,207	$ 22,234	$ 3,688	$ 3,883	$ 146,306	$ 115,213	127%	Y
7. Creekside Ln UG Boring WO 20240001	$ -	$ -	$ 28,274	$ 20,000	$ 9,428	$ 2,546	$ 11,666	$ 2,965	$ 2,270	$ 518	$ 51,637	$ 26,029	198%	Y
8. Hydraulic Stick Saw	$ -	$ -	$ 2,060	$ 2,500	$ -		$ -		$ -		$ 2,060	$ 2,500	82%	Y
9. Additional Tools	$ -	$ -	$ -	$ 1,500	$ -		$ -		$ -		$ -	$ 1,500	0%	N
10. IT Replacement & Enhancement	$ -	$ -	$ 28,061	$ 29,325	$ -		$ -		$ -		$ 28,061	$ 29,325	96%	Y
11. Insulate Warehouse - Phase #2	$ -	$ -	$ 14,699	$ 16,000	$ -	$ 1,910	$ -	$ 2,223	$ -	$ 388	$ 14,699	$ 20,521	72%	Y
12. Engineering Office Renovation	$ -	$ -	$ 4,829	$ 5,000	$ -		$ -		$ -		$ 4,829	$ 5,000	97%	Y
13. Phone System Upgrade	$ -	$ -	$ 5,197	$ 7,000	$ -		$ -		$ -		$ 5,197	$ 7,000	74%	Y
14. Substation Shed Replacement	$ -	$ -	$ 17,788	$ 18,000	$ -		$ -		$ -		$ 17,788	$ 18,000	99%	Y
15. Bucket Truck	$ -	$ -	$ 278,319	$ 290,000	$ -		$ -		$ -		$ 278,319	$ 290,000	96%	Y
16. Auger for Track Loader	$ -	$ -	$ 8,948	$ 6,500	$ -		$ -		$ -		$ 8,948	$ 6,500	138%	Y
17. Contingency	$ -	$ -	$ 10,822	$ 20,000	$ -		$ -		$ -		$ 10,822	$ 20,000	54%	Y
Total	$ 81,315	$ -	$ 1,105,385	$ 951,312	$ 457,257	$ 466,275	$ 512,368	$ 542,914	$ 106,389	$ 96,464	$ 2,100,084	$ 2,056,965	102%	

CITIZENS' ELECTRIC COMPANY
2025 DISTRIBUTION LUMP SUM

BID PROPOSAL

1. Lump Sum Price Only
(Primary & Secondary Pruning, Reclear/Spray & Removals with Permission Granted) $ 809,092.54 PRICE

The following "Removal Pricing" shall be for; Removals as part of normal trimming cycle, where the customer/Citizens' Electric decides to remove rather than trim. Also, other removals agreed upon during the course of work (hazard trees, Ash Tree removals etc.)

2. Removals with
6.1" - 12" STUMP DIAMETER $ 316.68 PRICE/TREE REMOVED

3. Removals with
12.1" - 18" STUMP DIAMETER $ 594.35 PRICE/TREE REMOVED

4. Removals with
18.1 - 24" STUMP DIAMETER $ 1,266.84 PRICE/TREE REMOVED

5. Removals with
24.1" AND ABOVE STUMP DIAMETER $ T&M PRICE/TREE REMOVED

6. Re-clear in Right of Way $ 6,002.00 PRICE PER ACRE

7. Please Provide The Hourly Rates For The Following:

1. Foreman	$ 51.71	6. Chipper Truck	$ 16.95
2. First Class Climber	$ 48.48	7. Chipper	$ 6.80
3. Ground Hand	$ 40.28	8. Stump Grinder	$ 25.79
4. Bucket Truck (70')	$ 35.20	9. Log Truck (2 axle)	$ 28.78
5. Chainsaw	$ Inc	10. _____ (Other, specify)	$

[redacted] Contractor

2/11/2025 Date

[redacted] Signature

CITIZENS' ELECTRIC COMPANY

2025 DISTRIBUTION LUMP SUM

BID PROPOSAL

1. Lump Sum Price Only
(Primary & Secondary Pruning, Reclear/Spray & Removals with Permission Granted) $ 559,500.00 PRICE

The following "Removal Pricing" shall be for; Removals as part of normal trimming cycle, where the customer/Citizens' Electric decides to remove rather than trim. Also, other removals agreed upon during the course of work (hazard trees, Ash Tree removals etc.)

2. Removals with
6.1" - 12" STUMP DIAMETER $ 225.00 PRICE/TREE REMOVED

3. Removals with
12.1" - 18" STUMP DIAMETER $ 355.00 PRICE/TREE REMOVED

4. Removals with
18.1 - 24" STUMP DIAMETER $ 745.00 PRICE/TREE REMOVED

5. Removals with
24.1" AND ABOVE STUMP DIAMETER $ 675.00 PRICE/TREE REMOVED

6. Re-clear in Right of Way $ 300.00 PRICE PER ACRE

7. Please Provide The Hourly Rates For The Following:

1. Foreman	$ 57.43	6. Chipper Truck	$ 17.50
2. First Class Climber	$ 46.79	7. Chipper	$ 12.18
3. Ground Hand	$ 39.35	8. Stump Grinder	$ 23.33
4. Bucket Truck	$ 29.98	9. Log Truck	$ 35.03
5. Chainsaw	$ 1.00	10. 70' Bucket (Other, specify)	$ 35.03

[redacted] — Contractor

02/14/25 — Date

[redacted] — Signature

CITIZENS' ELECTRIC COMPANY
2025 DISTRIBUTION LUMP SUM

BID PROPOSAL

1. Lump Sum Price Only
(Primary & Secondary Pruning, Reclear/Spray & Removals with Permission Granted) $ 345,000.00 PRICE

The following "Removal Pricing" shall be for; Removals as part of normal trimming cycle, where the customer/Citizens' Electric decides to remove rather than trim. Also, other removals agreed upon during the course of work (hazard trees, Ash Tree removals etc.)

2. Removals with
6.1" - 12" STUMP DIAMETER $ 71.00 PRICE/TREE REMOVED

3. Removals with
12.1" - 18" STUMP DIAMETER $ 152.00 PRICE/TREE REMOVED

4. Removals with
18.1 - 24" STUMP DIAMETER $ 380.00 PRICE/TREE REMOVED

5. Removals with
24.1" AND ABOVE STUMP DIAMETER $ 1,245.00 PRICE/TREE REMOVED

6. Re-clear in Right of Way $ 3,000.00 PRICE PER ACRE

7. Please Provide The Hourly Rates For The Following:

1. Foreman	$ 53.50	6. Chipper Truck	$ 15.25
2. First Class Climber	$ 50.75	7. Chipper	$ 7.00
3. Ground Hand	$ 40.77	8. Stump Grinder	$ 36.38
4. Bucket Truck	$ 31.42	9. Log Truck	$ 51.38
5. Chainsaw	$ 1.25	10. remote mower (Other, specify)	$ 46.45

[redacted] Contractor

2/14/25 Date

[redacted] Signature

CITIZENS' ELECTRIC COMPANY
2025 DISTRIBUTION LUMP SUM

BID PROPOSAL

1. Lump Sum Price Only
(Primary & Secondary Pruning, Reclear/Spray & Removals with Permission Granted) $ 324,900.00 PRICE

The following "Removal Pricing" shall be for; Removals as part of normal trimming cycle, where the customer/Citizens' Electric decides to remove rather than trim. Also, other removals agreed upon during the course of work (hazard trees, Ash Tree removals etc.)

2. Removals with
6.1" - 12" STUMP DIAMETER $ 150.00 PRICE/TREE REMOVED

3. Removals with
12.1" - 18" STUMP DIAMETER $ 330.00 PRICE/TREE REMOVED

4. Removals with
18.1 - 24" STUMP DIAMETER $ 530.00 PRICE/TREE REMOVED

5. Removals with
24.1" AND ABOVE STUMP DIAMETER $ 1500.00 PRICE/TREE REMOVED

6. Re-clear in Right of Way $ 3000.00 PRICE PER ACRE

7. Please Provide The Hourly Rates For The Following:

1. Foreman	$ 65.00	6. Chipper Truck	$ 15.00
2. First Class Climber	$ 60.00	7. Chipper	$ 20.00
3. Ground Hand	$ 55.00	8. Stump Grinder	$ 60.00
4. Bucket Truck	$ 70.00	9. Log Truck	$ 60.00
5. Chainsaw	$ 7.00	10. pickup (Other, specify)	$ 10.00

[redacted]
Contractor

2/5/25
Date

[redacted]
Signature

CITIZENS' ELECTRIC COMPANY

2025 DISTRIBUTION LUMP SUM

BID PROPOSAL

1. Lump Sum Price Only — $ 172549.23
(Primary & Secondary Pruning, Reclear/Spray & Removals with Permission Granted) — PRICE

The following "Removal Pricing" shall be for; Removals as part of normal trimming cycle, where the customer/Citizens' Electric decides to remove rather than trim. Also, other removals agreed upon during the course of work (hazard trees, Ash Tree removals etc.)

2. Removals with 6.1" - 12" STUMP DIAMETER — $ 140.61 PRICE/TREE REMOVED

3. Removals with 12.1" - 18" STUMP DIAMETER — $ 217.42 PRICE/TREE REMOVED

4. Removals with 18.1 - 24" STUMP DIAMETER — $ 699.90 PRICE/TREE REMOVED

5. Removals with 24.1" AND ABOVE STUMP DIAMETER — $ 1105.87 PRICE/TREE REMOVED

6. Re-clear in Right of Way — $ 3248.22 PRICE PER ACRE

7. Please Provide The Hourly Rates For The Following:

1. Foreman	$ 58.13	6. Chipper Truck	$ 15.44
2. First Class Climber	$ 52.42	7. Chipper	$ 7.65
3. Ground Hand	$ 43.34	8. Stump Grinder	$ 12.38
4. Bucket Truck	$ 27.30	9. Log Truck	$ 44.27
5. Chainsaw	$ 1.25	10. Remote Mower (Other, specify)	$ 35.59

[redacted] — Contractor

02/12/2025 — Date

[redacted] — Signature

J

Citizens' Statement No. 5

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY

AND EXHIBITS

OF

KATHY STAUDER

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

DIRECT TESTIMONY OF KATHY STAUDER
ON BEHALF OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Q. Please state your name and business address.

A. My name is Kathy Stauder, and my business address is 1775 Industrial Blvd., Lewisburg, Pennsylvania.

Q. By whom are you employed and in what capacity do you serve at Citizens' Electric Company of Lewisburg, PA?

A. I am employed by C&T Enterprises, Inc. ("C&T"), and assigned to Citizens' Electric Company of Lewisburg, PA ("Citizens'" or "Company") as Treasurer.

Q. Please describe your duties in this capacity.

A. My duties are to organize, direct, and coordinate the financial department. I provide administrative direction and oversight for billing for electric service to consumers. I also advise the President & CEO of the financial aspects of the company, manage the financial record keeping, coordinate the budget, coordinate with computer services, and coordinate with consumer services.

Q. Please describe your employment and educational background.

A. I have an Accounting and MBA degrees from Bloomsburg University. Before joining C&T, I was Vice-President of Finance at Remmey Pallet Company and Director of Finance at Playworld Systems.

Q. What are your responsibilities with respect to this filing?

A. As Treasurer, I am responsible for coordinating with our auditors and representatives of Company witness Mr. Gorman to ensure that historic and test year expenses, taxes, revenues, and rate base are appropriately reflected.

Q. Are Citizens' records regularly audited by a licensed accounting firm?

A. Yes. The accounting firm of FORVIS MAZARS, LLP ("FORVIS") audits the Company's financial records. They prepare an annual report of the Company operations and assist Company personnel with specific PUC filings, such as our State Tax Adjustment Surcharge ("STAS") filings. They also prepare our tax returns. A copy of our Annual Report for the year ended December 31, 2024, is attached as Exhibit__(KS-1). Our most recent Federal and State tax returns are included in Volume III of the filing as Joint Confidential Exhibit 4 and Citizens' Confidential Exhibit 3.

Q. Is Citizens' proposing to roll-in its STAS?

A. Yes. Mr. Gorman has reflected the current levels of state taxes in his analysis. As a result, the current STAS is being rolled-into base rates. When the new rates take effect, we will adjust the then-applicable STAS rate to reflect any difference between the then-applicable tax levels and the ones that were rolled-into base rates. Our most recent STAS filing is included as Exhibit__(KS-2).

Q. Do you have any comments regarding the future test year expenses?

A. Yes. Attached as Exhibit__(KS-3) is a table showing the operating expenses for the Historic Test Year ("HTY"), Future Test Year ("FTY") and Fully-Projected Future Test Year ("FPFTY"). The table includes our actual FTY expenses through March 31, 2025. Our expenses are tracking as we would expect through March 31, 2025. We will continue to update this information on a quarterly basis during the proceeding.

Q. Did you compile a similar comparison of future test year plant?

A. Yes. Attached as Exhibit__(KS-4) is a table showing the utility plant for the HTY, FTY and FPFTY, as well as actual plant as of March 31, 2025.

Q. What depreciation changes is the Company proposing for this filing?

A. We are proposing to reduce the useful life of our computer equipment and software from 5 years to 3 years. This is consistent with the replacement cycle for IT equipment that we follow, and is also consistent with the warranty period on new equipment. If this change is accepted by the Commission, we will make it going forward in 2026.

Q. Is it unusual for Citizens' expenses and plant by Account to vary from quarter to quarter during the year?

A. No. For many of our Accounts, our actual expenses vary quarter-to-quarter based on the activities that our workers and contractors are doing. Over the entire year, there can be some overall variation if more of our work is done on projects that are expensed rather than projects that are capitalized. Mr. Johnson will explain how the types of projects and focus of our workers may vary during the various quarters of the year. The expenses can also vary due to unexpected weather or other circumstances.

Q. How did the Company develop the financial data provided to HSG Group?

A. The HTY data is based on actual experiences during the historic test year ending December 31, 2024. The FTY data is based largely on our operating budget for the year ending December 31, 2025, with updates for any known and measurable changes that we have identified between the date that budget was approved by our Board of Directors and April 2025 when we are submitting this filing. The FPFTY data is based on our projections for the year ending December 31, 2026.

Q. Please discuss the major expense categories for Citizens'.

Citizens' expenses are budgeted and tracked in the following categories: (1) Labor & Overheads, including C&T Shared Services; (2) Transportation; (3) Materials & Supplies (4) Administrative & General; (5) Outside Services; (6) Uncollectibles; (7) Depreciation & Amortization; (8) Regulatory Fees; and (9) Taxes. Citizen's also reports by account, corresponding to the FERC chart of accounts. Each Operating and Maintenance includes (as appropriate) costs for Labor, Overhead, Material and Transportation. The information provided to Mr. Gorman is by FERC account, with subaccounts for Labor, Overhead, Material and Transportation.

Q. What is the largest expense category?

A. Labor & Overheads constitute the largest expense item. This category includes our employees and the various benefits that we provide (health, dental, vision, retirement, etc.). To develop the projected 2025 costs for Labor & Overheads, we examined the wages and benefits for our employees. This included the impacts of the Wage & Salary Study discussed by Mr. Johnson and the annual compensation adjustment discussed by Ms. Sullivan. In doing so, we made several adjustments to the prior year to reflect positions

that were open and also to reflect new positions that we will be adding during 2025. Ms. Sullivan's testimony discusses the C&T Shared Services and insurance benefits.

Q. Have you prepared an exhibit showing the impact of the salary changes and the position changes for the FTY and FPFTY?

A. Yes. Attached as Exhibit__(KS-5) is an analysis that supports that impact. The impact of these changes are distributed among the various FERC accounts that Mr. Gorman reflects in his analysis according to where the employee's time is booked (based on activities performed).

Ms. Sullivan's testimony discusses the 2025 and projected 2026 C&T base compensation adjustments. Ms. Sullivan also discusses the C&T Shared Services that are included in our Labor & Overheads for 2024, 2025 and 2026.

Q. Please discuss the Transportation projections.

A. This item reflects the costs of our vehicles and other equipment, including fuel and maintenance expenses. For 2025 and 2026, we are projecting vehicle and equipment purchases, including a $425,000 bucket truck in 2025.

Q. Is Citizens' projecting increased Materials and Supplies costs?

A. Yes. The various materials and supplies for our business have increased consistent with general inflation of many items. We included a 3% increase for office supplies. Mr. Johnson will address the increases in our materials.

Q. Please discuss the costs incurred by Citizens' for Administrative and General.

A. The items in this category include the general costs to heat, furnish and maintain our office space and warehouses.

Q. What costs are included in Outside Services?

A. Outside Services includes the charges by various vendors for their service. This includes attorneys, accountants, auditors, consultants, cleaning vendors and contractors that we hire for capital projects. Most of the construction contractor expense would be capitalized rather than expensed.

Q. Could costs in the other categories that you addressed above be capitalized rather than being expensed?

A. Yes. As part of this filing, we have made assumptions regarding the portion of Labor & Overheads, Transportation, Materials & Supplies and Administrative & General that will be capitalized rather than expensed. We have done this based on both historic experience and projected 2025 and 2026 capital projects.

Q. How did Citizens' develop the Uncollectible expenses?

A. Uncollectible expense is based on historical experience.

Q. Please discuss the Depreciation and Amortization expense reflected in the filing.

A. Depreciation expense is developed by Mr. Gorman, Exhibit__(HSG-1), Schedule C3 and explained in his testimony.

Q. Finally, what Regulatory Fees and Taxes are reflected in the filing?

A. These are developed by Mr. Gorman, Exhibit__(HSG-1), Schedule C1-3, and explained in his testimony.

CITIZENS' FINANCING ACTIVITIES

Q. Please explain the Company's financing arrangements.

A. Citizens' primary source of financing is its parent company, C&T Enterprises, Inc., which obtains long-term loans, lines of credit and letters of credit on Citizens' behalf through the National Cooperative Servicing Corporation ("NCSC"). Each long-term loan is

supported by a Securities Certificate approved by the Commission. Ms. Sullivan provides an exhibit with details of each loan. We also have access to a short-term line of credit through C&T, as described by Ms. Sullivan.

Finally, we maintain a local banking relationship with Mifflinburg Bank & Trust Company.

AFFILIATE CHARGES

Q. Does Citizens' have any affiliate charges in the HTY, FTY or FPFTY in addition to the ones with C&T that are discussed by Ms. Sullivan?

A. No.

Q. Does this conclude your testimony at this time?

A. Yes.

Citizens' Statement No. 5

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Citizens' Electric Company of Lewisburg, PA	**:**	

EXHIBITS

OF

KATHY STAUDER

ON BEHALF OF

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

Citizens' Electric Company of Lewisburg, Pa.

Independent Auditor's Report, Financial Statements and Supplementary Information

December 31, 2024 and 2023

Citizens' Electric Company of Lewisburg, Pa.
Contents
December 31, 2024 and 2023

Contents

Independent Auditor's Report 1

Financial Statements

Balance Sheets 3

Statements of Income 4

Statements of Stockholder's Equity 5

Statements of Cash Flows 6

Notes to Financial Statements 7

Supplementary Information

Comparative Financial Statistics 19

Utility Plant and Accumulated Depreciation – 2024 20

Accrued Taxes, Net 21

Operating Revenues and Taxes, Other Than Income 22

Distribution, Operation; Distribution, Maintenance; Customer Accounts and General and Administrative Expenses 23

Forvis Mazars, LLP
One Metropolitan, 211 N. Broadway, Suite 600
St. Louis, MO 63102
P 314.231.5544 | F 314.231.9731
forvismazars.us

Independent Auditor's Report

Board of Directors
Citizens' Electric Company of Lewisburg, Pa.
Lewisburg, Pennsylvania

Opinion

We have audited the financial statements of Citizens' Electric Company of Lewisburg, Pa. (Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern within one year after the date that these financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Company's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The basic financial statements of Citizens' Electric Company of Lewisburg, Pa. for the years ended December 31, 2022, 2021, and 2020, (none of which is presented herein) were audited by us in accordance with auditing standards generally accepted in the United States of America, and we expressed an unmodified opinion on those basic financial statements. In our opinion, the information for 2022, 2021, and 2020, presented on page 19 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Forvis Mazars, LLP

St. Louis, Missouri
March 12, 2025

Citizens' Electric Company of Lewisburg, Pa.
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Utility Plant, at Cost		
Electric plant in service	$ 30,802,761	$ 29,509,881
Accumulated depreciation	(15,229,615)	(14,740,113)
	15,573,146	14,769,768
Construction work in progress	119,314	175,214
Net utility plant	15,692,460	14,944,982
Other Assets and Nonutility Property		
Nonutility property	21,704	21,704
Goodwill, net	3,978,203	3,978,203
Regulatory assets	112,581	172,817
Cash surrender value of life insurance	175,925	160,044
Other	70,346	67,040
Total Other Assets and Nonutility Property	4,358,759	4,399,808
Current Assets		
Cash and cash equivalents	553,348	551,746
Accounts receivable		
Customers, net of allowance 2024 and 2023 - $35,000	1,173,451	1,456,491
Unbilled revenues	1,100,909	1,020,029
Other	101,732	81,514
Advances, affiliates	90,700	90,700
Inventories	303,686	295,406
Prepaid expenses and other	31,769	38,219
Under collected power costs	263,044	138,131
Total Current Assets	3,618,639	3,672,236
Total Assets	$ 23,669,858	$ 23,017,026

See Notes to Financial Statements

	2024	2023
LIABILITIES AND STOCKHOLDER'S EQUITY		
Stockholder's Equity		
Common stock, par value $10 per share; authorized 200,000 shares; issued 139,472 shares; outstanding 134,702 shares	$ 1,394,720	$ 1,394,720
Paid-in capital	1,236,168	1,236,168
Retained earnings	11,728,535	11,443,312
	14,359,423	14,074,200
Treasury stock, at cost; 4,770 shares	(376,830)	(376,830)
Total Stockholder's Equity	13,982,593	13,697,370
Long-Term Debt	1,540,746	1,649,104
Finance Lease Liabilities	432,598	255,939
Current Liabilities		
Current maturities of long-term debt	108,359	145,289
Current maturities of finance lease liabilities	90,626	57,584
Line of credit	3,300,000	2,600,000
Accounts payable		
Trade	136,305	155,972
Related party	229,797	218,124
Due for purchased electricity	839,832	883,855
Accrued expenses	291,139	286,863
Customer deposits	299,385	257,839
Accrued taxes, net	38,360	307,082
Total Current Liabilities	5,333,803	4,912,608
Deferred Charges and Other Liabilities		
Deferred income taxes	1,645,300	1,698,300
Accrued postretirement cost	555,864	613,934
Regulatory liability	176,954	187,771
Deferred benefits	2,000	2,000
Total Deferred Charges and Other Liabilities	2,380,118	2,502,005
Total Liabilities and Stockholder's Equity	$ 23,669,858	$ 23,017,026

Citizens' Electric Company of Lewisburg, Pa.
Statements of Income
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues	$ 16,378,412	$ 20,412,472
Operating Expenses		
Power	9,682,484	13,730,344
Distribution expenses		
Operation	981,866	978,730
Maintenance	644,907	691,018
Customer accounts	536,671	531,968
General and administrative	1,198,237	1,167,441
Depreciation	1,126,433	1,066,173
Taxes, other than income	978,426	1,285,061
	15,149,024	19,450,735
Operating Income Before Interest and Other Expenses	1,229,388	961,737
Other Income (Expenses)		
Interest expense	(307,972)	(268,687)
Acquisition debt expense	(556,189)	(556,189)
Other income	54,873	87,604
Other expense	(23,767)	(24,587)
	(833,055)	(761,859)
Income Before Income Taxes	396,333	199,878
Provision (Credit) for Income Taxes	68,810	(76,523)
Net Income	$ 327,523	$ 276,401

Citizens' Electric Company of Lewisburg, Pa.
Statements of Stockholder's Equity
Years Ended December 31, 2024 and 2023

	Common Stock	Paid-in Capital	Retained Earnings	Treasury Stock	Total
Balance, January 1, 2023	$ 1,394,720	$ 1,236,168	$ 11,207,311	$ (376,830)	$ 13,461,369
Net income	-	-	276,401	-	276,401
Dividends	-	-	(40,400)	-	(40,400)
Balance, December 31, 2023	1,394,720	1,236,168	11,443,312	(376,830)	13,697,370
Net income	-	-	327,523	-	327,523
Dividends	-	-	(42,300)	-	(42,300)
Balance, December 31, 2024	$ 1,394,720	$ 1,236,168	$ 11,728,535	$ (376,830)	$ 13,982,593

See Notes to Financial Statements

Citizens' Electric Company of Lewisburg, Pa.
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Activities		
Net income	$ 327,523	$ 276,401
Items not requiring (providing) cash		
Depreciation and amortization	1,212,725	1,188,013
Deferred income taxes	(53,000)	(166,500)
Increase in cash surrender value of life insurance	(15,881)	(18,321)
Changes in		
Accounts receivable	181,942	353,560
Inventories	(8,280)	(74,693)
Regulatory assets and liabilities	(36,873)	(36,120)
Prepaid expenses and other assets	3,144	4,966
Accounts payable and accrued expenses	(3,776)	(40,686)
Due for purchased electricity	(44,023)	(651,150)
Customer deposits	41,546	33,865
Accrued postretirement costs	(58,012)	(38,431)
Accrued taxes, net	(268,722)	159,776
Over collected power costs	(124,913)	29,866
Net Cash Provided by Operating Activities	1,153,400	1,020,546
Investing Activity		
Additions to utility plant, net	(1,599,214)	(1,673,153)
Net Cash Used in Investing Activity	(1,599,214)	(1,673,153)
Financing Activities		
Borrowings under line of credit agreement	1,800,000	3,000,000
Repayments under line of credit agreement	(1,100,000)	(1,900,000)
Principal payments on finance lease liabilities	(64,996)	(110,652)
Principal payments on long-term debt	(145,288)	(140,866)
Dividends paid	(42,300)	(40,400)
Net Cash Provided by Financing Activities	447,416	808,082
Increase in Cash and Cash Equivalents	1,602	155,475
Cash and Cash Equivalents, Beginning of Year	551,746	396,271
Cash and Cash Equivalents, End of Year	$ 553,348	$ 551,746
Supplemental Cash Flows Information		
Interest paid	$ 307,972	$ 268,687
Income taxes paid	$ 113,000	$ 113,000
Right-of-use asset obtained in exchange for new finance lease liability	$ 274,697	$ -

Citizens' Electric Company of Lewisburg, Pa.
Notes to Financial Statements
December 31, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Citizens' Electric Company of Lewisburg, Pa. ("Company"), a wholly-owned subsidiary of C&T Enterprises, Inc. ("C&T"), is a regulated public utility distributing electric service to customers in parts of Union and Northumberland Counties, Pennsylvania. The Company's operations are regulated by the Pennsylvania Public Utility Commission ("PUC"). The Company extends unsecured credit to its customers.

Basis of Accounting

The Company maintains its accounting records in accordance with the Federal Energy Regulatory Commission's ("FERC") uniform system of accounts for public utilities as modified and adopted by the PUC. The accompanying financial statements and the related notes have been prepared on the basis of U.S. generally accepted accounting principles ("GAAP").

In accordance with FERC guidelines, the Company also maintains its accounts in accordance with Codification Topic 980, *Regulated Operations*. On a regular basis, the Company reevaluates its application of accounting for regulated operations. The Company has determined that regulatory assets and liabilities should continue to be accounted for under provisions of Codification Topic 980 because it is reasonable to assume that the Company will continue to be able to charge and collect its cost of service-based rates.

Purchased Power

The Company purchases power under a default service plan that utilizes a third party generator to fulfill its requirements under the current plan. The plan, which was approved by the PUC, allows for full recovery of the cost of energy supply and all related costs, including legal and consulting fees and allows adjustments to rates to reflect current market conditions. Power costs can be different than what is recovered in base charges, resulting in over or under collected power costs.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include unbilled revenues, depreciation, goodwill and postretirement benefits.

Cash and Cash Equivalents

The Company considers all liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2024 and 2023, cash equivalents consisted primarily of a daily investment fund account.

At December 31, 2024, the Company's cash accounts did not exceed federally insured limits.

Accounts Receivable

Accounts receivable include billed and unbilled amounts for services provided to customers for which the Company has an unconditional right to payment. The Company provides an allowance for credit losses, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions adjusted for current conditions and reasonable and supportable factors.

Accounts receivable are ordinarily due 20 days after the issuance of the invoice. Accounts that are unpaid after the due date bear interest at 1.50% per month. Accounts past due more than 30 days are considered delinquent. Interest continues to accrue on delinquent accounts until the account is no longer classified as delinquent.

Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

During the years ended December 31, 2024 and 2023, credit loss expense related to doubtful accounts receivable, where collectability is not reasonably assured, was approximately $27,000 and $32,000, respectively.

Inventories

Inventories consist of materials and supplies and are stated at the lower of cost or net realizable value. Cost is determined based on average cost.

Utility Plant

Utility plant and equipment are carried at cost. Additions to utility plant and replacements of property are capitalized at cost. Retirements of electric plant or replacements are removed from electric plant accounts at cost and these costs plus cost of removal less salvage are charged to accumulated depreciation. Assets under finance lease obligations are amortized over the shorter of the lease term or respective estimated useful lives. Depreciation of utility plant is provided over the estimated useful life of the respective assets on a straight line basis as follows:

Utility Plant	Years
Distribution plant	25
General plant	33
Equipment	8-15

Maintenance and repairs of property and replacements are charged to expense.

Nonutility Property

Nonutility property consists of land not currently used for utility purposes.

Cash Surrender Value of Life Insurance

The Company has purchased a life insurance policy on a certain individual. Company owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Impairment of Long-Lived Assets

The Company reviews the carrying amount of an asset for possible impairment whenever events or changes in circumstances indicate that such amounts may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2024 and 2023.

Goodwill

Goodwill is evaluated annually for impairment or more frequently if impairment indicators are present. The quantitative impairment test consists of calculating the fair value of a reporting unit and comparing it to the carrying amount, including goodwill. The goodwill impairment loss, if any, is measured as the amount by which the carrying amount of a reporting unit, including goodwill, exceeds its fair value. Subsequent increases in goodwill value are not recognized in the consolidated financial statements.

The Company did not record any impairment charges for 2024 or 2023.

Income Taxes

The Company is included in the consolidated federal income tax return filed by C&T. The Company files its own tax return in Pennsylvania. The Company's federal income tax expense is computed using the separate return method for intercorporate tax allocation.

The Company accounts for income taxes in accordance with income tax accounting guidance (Financial Accounting Standards Board ("FASB") Accounting Standards (ASC) 740, *Income Taxes*). The income tax accounting guidance results in two components of income tax expense: current and deferred. Current income tax expense reflects taxes to be paid or refunded for the current period by applying the provisions of the enacted tax law to the taxable income or excess of deductions over revenues. The Company determines deferred income taxes using the liability (or balance sheet) method. Under this method, the net deferred tax asset or liability is based on the tax effects of the differences between the book and tax bases of assets and liabilities, and enacted changes in tax rates and laws are recognized in the period in which they occur. Deferred income tax expense results from changes in deferred tax assets and liabilities between periods. Deferred tax assets are reduced by a valuation allowance if, based on the weight of evidence available, it is more likely than not that some portion or all of a deferred tax asset will not be realized.

Tax positions are recognized if it is more likely than not, based on the technical merits, that the tax position will be realized or sustained upon examination. The term more likely than not means a likelihood of more than 50%; the terms examined and upon examination also include resolution of the related appeals or litigation processes, if any. A tax position that meets the more likely than not recognition threshold is initially and subsequently measured as the largest amount of tax benefit that has a greater than 50% likelihood of being realized upon settlement with a taxing authority that has full knowledge of all relevant information. The determination of whether or not a tax position has met the more likely than not recognition threshold considers the facts, circumstances and information available at the reporting date and is subject to the management's judgment.

The Company recognizes interest and penalties on income taxes as a component of income tax expense.

Regulatory Matters

The Company is subject to the authoritative accounting guidance applicable to rate-regulated organizations. The Pennsylvania PUC has full authority to establish electric rates. Certain items collected in rates have been recorded as regulatory liabilities. These amounts will be recognized as revenue in future periods as costs for which the amounts have been collected are incurred, or when authorized by the Pennsylvania PUC. Certain expenses have been recorded as regulatory assets, and management believes these amounts are probable of future rate recovery.

Revenue Recognition

Revenues from the sale of electricity are recognized as electricity is delivered to customers. Revenues also include amounts receivable from or payable to customers through purchased power clauses, which are adjusted semi-annually.

Costs that are recoverable or refundable in future periods through purchase power recovery are deferred. Costs that are refundable or recoverable in future periods through purchased power recovery rates are subject to audit and approval by the appropriate regulatory body. Changes to the related asset or liability amounts that result from these audits are recorded as a charge to current operations.

The amount and timing of revenue recognition varies based on the nature of the goods or services provided and the terms and conditions of the customer contract. Unbilled revenues of $1,100,909 and $1,020,029 at December 31, 2024 and 2023, respectively, represent amounts delivered through December 31 and not billed to the members until the following month. Customer deposits of $299,385 and $257,839 at December 31, 2024 and 2023, respectively, represent amounts received in advance of services provided. See Note 11 for additional information about the Company's revenue.

For significant financing components, the Company elected a practical expedient, which allows an entity to recognize the promised amount of consideration without adjusting for the time value of money if the contract has a duration of one year or less, or if the reason the contract extended beyond one year is because the timing of delivery of the product is at the customer's discretion. As the Company's contracts are typically less than one year in length and do not have significant financing components, the Company has not presented revenue on a present value basis.

Leases

The Company determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheets. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Company determines lease classification as operating or finance at the lease commencement date. The ROU asset for finance leases are included in utility plant in our balance sheets.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Company has made a policy election to use a risk-free rate (the rate of a zero-coupon U.S. Treasury instrument) for the initial and subsequent measurement of all lease liabilities. The risk-free rate is determined using a period comparable with the lease term.

The lease term may include options to extend or to terminate the lease that the Company is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Company has elected not to record leases with an initial term of 12 months or less on the balance sheets. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Treasury Stock

Common stock shares repurchased are recorded at cost. Cost of shares retired or reissued is determined using the first-in, first-out method.

Taxes Collected from Customers and Remitted to Governmental Authorities

Sales and gross receipts taxes collected from customers and remitted to governmental authorities are presented in the accompanying statements of income on a net basis.

Note 2. Leases

Nature of Leases

The Company has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of vehicles for the use of the Company. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

All Leases

The Company has no material related-party leases. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the years ended December 31, 2024 and 2023 are:

	2024	2023
Lease cost		
Finance lease cost		
Amortization of right-of-use asset	$ 89,922	$ 76,700
Interest on lease liabilities	14,931	13,927
Short-term lease cost	530	520
Total lease cost	$ 105,383	$ 91,147
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance leases	$ 64,996	$ 110,652
Weighted-average remaining lease term		
Finance leases	2.38 years	1.78 years
Weighted-average discount rate		
Finance leases	5.51%	4.95%

See Note 6 for future minimum lease payments and reconciliation to the balance sheet at December 31, 2024.

Note 3. Utility Plant

Utility plant consists of the following at December 31:

	2024	2023
Electric plant in service		
Distribution plant	$ 27,120,698	$ 25,895,278
General plant	1,099,144	1,042,086
Equipment	2,582,919	2,572,517
	30,802,761	29,509,881
Construction work-in-progress	119,314	175,214
	30,922,075	29,685,095
Accumulated depreciation	(15,229,615)	(14,740,113)
	$ 15,692,460	$ 14,944,982

Citizens' Electric Company of Lewisburg, Pa.
Notes to Financial Statements
December 31, 2024 and 2023

Note 4. Regulatory Assets and Liability

Regulatory assets consist of the following at December 31:

	2024	2023	Amortization Period
Rate case - 2022	$ 80,155	$ 147,203	3 years
POLR/PJM - 2021	7,533	25,614	3 years
POLR/PJM - 2024	24,893	-	* 3 years
	$ 112,581	$ 172,817	

* Amortization period has not begun

For the years ended December 31, 2024 and 2023, the Company recorded a regulatory liability of $176,954 and $187,771, respectively, for other postretirement benefits that resulted from unrecognized gains. The Company expects to recover the deferred other postretirement benefits consistent with the anticipated income recognition of other postretirement income.

Amortization expense was $86,292 and $106,756 for the years ended December 31, 2024 and 2023, respectively.

Note 5. Line of Credit

The Company has a $4,000,000 revolving line of credit with C&T payable on demand. At December 31, 2024 and 2023, there was $3,300,000 and $2,600,000 borrowed against this line, respectively. Interest varies based on the CoBank quoted variable rate. The rate was 6.39% and 7.41% on December 31, 2024 and 2023, respectively, and is payable monthly.

While the line of credit above is due on demand, the Company utilizes the financing for long-term operating purposes and does not have liquid funds available to repay the balance. The borrowings are available as a result of a line of credit agreement that C&T has with a third party, which is due in July 2026. C&T has no intentions of calling the debt before July 2026.

Citizens' Electric Company of Lewisburg, Pa.
Notes to Financial Statements
December 31, 2024 and 2023

Note 6. Long-Term Debt and Finance Lease Liabilities

	2024	2023
Note payable, C&T, quarterly principal and interest payments of $22,323; interest at 2.37%; collateralized by substantially all Company assets, due June 2025	$ 41,016	$ 121,606
Note payable, C&T, quarterly principal and interest payments of $19,117; interest at 3.925%; collateralized by substantially all Company assets, due December 2041	945,319	983,737
Note payable, C&T, quarterly principal and interest payments of $13,660; interest at 4.175%; collateralized by substantially all Company assets, due December 2041	662,770	689,050
Finance lease liabilities for equipment, requiring monthly principal and interest payments ranging from $620 to $3,280; collateralized by leased equipment, payments due in varying amounts through August 2031	523,224	313,523
	2,172,329	2,107,916
Less current maturities	198,985	202,873
	$ 1,973,344	$ 1,905,043

Aggregate annual maturities of long-term debt and payments on finance lease liabilities at December 31, 2024 are:

	Long-Term Debt	Finance Lease Liabilities
2025	$ 108,359	$ 115,017
2026	70,096	106,153
2027	72,962	112,219
2028	75,945	97,039
2029	79,049	39,361
Thereafter	1,242,694	134,276
	$ 1,649,105	604,065
Less amount representing interest		80,841
Present value of future minimum lease payments		$ 523,224

Transportation equipment under finance lease liabilities is as follows:

	2024	2023
Transportation equipment	$ 728,483	$ 724,293
Accumulated depreciation	(268,878)	(430,125)
	$ 459,605	$ 294,168

C&T has a Master Letter of Credit agreement with National Cooperative Services Corporation. This Letter of Credit is for $7,000,000 and expires October 2029. The Company has the ability to post letters of credit with wholesale electric suppliers under the terms of this agreement. As of December 31, 2024 and 2023, the Company had no outstanding letters of credit.

Note 7. Income Taxes

The provision (credit) for income taxes includes these components:

	2024	2023
Taxes currently payable	$ 121,810	$ 89,977
Deferred income taxes	(53,000)	(166,500)
Income tax expense (benefit)	$ 68,810	$ (76,523)

A reconciliation of income tax expense at the statutory rate to the Company's actual income tax expense (benefit) is shown below:

	2024	2023
Computed at the statutory rate (21%)	$ 83,230	$ 41,974
Increase resulting from		
State income taxes	5,893	(7,427)
Utilization of federal net operating losses	-	(166,500)
Other	(20,313)	55,430
Actual tax expense (benefit)	$ 68,810	$ (76,523)

The tax effects of temporary differences related to deferred taxes shown on the balance sheets were:

	2024	2023
Deferred tax assets		
Allowance for credit losses	$ 9,600	$ 9,700
Post retirement benefits	183,300	202,100
Other	95,700	98,500
	288,600	310,300
Deferred tax liabilities		
Depreciation	(1,894,400)	(1,950,100)
Other	(39,500)	(58,500)
	(1,933,900)	(2,008,600)
Net deferred tax liability	$ (1,645,300)	$ (1,698,300)

At December 31, 2024 and 2023, the Company had no allocation of C&T consolidated unused federal operating loss carryforwards.

Note 8. Pension and Postretirement Plans

Multiemployer Pension Plans

C&T is a member of the National Rural Electric Cooperative Association ("NRECA") Retirement Security Plan ("RS Plan"), a defined benefit pension plan qualified under Section 401 and tax-exempt under Section 501(a) of the Internal Revenue Code. It is a multiemployer plan under the accounting standards. The Plan sponsor's Employer Identification Number is 53-0116145 and the Plan Number is 333.

A unique characteristic of a multiemployer plan compared to a single-employer plan is that all plan assets are available to pay benefits of any plan participant. Separate asset accounts are not maintained for participating employers. This means that assets contributed by one employer may be used to provide benefits to employees of other participating employers.

C&T contributions to the RS Plan in 2024 and 2023 represented less than 5% of the total contributions made to the plan by all participating employers. C&T made contributions to the plan of $3,497,266 and $3,441,415 for years ended December 31, 2024 and 2023, respectively. The Company reimbursed C&T $476,390 and $495,173 for its share of the contributions for the years ended December 31, 2024 and 2023, respectively. There have been no significant changes affecting the comparability of the 2023 and 2023 contributions.

In the RS Plan, a "zone status" determination is not required, and therefore not determined, under the *Pension Protection Act* ("PPA") of 2006. In addition, the accumulated benefit obligations and plan assets are not determined or allocated separately by individual employer. In total, the RS Plan was over 80% funded on January 1, 2024 and 2023, based on the PPA funding target and PPA actuarial value of assets on those dates.

Because the provisions of the PPA do not apply to the RS Plan, funding improvement plans and surcharges are not applicable. Future contribution requirements are determined each year as a part of the actuarial valuation of the plan and may change as a result of plan experience.

C&T is also a member of the NRECA SelectRE Pension Plan. C&T makes a matching contribution of 200% of the employees' contributions up to 2.5% of compensation. The Company reimbursed C&T $89,357 and $85,819 for its share of contributions for the years ended December 31, 2024 and 2023, respectively.

Other Postretirement Benefit Plans

C&T has a postretirement health care plan covering substantially all employees. The Plan is unfunded. The estimated costs that will be paid after retirement are generally being accrued over the employees' active service periods to the dates they are fully eligible for benefits. The Company expects to contribute $32,000 to the Plan in 2025. The following table sets forth the Plan's funded status and the amounts of accrued benefit cost of the C&T plan and the Company's allocation based on an actuarial valuation as of December 31, 2024 and 2023.

Citizens' Electric Company of Lewisburg, Pa.
Notes to Financial Statements
December 31, 2024 and 2023

	2024	2023
C&T's benefit obligation	$ 5,587,931	$ 5,725,208
Company's allocation of benefit obligation	$ 669,250	$ 727,262
C&T's accrued benefit cost	$ 5,587,931	$ 5,725,208
Company's allocation of accrued benefit cost	$ 669,250	$ 727,262
Amounts recognized in the Company's balance sheets		
Current liability, included in accrued expenses	$ 113,386	$ 113,328
Non-current liability	555,864	613,934
	$ 669,250	$ 727,262
C&T's benefit expense	$ 472,064	$ 480,148
Company's allocation of benefit expense	$ 42,284	$ 42,284

The Company uses a December 31 measurement date for the plans. For measurement purposes, a 6.50% annual rate of increase in the per capita cost of covered health care benefits was assumed in 2024. The rate was assumed to decrease gradually to 4.75% in 2030 and remain at that level thereafter.

The benefit obligation was calculated assuming a weighted average discount rate of 5.15% and 5.10% in 2024 and 2023, respectively.

The amount of net gain and net prior service cost expected to be recognized by the Company during 2025 is $7,801 and $-0-, respectively.

Benefits expected to be paid by the Company in each of the next five years and in the aggregate for the five years thereafter are as follows:

2025	$ 113,386
2026	$ 91,048
2027	$ 84,731
2028	$ 87,596
2029	$ 111,884
2030-2034	$ 107,841

Because the Company is subject to regulation in the states in which it operates, it is required to maintain its accounts in accordance with the regulatory authority's rules and regulations, which may differ from other authoritative accounting pronouncements. In those instances, the Company follows the guidance of accounting for regulated operations. Based on prior regulatory practice, and in accordance with the related guidance, the Company recorded an unfunded postretirement obligation, which otherwise would be recognized as other comprehensive income, as a regulatory asset, and expects to recover those costs in rates charged to customers.

Note 9. Related Party Transactions

The Company has a contract for services with C&T to purchase all employee services. The contract automatically renews annually unless terminated by either party.

In the ordinary course of business, the Company's activities involve significant transactions with C&T. The activity between the Company and C&T for the years ended December 31, 2024 and 2023, and the effected account balances at December 31, 2024 and 2023, were as follows:

	2024	2023
Allocation of overhead recorded as operating expense	$ 473,098	$ 434,514
Other costs in accounts receivable - other	$ 43,800	$ 43,800
Accounts payable - related party	$ 229,797	$ 218,124
Accrued vacation liability in accrued expenses	$ 173,588	$ 167,762
Payroll costs paid in advance and included in advances, affiliate	$ 90,700	$ 90,700
Interest expense	$ 280,375	$ 256,329
Acquisition debt expense	$ 556,189	$ 556,189

The Company paid C&T $2,057,330 and $2,000,621 for payroll and $920,419 and $883,969 for benefits in 2024 and 2023, respectively.

Note 10. Commitments and Contingencies

The Company has guaranteed payments on notes payable that are obligations of C&T. At December 31, 2024, the amounts outstanding on these obligations are $5,803,792, of which $1,649,105 is recorded by the Company, see Note 6. These obligations are being repaid in quarterly payments of principal and interest through 2041. The amounts outstanding that are not recorded by the Company are being repaid through acquisition debt expense. The Company would be required to perform under this guarantee if C&T were to default under the notes payable and the bank were to demand the Company's performance.

Note 11. Revenue from Contracts with Customers

Performance Obligations

The Company's revenues are derived primarily from the sale of electric power to customers. Customers consist of commercial, industrial and residential accounts within dedicated territories in and around Lewisburg, Pennsylvania.

Rates charged for electric power sales to customers are established by the Pennsylvania PUC. The Company provides energy and capacity to customers as one stand-ready performance obligation. Electric power revenue is recognized by the Company upon transfer of control of promised services to customers in an amount that reflects the consideration expected to be received in exchange for those services.

The Company transfers control of the electric power to customers at each customer's meter point and the customers simultaneously receive and consume the benefits of the energy provided. Electric power provided to customers is accounted for as a series of performance obligations. Progress towards completion is measured using the output method [kilowatt hour (kwh) received by the customer], meter readings are taken at the end of

the month for billing purposes, the quantity of energy transferred is determined after the meter readings. Payments from customers are received in accordance with each customer's contract, which is ordinarily 20 days from the invoice date.

Revenue associated with the electric power performance obligation to customers are recorded as sales of electric energy and capacity to customers in the accompanying statements of income.

The Company has determined that the nature, amount, timing and uncertainty of revenue and cash flows are primarily affected by factors that impact demand.

Contract Balances

The following table provides information about the Company's accounts receivable and customer deposits from contracts with customers:

	2024	2023
Accounts receivable - customers, beginning of year	$ 1,456,491	$ 1,470,719
Accounts receivable - customers, end of year	$ 1,173,451	$ 1,456,491
Unbilled revenues, beginning of year	$ 1,020,029	$ 1,357,715
Unbilled revenues, end of year	$ 1,100,909	$ 1,020,029
Customer deposits, beginning of year	$ 257,839	$ 223,974
Customer deposits, end of year	$ 299,385	$ 257,839

Note 12. Subsequent Events

Subsequent events have been evaluated through March 12, 2025, which is the date the financial statements were available to be issued.

Supplementary Information

Citizens' Electric Company of Lewisburg, Pa.
Comparative Financial Statistics
Years Ended December 31, 2024, 2023, 2022, 2021, and 2020

	2024	2023	2022	2021	2020
Income Statistics					
Operating revenues	$ 16,378,412	$ 20,412,472	$ 17,029,076	$ 13,759,137	$ 13,654,824
Power purchased	9,682,484	13,730,344	10,987,752	7,890,338	8,165,083
Other operating expenses	5,466,540	5,720,391	5,139,130	4,810,283	4,751,385
Operating income	1,229,388	961,737	902,194	1,058,516	738,356
Other expense, net	(833,055)	(761,859)	(687,864)	(679,226)	(701,008)
Income before income taxes	396,333	199,878	214,330	379,290	37,348
Provision (credit) for income taxes	68,810	(76,523)	105,286	238,526	80,248
Net income (loss)	$ 327,523	$ 276,401	$ 109,044	$ 140,764	$ (42,900)
Balance Sheet Statistics					
Working capital	$ (1,715,164)	$ (1,240,372)	$ (466,530)	$ 104,966	$ 596,021
Total Stockholder's Equity	$ 13,982,593	$ 13,697,370	$ 13,461,369	$ 13,384,425	$ 13,263,961
Per Share Statistics					
Basic earnings per share	$ 2.43	$ 2.05	$ 0.81	$ 1.05	$ (0.32)
Book Value Per Share	$ 103.80	$ 101.69	$ 99.93	$ 99.36	$ 98.47

Citizens' Electric Company of Lewisburg, Pa.
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2024

Acct. No.	Account	Utility Plant: Cost January 1, 2024	Additions	Retirements	Cost December 31, 2024	Accumulated Depreciation: Balance January 1, 2024	Retirements	Cost of Removals	Salvage Received	Depreciation Rate	Depreciation Amount	Balance December 31, 2024
	Distribution plant											
302	Franchises and consents	27	-	-	27	255	-	-	-	0.000	-	$ 255
360	Land and land rights	17,040	1,254	-	18,294	-	-	-	-	0.000	-	-
362	Station equipment	792,280	-	15,868	776,412	761,560	15,868	2,196	-	4.000	2,969	746,465
364	Poles, towers and fixtures	4,317,240	160,455	31,694	4,446,001	3,128,994	31,694	56,949	3,912	4.125	184,754	3,229,017
365	Overhead conductors and devices	8,043,524	462,968	66,108	8,440,384	1,985,151	66,108	97,175	6,382	4.000	328,730	2,156,980
367	Underground conductors and devices	3,485,764	180,115	2,624	3,663,255	2,142,257	2,624	2,775	231	4.000	141,732	2,278,821
368	Line transformers	2,950,070	140,154	32,422	3,057,802	2,251,693	32,422	-	-	4.000	120,120	2,339,391
369	Services	4,130,180	239,595	23,910	4,345,865	1,776,639	23,910	35,011	5,094	4.000	167,472	1,890,284
370	Meters	1,478,201	260,127	53,519	1,684,809	(46,144)	53,519	-	-	4.000	63,056	(36,607)
373	Street lighting and signal systems	680,950	20,177	11,509	689,618	59,572	11,509	11,873	509	4.000	46,482	83,181
	General plant											
390	Structures and improvements, general plant	721,358	57,058	-	778,416	584,566	-	-	-	3.000	5,379	589,945
301	Organization	968	-	-	968	-	-	-	-	0.000	-	-
303	Intangible asset - EDI Equipment	319,218	-	-	319,218	319,215	-	-	-	0.000	-	319,215
391	Office furniture and equipment	595,278	20,301	170,748	444,831	428,049	170,748	-	-	8.000	41,164	298,465
392	Transportation equipment	1,294,630	278,419	151,118	1,421,931	890,038	151,117	-	-	12.500	113,641	852,562
393	Stores equipment	39,241	-	-	39,241	36,479	-	-	-	6.666	731	37,210
394	Tools, shop and garage equipment	128,054	9,237	-	137,291	77,162	-	-	-	10.000	8,375	85,537
395	Laboratory equipment	66,746	-	-	66,746	39,840	-	-	-	6.666	4,184	44,024
396	Power operated equipment	11,845	-	-	11,845	13,508	-	-	-	12.500	-	13,508
397	Communication equipment	405,497	23,742	1,202	428,037	282,702	1,202	-	-	6.666	9,256	290,756
398	Miscellaneous equipment	31,770	-	-	31,770	8,577	-	-	-	6.666	2,029	10,606
		29,509,881	1,853,602	560,722	30,802,761	$ 14,740,113	$ 560,721	$ 205,979	$ 16,128		1,240,074	$ 15,229,615
	Construction work-in-process	175,214	-	55,900 (N)	119,314					Less charged to clearing	113,641	
		$ 29,685,095	$ 1,853,602	$ 616,622	$ 30,922,075					Total depreciation	$ 1,126,433	

(N) Net Decrease

Citizens' Electric Company of Lewisburg, Pa.
Accrued Taxes, Net
December 31, 2024 and 2023

	2024	2023
State gross receipts tax	$ (86,455)	$ (372,013)
State public utility realty tax	13,123	16,853
State income tax	(1,207)	16,185
Federal income tax	36,830	28,248
Other	(651)	3,645
	$ (38,360)	$ (307,082)

Citizens' Electric Company of Lewisburg, Pa.
Operating Revenues and Taxes, Other Than Income
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Residential sales	$ 11,286,366	$ 14,080,536
Commercial and industrial sales	4,825,636	6,049,133
Public street and highway lighting sales	167,186	175,158
Customers' forfeited discounts	28,404	39,008
Rent from electric property	56,782	53,698
Other electric revenues	14,038	14,939
	$ 16,378,412	$ 20,412,472
Taxes, Other Than Income		
State gross receipts	$ 894,130	$ 1,222,013
State Pennsylvania Utility Commission assessment	63,038	40,815
State use tax	7,604	2,233
State public utility realty tax	13,654	20,000
	$ 978,426	$ 1,285,061

Citizens' Electric Company of Lewisburg, Pa.
Distribution, Operation; Distribution, Maintenance;
Customer Accounts and General and Administrative Expenses
Years Ended December 31, 2024 and 2023

	2024	2023	Increase (Decrease)	% Change
Distribution, Operation Expenses				
Station	$ 5,257	$ 20,968	$ (15,711)	-74.93%
Overhead lines	171,932	164,711	7,221	4.38%
Underground lines	54,098	77,898	(23,800)	-30.55%
Street lighting and signal system	12,169	8,095	4,074	50.33%
Meters	24,043	25,262	(1,219)	-4.83%
Engineering	147,493	139,449	8,044	5.77%
Customer installations	45,793	39,845	5,948	14.93%
Miscellaneous distribution	520,551	501,982	18,569	3.70%
Rents	530	520	10	1.92%
	$ 981,866	$ 978,730	$ 3,136	0.32%
Distribution, Maintenance Expenses				
Station equipment	$ 25,131	$ 2,202	$ 22,929	1041.28%
Overhead lines	558,562	563,526	(4,964)	-0.88%
Underground lines	13,331	16,531	(3,200)	-19.36%
Line transformers	31,969	85,912	(53,943)	-62.79%
Street lighting and signal system	15,914	22,847	(6,933)	-30.35%
	$ 644,907	$ 691,018	$ (46,111)	-6.67%
Customer Accounts Expenses				
Meter reading	$ 26,340	$ 25,085	$ 1,255	5.00%
Customer records and collection	483,000	474,977	8,023	1.69%
Uncollectible accounts	27,331	31,906	(4,575)	-14.34%
	$ 536,671	$ 531,968	$ 4,703	0.88%
General and Administrative Expenses				
Salaries and benefits	$ 699,187	$ 749,198	$ (50,011)	-6.68%
Administrative	154,815	104,651	50,164	47.93%
Outside services employed	40,008	47,389	(7,381)	-15.58%
Insurance	11,188	11,431	(243)	-2.13%
Injuries and damage	27,339	27,561	(222)	-0.81%
General advertising	655	1,061	(406)	-38.27%
Miscellaneous general	93,096	89,884	3,212	3.57%
Directors' committee	16,849	14,352	2,497	17.40%
Maintenance of general plant	155,100	121,914	33,186	27.22%
	$ 1,198,237	$ 1,167,441	$ 30,796	2.64%

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

December 19, 2024

VIA ELECTRONIC FILING

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

RE: Citizens' Electric Company of Lewisburg, PA
Supplement No. 170 to Tariff Electric PA. P.U.C. No. 14 (State Tax Adjustment Surcharge Recalculation); Docket No. _____

Dear Secretary Chiavetta:

Attached for filing with the Commission is Citizens' Electric Company of Lewisburg, PA's ("Citizens'" or "Company") Supplement No. 170 to Tariff Electric-Pa. P.U.C. No. 14 ("Supplement No. 170"). Supplement No. 170 reflects a recalculation of the State Tax Adjustment Surcharge ("STAS"). Supplement No. 170 contains an issued date of December 19, 2024, and an effective date of January 1, 2025. This complies with the ten (10) day notice period for STAS modifications specified on page 37 of the Company's tariff.

This filing adjusts Citizens' STAS to refund a prior period overcollection and to reflect changes in the Company's Corporate Net Income Tax and Utility Realty Tax. The documents supporting the Company's recalculation are set forth in Tab A, Attachments A, B, C, D, E, and F (computation of STAS for period January 1, 2025, through December 31, 2025). For completeness, a copy of proposed Supplement No. 170 is attached at Tab B. The supporting documents at Tab A demonstrate that the Company's STAS rate will decrease from a surcredit of -0.0126% to a surcredit of -0.0255%, effective January 1, 2025. See Tab A.

If you have any questions regarding the documents, please feel free to contact the undersigned. Thank you.

Very truly yours,

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC
Counsel to Citizens' Electric Company of Lewisburg, PA

AAB/leh
Enclosures
c: Certificate of Service
Erin Laudenslager, Bureau of Technical Utility Services (via E-mail)
Lori Burger, Bureau of Audits (via E-mail)

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

NazAarah Sabree
Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
ra-sba@pa.gov

Allison C. Kaster, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265
akaster@pa.gov

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
ra-oca@paoca.org

Adeolu A. Bakare

Counsel to Citizens' Electric Company of Lewisburg, PA

Dated this 19th day of December, 2024, in Harrisburg, Pennsylvania.

Supplement No. 170
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 December 19, 2024

Effective January 1, 2025

Issued by
NATHAN JOHNSON, 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

Supplement No. 170 to
Electric-Pa. P.U.C. No. 14

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

One-Hundred-Fifty-Sixth Revised Page No. 2
Cancelling
One-Hundred-Fifty-Fifth Revised Page No. 2

LIST OF CHANGES MADE IN THIS SUPPLEMENT

Page 37:

Supplement No. 170 sets the State Tax Adjustment Surcharge ("STAS") at -0.0255%, effective on January 1, 2025. This recalculation is necessary to refund a prior period overcollection and to reflect changes in the Company's Corporate Net Income Tax and Utility Realty Tax.

Supplement No. 170 to
Electric-Pa. P.U.C. No. 14

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

One-Hundred-Fifty-Fifth Revised Page No. 3
Cancelling
One-Hundred-Fifty-Fourth Revised Page No. 3

INDEX

Page

Title Page.....Supplement No. 170 (C)
List of Changes Made by This Tariff.....One-Hundred-Fifty-Sixth Revised 2 (C)
[RESERVED].....Fourth Revised 2A
Index.....One-Hundred-Fifty-Fifth Revised 3 (C)
.....One-Hundred-Fifty-First Revised 4 (C)
.....Thirty-Third Revised 4A
Definitions.....Fourth Revised 5
.....First Revised 5A
.....Third Revised 6
.....Fourth Revised 7
RULES AND REGULATIONS:
1 – Contracts.....Second Revised 8
2 - Right of Way and Access to Property.....Second Revised 8A
3 - Company's Service: Equipment.....Second Revised 8A
4 - Customer's Responsibility.....Third Revised 9
5 - Customer's Installation.....Third Revised 9
6 - Repairs for Customers.....Second Revised 10
7 - Use of Service.....Second Revised 10
8 - Redistribution of Service.....Second Revised 10
9 - Notice of Trouble.....Second Revised 11
10 - Continuity of Service .....Second Revised 11
11 - Capacity of Company's Service Facilities .....Fourth Revised 12
12 - Bills - Rates – Disconnection .....Fourth Revised 12
.....Eighth Revised 13
13 - Deposits .....Eighth Revised 13
14 – [RESERVED] .....Second Revised 14
15 - Taxes on Contributions in Aid of Construction and
Customer Advances .....Second Revised 14
16 - Point and Method of Adjustment .....Second Revised 14
17 - Meter Installations .....Second Revised 14
18 - Unmetered Service .....Fourth Revised 15
19 - Interference with Company's Property .....Second Revised 15A
20 - Meter Testing .....Second Revised 15A
21 - Application Provisions .....Third Revised 16
22 - Incidental Lighting .....Third Revised 16
23 - Selection of Schedules .....Third Revised 16
24 - Company Reserves the Right to Shut Off Supply .....Third Revised 16
25 – Remedies.....Fifth Revised 17
26 - Determination of Billing Demand.....Fifth Revised 17
.....Fourth Revised 17A

(C) Indicates Change

Supplement No. 170 to
Electric-Pa. P.U.C. No. 14

CITIZENS' ELECTRIC COMPANY OF LEWISBURG

One-Hundred-Fifty-First Revised Page No. 4
Cancelling
One-Hundred-Fiftieth Revised Page No. 4

INDEX (cont'd)

Page

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

(C) Indicates Change

Issued December 19, 2024

Effective January 1, 2025

Supplement No. 170 to
Electric-Pa. P.U.C. No. 14
CITIZENS' ELECTRIC COMPANY OF LEWISBURG Thirty-Eighth Revised Page No. 37
Cancelling
Thirty-Seventh Revised Page No. 37

STATE TAX ADJUSTMENT SURCHARGE

In addition to the charges provided in this tariff, a surcredit of -0.0255% will apply to all bills for service rendered on or after January 1, 2025. (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.

(D) Indicates Decrease (C) Indicates Change

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Computation of State Tax Adjustment Surcredit
for the Period January 1, 2025 through December 31, 2025

			Amount	Attachment Number
1	Capital Stock Tax	$	-	
2	Corporate Net Income Tax	$	(10,825)	**F**
3	Utility Realty Tax	$	548	**A**
4	Gross Receipts Tax	$	-	
5	Total of Lines 1, 2, 3, and 4	$	(10,276)	
6	PURTA Surcharge Rate Adjustment	$	-	**B**
7	Revenue Neutral Reconciliation (RNR) Tax Adjustment	$	-	**C**
8	Total of Lines 5, 6, and 7	$	(10,276)	
9	Line 8 divided by complement of Gross Receipts Tax Rate (.941)	$	(10,921)	
10	STAS reconciliation for period January 1, 2024 through December 31, 2024	$	5,652	**D**
11	Total of Lines 9 and 10	$	(5,268)	
12	Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pa. Public Utility Commission for the application period January 1, 2023 through December 31, 2023 with adjustments (Page 11)	$	20,677,469	**E**
13	Surcredit rate to be applied for the period January 1, 2025 through December 31, 2025 (Line 11 divided by Line 12)		-0.0255%	

ATTACHMENT A

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Calculation of Surcredit Rate 1/01/25 - 12/31/25

Public Utility Realty Tax Assessment (PURTA)

1	7/31/2024 Notice of Determination Adjustments: State Tax Property Value at December 31, 2023	$ 1,078,272		
2	Pa. Public Utility Realty Tax (Based on applied rate of 23.7970 mills x Line 1)		$ 25,660	
3	8/1/2023 Notice of Determination Adjustments: State Tax Property Value at December 31, 2022	$ 1,010,880		
4	Pa. Public Utility Realty Tax (Based on applied rate of 24.8531 mills x Line 1)		$ 25,124	
5	2025 PURTA Adjustment (Line 2 minus Line 4)			$ 536

continued on page 2A

ATTACHMENT A

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Calculation of Surcredit Rate 1/01/25 - 12/31/25

Public Utility Realty Tax Assessment (PURTA)

1	Continued from page 2 (Line 5)		$ 536
	Notice of Determination Adjustments:	**7/31/2024**	
2	2019 PURTA		
	Liability Adjustment	$ 1	$ 1
3	2020 PURTA		
	Liability Adjustment	$ 1	$ 1
4	2021 PURTA		
	Liability Adjustment	$ 1	$ 1
5	2022 PURTA		
	Liability Adjustment	$ 9	$ 9
7	Total 2025 PURTA Adjustment (Lines 1 through 19)		$ 548

ATTACHMENT B

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Calculation of Surcredit Rate 1/01/25 - 12/31/25

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2025

Projected taxable revenues for period January 1, 2025 to December 31, 2025 (Page 13)	$ 17,931,312
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 21, 2024	0.0000
2025 PURTA Surcharge	$ -

ATTACHMENT C

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Calculation of Surcredit Rate 1/01/25 - 12/31/25

Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

Tax Year Ending 2025

Projected taxable revenues for Pa. gross receipts tax for period January 1, 2025 to December 31, 2025 (Page 13)	$	17,931,312
RNR tax rate adjustment as established by the Department of Revenue and published in the Pennsylvania Bulletin on Dec. 1, 2001		0.000
Projected increase in applicable 2025 gross receipts tax liability based on RNR tax rate adjustment	$	-

ATTACHMENT D

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2024

		Amount	Schedule Number
1	Capital Stock Tax	$ -	**1**
2	Corporate Net Income Tax	$ -	
3	Utility Realty Tax	$ 244	**2**
4	Gross Receipts Tax	$ -	
5	Total of Items 1, 2, 3, and 4	$ 244	
6	PURTA Surcharge Rate Adjustment	$ -	**3**
7	Revenue Neutral Reconciliation (RNR) Tax Adjustment	$ -	**4**
8	Total of Lines 5, 6, and 7	$ 244	
9	Line 8 divided by complement of Gross Receipts Tax Rate (.941)	$ 259	
10	STAS reconciliation for period Jan. 1, 2023 through December 31, 2023	$ 3,391	
11	Total of Lines 9 and 10	$ 3,650	
12	STAS Revenue Collections (Page 11)	$ (2,002)	**5**
13	(Over)/Under Collection (Line 11 minus Line 12)	$ 5,652	

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Schedule 1

Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2023

****Capital Stock Tax Phased out in 2016****
Capital Stock Tax @ .00 mills effective 1/1/17

1	Tax Base -- year 2017 see attached page 2 of 2017 PA Tax Report		$ -
2	Tax Millage in basic rates (2020)	0.000000	
3	Tax Millage effective 1/1/20	0.000000	
4	Effective Rate Increase (Decrease) (Line 2 minus Line 3)		0.000000
5	Total Capital Stock/Franchise Tax Increase (Decrease) (Line 1 X Line 4)		$ -

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Schedule 2

Reconciliation of State Tax Adjustment Surcharge for the Period ending December 31, 2024

Public Utility Realty Tax Assessment (PURTA)

1	8/1/2023 Notice of Determination Adjustments: State Tax Property Value at December 31, 2022	$ 1,010,880		
2	Pa. Public Utility Realty Tax (Based on applied rate of 24.8531 mills x Line 1)		$ 25,124	
3	8/1/2022 Notice of Determination Adjustments: State Tax Property Value at December 31, 2021	$ 898,560		
4	Pa. Public Utility Realty Tax (Based on applied rate of 27.1851 mills x Line 1)		$ 24,427	
5	2024 PURTA Adjustment (Line 2 minus Line 4)			$ 696

continued on page 7A

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Schedule 2

Public Utility Realty Tax Assessment (PURTA)

1	Continued from page 7 (Line 5)		$ 696
	Notice of Determination Adjustments:	**8/1/2023**	
2	2018 PURTA		
	Liability Adjustment	$ (58)	$ (58)
3	2019 PURTA		
	Liability Adjustment	$ (54)	$ (54)
4	2020 PURTA		
	Liability Adjustment	$ (62)	$ (62)
5	2021 PURTA		
	Liability Adjustment	$ (278)	$ (278)
7	Total 2025 PURTA Adjustment (Lines 1 through 18)		$ 244

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Schedule 3

Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2024

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2024

Taxable revenues for Pa. gross receipts tax for period January 1, 2024 to December 31, 2024 (Page 12)	$ 16,472,793	
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 30, 2023	0.0000	
2024 PURTA Surcharge		$ -

ATTACHMENT E

**Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2024**

Schedule 4

**Reconciliation of State Tax Adjustment Surcharge
for the Period ending December 31, 2024**

**Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax**

Tax Year Ending 2024

1	Taxable revenues for Pa. gross receipts tax for period January 1, 2024 to December 31, 2024 (Page 12)	$ 16,472,793	
2	RNR tax rate adjustment as established by the Department of Revenue and published in the Pennsylvania Bulletin on December 1, 2001	$ -	
3	Projected increase in applicable 2024 gross receipts tax liability based on RNR tax rate adjustment		$ -

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Schedule 5

STAS Revenue Collected/(Refunded)
for period January 1, 2024 through December 31, 2024

Month		**Tax Surcharge**
January	$	(238)
February	$	(230)
March	$	(187)
April	$	(173)
May	$	(144)
June	$	(139)
July	$	(157)
August	$	(162)
September	$	(142)
October	$	(124)
November	$	(139)
December (estimate)	$	(167)
Total STAS Collected/(Refunded)	$	(2,002)

ATTACHMENT E

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

OPERATING REVENUES

Revenue billed for 12 month audited period ending December 31, 2023

Residential	$	14,311,770	
Commercial & Industrial	$	6,148,473	
Public Street & Highway Lighting	$	175,158	
Customer' Forfeited Discounts	$	39,008	
Total Gross Electric Revenue including Tax Surcharge *			$ 20,674,409
Less: Tax Surcharge collected			$ (3,060)
Total Electric Revenue projected for application period January 1, 2025 through December 31, 2025			$ 20,677,469

*Revenue does not include unbilled revenue.

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Revenues Billed from Service Under Rates
for the Application Period January 1, 2024 to December 31, 2024

Month	MWh Sales	Base Rate Revenue*	Forfeited Discounts	Total Revenues
January	14,996	$ 1,907,331	$ 3,069	$ 1,910,400
February	15,679	$ 1,841,295	$ 3,455	$ 1,844,750
March	12,777	$ 1,494,763	$ 2,952	$ 1,497,715
April	12,029	$ 1,387,623	$ 3,034	$ 1,390,657
May	10,306	$ 1,150,387	$ 2,734	$ 1,153,121
June	11,562	$ 1,132,092	$ 2,147	$ 1,134,239
July	12,931	$ 1,284,549	$ 1,846	$ 1,286,395
August	13,602	$ 1,322,176	$ 1,906	$ 1,324,082
September	12,094	$ 1,156,689	$ 2,140	$ 1,158,829
October	10,234	$ 1,013,663	$ 1,884	$ 1,015,547
November	11,102	$ 1,127,621	$ 1,385	$ 1,129,006
December (estimate)	13,926	1,625,416	2,636	$ 1,628,052
Totals	151,238	$ 16,443,605	$ 29,188	$ 16,472,793

*Does not include unbilled revenue.

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Projected Revenues Billed from Service Under Rates
for the Application Period January 1, 2025 to December 31, 2025

Month	MWh Sales	Base Rate Revenue*	Forfeited Discounts	Projected Revenues
January	15,787	$ 1,803,378	$ 4,079	$ 1,807,457
February	16,306	$ 1,862,663	$ 4,079	$ 1,866,742
March	13,609	$ 1,554,585	$ 4,079	$ 1,558,664
April	12,590	$ 1,438,184	$ 4,079	$ 1,442,263
May	10,974	$ 1,253,589	$ 4,079	$ 1,257,668
June	11,778	$ 1,345,429	$ 4,079	$ 1,349,508
July	13,043	$ 1,489,930	$ 4,079	$ 1,494,009
August	13,331	$ 1,522,829	$ 4,079	$ 1,526,908
September	11,982	$ 1,368,732	$ 4,079	$ 1,372,811
October	10,657	$ 1,217,378	$ 4,079	$ 1,221,457
November	12,126	$ 1,385,182	$ 4,079	$ 1,389,261
December	14,361	$ 1,640,486	$ 4,079	$ 1,644,565
Totals	156,547	$ 17,882,364	$ 48,948	$ 17,931,312

*Does not include unbilled revenue.

ATTACHMENT F

CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA

Pursuant to the Pennsylvania Utility Commission's State Tax Adjustment Surcharge (STAS) Procedures.

			Distribution Only
1	Net Operating Income Excluding Income Taxes		$1,258,282
2			
3	Synchronized interest expense:		
4	Rate base		12,825,060
5	Less: CWIP		3,564
6	Rate base for interest compuation		12,821,496
7	Weighted Cost of debt		2.397%
8	Synchronized interest expense		307,331
9	Taxable income before depreciation tax adjustments		950,951
10			
11	Pennsylvania depreciation adjustment:		
12	Tax depreciation (using DDB method)		(897,824)
13	Book depreciation		1,029,328
14	Pennsylvania depreciation adjustment		131,504
15	Pennsylvania taxable income		1,082,455
16	Regulatory Pennsylvania income tax expense	8.99%	97,313
		7.99%	86,488
17	Regulatory Pennsylvania Income Tax Expense Credit		(10,825)
	Monthly CNIT Credit		(902)

Exhibit-KAS-3

		Historic Year Actual Ended 12/31/21	Historic Year Actual Ended 12/31/22	Historic Year Actual Ended 12/31/23	Historic Year Actual Ended 12/31/24	Future Test Year Ended 12/31/25	Actual Ended 03/31/25	Fully Projected Future Test Year Ended 12/31/26
Distribution Expenses:								
580	Operations Supt & Eng	131,110	157,885	139,449	147,492	151,142	40,688	154,958
582	Station Expense	13,239	1,657	20,968	5,258	13,979	1,026	14,046
583/584	Overhead Line Expense	207,522	132,517	242,610	226,033	234,927	41,557	242,072
585	Street Lighting Expense	7,724	2,731	8,095	12,169	5,025	3,767	5,137
586	Meter Expense	19,012	32,554	25,262	24,042	48,958	(5,635)	50,712
587	Customer Installation Expense	60,744	35,338	39,845	41,115	53,765	9,122	56,416
588	Miscellaneous Distribution Exp	293,481	321,029	395,055	455,104	486,415	130,933	495,254
589	Rents	499	509	520	530	525	-	525
	Total Operating Expense	733,331	684,220	871,804	911,743	994,735	221,458	1,019,120
590	Maint Supv & Eng	-	-	-	-	-	-	-
591	Maint of Structures	-	-	-	-	-	-	-
592	Maintenance of Station Equipment	5,435	5,256	2,202	25,133	-	-	17,209
593	Maintenance of Overhead Line	481,913	499,708	563,525	558,565	-	161,323	826,836
594	Mainteneance of Underground Lines	4,246	5,304	16,532	13,331	Maint. O'hd. Line	1,240	14,827
595	Maintain Line Transformers	18,983	16,165	85,912	31,968	Vegetation Ma	626	27,468
596	Maint. Street Light & Signal Expense	9,879	19,558	22,847	15,914	-	4,896	24,187
597	Maint of Misc. Distrib Plant	367	-	-	-	Maint. Line Trans	-	-
	Total Maintenance Expense	520,823	545,991	691,018	644,911	-	168,085	910,527
	Total Operating & Maintenance Exp.	1,254,154	1,230,211	1,562,822	1,556,654	994,735	389,543	1,929,647
Customer Accounting & Collection Expenses:								
902	Meter Reading Expense	13,633	24,086	25,085	26,338	26,000	6,717	169,939
903	Customer records & Collections Exp	442,188	441,004	474,977	483,001	486,259	110,716	-
904	Uncollectible Accounts	31,941	43,106	31,906	27,330	30,000	6,177	-
	Total Customer Acctg & Coll. Exp	487,762	508,196	531,968	536,669	542,259	123,610	169,939
Sales Expense, Public Relations								
908-913	Safety and Communications	-	-	-	-	-	-	-
Administrative & General Expenses:								
920	Administrative & General Salaries	607,671	631,219	742,994	700,832	732,830	190,784	-
921	Office Supplies & Expenses	206,061	222,508	243,492	145,653	246,988	67,313	-
923	Outside Services Employed	5,525	24,549	47,103	40,008	37,000	41,225	-
924	Property Insurance	11,112	11,320	11,431	11,190	11,059	2,766	-
925	Injuries & Damages	26,647	26,694	27,561	27,341	28,907	6,768	-
926	Employee Pensions & Benefits	1,756	14,579	6,204	7,497	8,500	1,494	-
928	Regulatory Commission Expense	108,668	108,672	105,515	70,128	88,208	17,532	-
930	Miscellaneous General Expense	94,585	101,474	105,300	110,600	110,891	25,885	447,964
931	Rents	-	-	-	-	-	-	-
932	Maintenance of General Property	163,227	225,917	121,914	155,101	164,713	66,732	165,455
	Total Administrative & General Exp.	1,225,252	1,366,932	1,411,514	1,268,350	1,429,095	420,499	613,419
	Total Operating & Maintenance Exp.	2,967,168	3,105,339	3,506,304	3,361,673	2,966,089	933,652	2,713,005
	Check to C1-1	*$2,967,168*	*$3,105,339*	*$3,506,304*	*$3,361,673*	*$3,715,057*		*$4,102,061*

Exhibit-KAS-4

	Historic Actual	Historic Actual	Historic Actual	Historic Actual	Future Test Year	Actual	Fully Projected Future Test Year
	Balance 12/31/21	Balance 12/31/22	Balance 12/31/23	Balance 12/31/24	Forecast 12/31/25	03/31/25	Forecast 12/31/26
Depreciable Plant:							
360 Land & Land Rights	15,708	16,191	17,040	19,360	19,360	18,414	20,458
361 Structures and Improvements	-	-	-	-	-		-
362 Station Equipment	792,280	792,280	792,280	776,412	776,412	776,412	776,412
364 Poles, Tower & Fixtures	4,113,235	4,252,749	4,317,240	4,446,001	4,612,432	4,728,592	4,934,235
365 Overhead Conductors & Devices	7,654,591	8,156,039	8,043,524	8,440,384	9,142,814	8,523,796	9,866,317
366 Underground Conduit	3,228,218	3,398,864	3,485,764	3,663,255	3,860,336	3,711,779	4,063,329
368 Line Transformers	2,788,156	2,898,891	2,950,070	3,057,802	3,241,585	3,049,538	3,430,881
369 Services	3,879,146	4,046,185	4,130,180	4,345,865	4,643,243	4,384,015	4,949,542
370 Meters	2,007,239	2,161,712	1,478,201	1,684,809	1,740,941	1,720,416	1,798,757
373 Steet Lighting & Signal Systems	750,787	783,253	680,950	689,618	753,904	701,082	820,118
Total Distribution Plant	25,229,360	26,506,164	25,895,249	27,123,506	28,791,027	27,614,044	30,660,049
General Plant							
390.1 Structures & Improvements, Office	647,963	668,746	721,358	778,416	813,880	778,958	874,824
390X General - Fully Depreciated	764,864	764,864	319,218	319,218	319,218	319,218	319,218
391 Office Furniture & Equipment	341,801	442,747	595,278	444,831	482,109	444,271	546,167
392 Transportation Equipment	941,166	1,134,909	1,294,630	1,421,931	1,846,931	1,421,846	2,232,931
394 Tools, Shop & Garage Equipment	69,432	70,820	128,054	137,291	143,816	139,062	150,340
395 Laboratory & Stores Equipment	70,969	70,969	105,987	105,987	105,987	117,833	105,987
397 Communication Equipment	272,313	272,313	405,497	428,037	428,037	428,135	428,037
398 Miscellaneous Equipment	18,110	18,110	43,615	43,615	47,090	31,770	50,566
Intangible Plant, Organization	-	-	995	995	995	995	995
301 Intangible Plant, EDI	319,218	342,651	-	-	-	-	-
Total General Plant	3,445,836	3,786,129	3,614,632	3,680,321	4,188,063	3,682,088	4,709,065
Total Plant In Service	28,675,196	30,292,293	29,509,881	30,803,827	32,979,090	31,296,132	35,369,114
Check to C3	*$28,675,196*	*$30,292,293*	*$29,509,881*	*$30,802,761*	*$32,979,090*		*$35,369,114*

FTY & FPFTY Wage & Salary Increase Detail

Citizens' Electric Company

	2024	2025		2026	
	$$$	$$$	% of Total Increase	$$$	% of Total Increase
Total Budgeted Wages:	$ 1,770,641	$ 1,898,017		$ 2,028,881	
Total Wage Increase:		$ 127,537		$ 151,783	
Annual Base Comp. Adj.:		$ 53,194	41.7%	$ 48,081	31.7%
Market:		$ 31,132	24.4%	$ 21,570	14.2%
Merit:		$ 12,209	9.6%	$ 40,868	26.9%
New Hire:		$ 26,967	21.1%	$ 27,641	18.2%