BEFORE
THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Wellsboro Electric Company	**:**	

VOLUME II
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ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

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DIRECT TESTIMONY

AND EXHIBITS

OF

HOWARD S. GORMAN

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

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DIRECT TESTIMONY OF HOWARD S. GORMAN
ON BEHALF OF WELLSBORO ELECTRIC COMPANY

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, Wellsboro Electric Company ("Wellsboro" 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, as well as the proof of revenue and bill comparisons at the proposed rates. I will also discuss proposed changes to the rate structures for certain rate schedules.

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 Wellsboro Generation Supply Service Rate ("GSSR") were excluded from the analysis.

The supporting calculations and data for the filing are in Exhibit__(HSG-1). Throughout my testimony, I will reference the various schedules within Exhibit__(HSG-1) that explain the calculations and results. 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 HTY, FTY and FPFTY were used?

A. The HTY is Wellsboro's actual results for calendar year 2024. The FTY is Wellsboro's forecast for 2025 and the FPFTY is Wellsboro's forecast for 2026. Wellsboro 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 Wellsboro's revenue requirement.

A. Under the present rates, Wellsboro would have a shortfall of approximately $2,899,000 in revenue compared to revenue requirements for the FPFTY (Schedule C1). Wellsboro is proposing that the rates and charges subject to the Tariff be increased as shown on Schedule B7. This would increase its distribution revenue in the FPFTY by 45.3%. This equals an increase in total revenue (distribution and supply) of 22% of Wellsboro's 2024 total revenue.

Based on Wellsboro's as-filed increase, the average annual increase in distribution revenue from the prior rate case (with new rates effective May 1, 2020) to 2026 is 6.8% per year.

The revenue produced by the as-filed rate increase, approximately $9,301,000 (plus $328,000 Other revenue, for a total revenue requirement of $9,629,000) would recover the costs forecast to be incurred by Wellsboro in the FPFTY, including a return on rate base of

8.18%, as shown on Schedule C1, as supported by Company witnesses Dylan D'Ascendis and Ryan Kucan of ScottMadden, Inc.

Q. Please summarize the Company's proposed revenue allocation and rate design.

A. The Company's proposed revenue allocation is presented on Schedule B6-4, line 24, and the proposed revenue increase on line 36. This schedule also shows, for each rate class, 1) return on rate base at the proposed revenue allocation (line 32); 2) relative return compared to system average (line 33); 3) progress toward unity (line 34), which measures 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 4) change in subsidy paid (received) (lines 41-44), 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.

The Company's proposed rates are presented on Schedule B6-3, lines 19-30, and also on Schedule B7. Schedule B6-3 demonstrates that the proposed rates produce the class revenue targets (except for rounding) (lines 38-39).

Q. Is the Company allocating the same percentage increase to every customer class?

A. No. 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. Are you sponsoring any exhibits?

A. Yes. Exhibit ___ (HSG-1), Schedule A presents an Index of the exhibits supporting the Company's revenue requirement of $9,301,000 and increase of $2,899,000.

Q. Please describe the approach used to develop the Company'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 Wellsboro accounting and financial records provided by Company witness Jill Campbell. Summary information on sales and revenues is presented in Exhibit __ (HSG-1), Schedule B. Information for HTY 2024 is on Schedule B1, with supporting computations on Schedule B1-1. Schedule B4 presents a reconciliation of HTY 2024 revenue to Wellsboro's financial statements. Sales and revenue information for FTY 2025 is on Schedule B2, with supporting computations on Schedule B2-1. Sales and revenue information for FPFTY 2026 is on Schedule B3, with supporting computations on Exhibit 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, excess 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. This computation indicated that FPFTY revenue of $9,629,000 (including Other revenue) is needed to produce the required rate of return. These results are presented on Schedule C1, which also shows the rate of return for the HTY, FTY and FPFTY at present rates.

Fifth, the ACOS (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 current GSSR) and Schedule B8-1 (excluding GSSR). Schedule B8-2 provides the rate comparisons on a total rate basis using the GSSR that is expected to take effect on June 1, 2025. Schedule B6-3 demonstrates that the proposed rates produce the required revenue.

Q. What are the reasons that Wellsboro 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 Wellsboro's last rate case, Docket R-2019-3008208.

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

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

Schedule 1- Residential Service (RS)
Schedule 2- Residential Service All Electric (RSAE)

Schedule 3- Non-Residential Service (NRS), Non-Residential Space Heating (NRH)
Schedule 4- Commercial Service (CS) and Commercial Space Heating (CSH)
Schedule 5- Industrial Services (IS)

Schedule 6- Municipal Streets Lights (MSL)
Schedule 7- Private Outdoor Lighting Service (POL)

Schedule 8- Sales for Resale (Exchange of Service (EU))

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

A. Schedule 1 (RS) rates include a fixed monthly charge, a per-kWh distribution charge and the per-kWh GSSR charge.

Schedule 2 (RSAE) rates include a fixed monthly charge, a per-kWh distribution charge and the per-kWh GSSR charge.

Schedule 3 (NRS) rates include a fixed monthly charge, a per-kWh distribution charge and the per-kWh GSSR charge.

Schedule 3 (NRH) rates include a fixed monthly charge, a per-kWh distribution charge and the per-kWh GSSR charge.

Schedule 4 (CS) rates include a fixed monthly charge, a per-kWh distribution charge, a distribution per-kW (demand) charge (with a 50% ratchet based on past 11 months actual demand but not less than 7 kW), and the GSSR charge, which may be the GSSR-1 (per-kWh) or the GSSR-2 (per-kWh and per-kW (demand) components).

Schedule 4 (CSH) rates include a fixed monthly charge, a per-kWh distribution charge and the GSSR charge, which may be the GSSR-1 (per-kWh) or the GSSR-2 (per-kWh and per-kW (demand) components).

Schedule 5 (IS) rates include a fixed monthly charge, a distribution demand (per-kW) charge (with a 50% ratchet based on past 11 months), a two-block per-kW distribution charge and the GSSR charge, which may be the GSSR-1 (per-kWh) or the GSSR-2 (per-kWh and per-kW (demand) components). The per-kWh distribution charge has two blocks, with the number of kWh in the first block based on the customer's billed demand for the month.

Schedule 6 (MSL) rates and Schedule 7 (POL) rates include a fixed monthly distribution charge per lamp and the per-kWh GSSR charge.

Schedule 8 (EU) rates include a per-kWh distribution 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 $13,158,392 based on Wellsboro's financial statements. The HTY distribution-only amounts is total revenue amounts minus GSSR and Transmission 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 by function 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 HTY 2024 was 3.97% 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. For HTY 2024, sales were approximately 97 million kWh, with approximately 160,000 kW billed demand.

For FTY 2025, the sales forecast represents normalized annual use per customer times expected number of customers. Normalized annual use per customer was developed by Wellsboro in a special study. The number of customers equals average number of customers in 2024 plus expected growth. Sales for FTY 2025 are projected at

approximately 104 million kWh (Schedule B2-1, line 2), and distribution revenue is projected to be $6,380,000 (Schedule B2-1, line 39).

For FTY 2026, the sales forecast used the same normalized annual use per customer, and additional growth in the number of customers. Sales for FPFTY 2026 are projected at approximately 106 million kWh (Schedule B3-1, line 2), and distribution revenue is projected to be $6,400,000 (Schedule B3-1, line 39).

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, Sales and public relations expense and Administrative & General expenses. Non-operating costs include Depreciation expense, Taxes other than income, Rate case expense amortization and Income tax expense.

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

A. HTY actual O&M costs, totaling $9,252,000, are summarized on Schedule C1, line 18. 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 C-1. Schedule C1-1, lines 51-55, presents a summary of costs by type (labor, overhead, transportation, materials).

The columns to the right of HTY actual O&M costs on Schedule C1-1 show the changes between HTY 2024 and FTY 2025; the columns to the right of FTY 2025 show the changes between FTY 2025 and FPFTY 2026.

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 during 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 $1,939,000; 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 Public Utility Realty Tax are assumed to be the same in FTY and FPFTY as in HTY. 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 the FPFTY Rate case expense amortization?

A. The Rate case expense amortization reflects the normalized rate case expense. Expenses for the pending rate case, if fully litigated, are estimated at $331,000 and a three-year

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

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 included in Account 928 on Schedule C1-1.

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.

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) and 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 Wellsboro's 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), is based on the straight line method 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 3.97% for the HTY, 1.44% in FTY 2025 and 0.68% in 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. Assets at original cost and accumulated depreciation are carried forward from Schedule C3. Schedule C3 shows assets, accumulated depreciation and annual depreciation expense, as discussed above.

The HTY amounts for Customer deposits and Materials and supplies are from Wellsboro's 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) Federal tax expense borne by ratepayers (i.e., based on straight line method, discussed above) and Y) Wellsboro 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 Schedule C1-5, 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 42-46, carried up to Schedule C1-5, line 9).

An allowance for 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 Schedule C1-5, line 12).

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

NET UTILITY OPERATING INCOME

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

A. The FPFTY distribution revenue requirement (excluding Other income) is $9,301,000, as shown on Schedule C1.

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

A. The total 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) and Revenue from rental of electric property.
- Unbilled Revenue: Because the FPFTY is fully normalized, there is no unbilled revenue.

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

A. Mr. D'Ascendis and Mr. Kucan recommended a return of rate base of 8.18%.

Q. What rate of return on rate base does the proposed revenue requirement produce?

A. The proposed revenue requirement produces a rate of return of 8.18%, on the rate base of $25,857,000 (Schedule C1). The distribution revenue requirement (excluding Other income) needed to produce this rate of return is $9,301,000 (Schedule C1, line 7).

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, all of the utility's costs of providing service are 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 Wellsboro's ACOS?

A. The rate classes included in Wellsboro's ACOS are Schedule 1- Residential Service (RS), Schedule 2- Residential Service All Electric (RSAE), Schedule 3- Non-Residential Service (NRS) and Non-Residential Space Heating (NRH), Schedule 4- Commercial Service (CS) and Commercial Space Heaters (CSH), Schedule 5- Industrial Services (IS), Schedule 6- Municipal Streets Lights (MSL), Schedule 7- Private Outdoor Lighting Service (POL) and Schedule 8- Sales for Resale (Exchange of Service (EU)).

Q. Please summarize the approach you followed in preparing Wellsboro 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. Wellsboro, 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, customer equity or other *revenue allocation and rate design* considerations.

Wellsboro's 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. What functions are included in the ACOS?

A. Wellsboro's 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.

Q. Wellsboro owns a limited number of 115 kV facilities. How did you address those facilities in the ACOS?

A. Wellsboro's 115 kV facilities are limited to equipment at the substation where it accepts power 115 kV power from MAIT that is stepped down to distribution voltage. These facilities are functionally equivalent to the Primary Distribution facilities and have been treated as such in the ACOS.

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 design and operations, its accounting records and its system and customer usage and load data. Based on those 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 Wellsboro investment in plant and other assets used to serve customers. The FPFTY rate base is $25,857,000 (Schedule C1). The revenue requirement reflects the return on the rate base of 8.18%, as discussed above. The ACOS allocates the rate base (and return on rate base) among rate classes.

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

A. In discussing how I functionalized, classified and allocated the rate base in the ACOS, I will refer to the following major rate base categories:

- 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 29-48). 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 10 kVA transformer serving one customer. 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 18-22).

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 develop the NCP-Prim allocator, I first computed the annual peak demand for each customer class, for each year 2018-2024. Then I determined the annual sum of the class peaks, and computed each class' share of the annual sum. The NCP-Prim allocator is each class' average share of annual peaks. By averaging shares over an extended period, fluctuations due to weather, economy and other events are smoothed out.

In computing the NCP-Primary allocator, metered values were used. A more refined analysis would reflect losses (i.e., by transforming the metered values to primary-level values), which have a slight effect on the relative NCP-Primary values for each class.

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 is the sum of the peak demands of the individual customers in the class, excluding customers that are served at Primary voltages (Schedule D2, lines 14-16).

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 18-22).

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

A. Intangible plant is the Company's investment in EDI (Electronic Data Interchange) software. The EDI software performs a variety of functions for customers that purchase supply from an Electric Generation Supplier ("EGS") and those that want to shop for an

EGS. EDI enables customers that shop to receive a bill from their EGS for supply, if they choose. The data to be transmitted via EDI includes customer identification; date of service; kWh usage; and total monthly bill (distribution items). The EDI software will also permit customers to switch suppliers on three business days' notice. In the ACOS, the costs were allocated on a per-customer basis because the same data is made available for each customer, regardless of the customer's rate class, usage, demand or shopping status.

Q. How was General plant functionalized, classified and allocated among the 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 the direct labor content of operating expenses, reflecting the nature of the assets and common cost of service practice.

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

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

Cash working capital represents Wellsboro's need for cash to keep the business running until revenues are collected to pay costs. This item was functionalized, classified and allocated among the rate classes in proportion to operating expenses.

Materials and supplies was functionalized, classified and allocated among rate classes in proportion to operating expenses.

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

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

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

Q. What are the major categories of Wellsboro costs?

A. The major cost categories in Wellsboro 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 Wellsboro, 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. Wellsboro's distribution operating and maintenance costs include 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 proportion to those assets.

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 Wellsboro 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:

Administrative and general 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.

Q. How was depreciation expense functionalized, classified and allocated among the 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 includes PURTA, Real estate tax and Use taxes, which were functionalized, classified and allocated among rate classes in proportion to plant.

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 FTY was functionalized, classified and allocated in proportion to pretax income. In computing the revenue requirement, Income tax expense was computed for each class based on the pretax income needed to produce the revenue requirement for the class.

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

A. Distribution revenue at present rates is shown on the proof of revenue at 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 among the rate classes 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 its 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 system average Rate of Return. 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 rate. Schedule E-1A, line 190 and Schedule E-1, line 13, show the total rate class revenue requirements based on fully allocated distribution cost of service at the proposed system 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 8.18% (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:

1. To move each class closer to its cost of service, as computed in the ACOS (Schedule E-1).
2. 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. Line 20 presents the increase required for each class to produce a return of 8.18%, and line 24 presents the proposed distribution revenue including the increase.

Lines 1-8 show net income and return on rate base at present rates. Lines 11-21 show the revenue requirement for each class to provide a return of 8.18%. This information is from the ACOS summary at Schedule E-1.

Line 34 computes progress toward unity (i.e., the system average return) for each class, by dividing a) the difference line between relative return at proposed rates (line 33) and relative return at present rates (line 8), by b) the difference between unity and relative return at present rates (line 8). For example, Residential would move from a relative return of (3.52)X system average return, to a relative return of 0.75X system average return; so Residential would move from 452 percentage points away from system average at present rates to 20 points away at proposed, which reduces the gap by 432 percentage points out of 452, or 95% of the difference.

Line 38 shows the percent change in total revenue, assuming 100% sales.

Q. Please summarize why you believe the proposed revenue allocation presented at Schedule B6-4 is fair and reasonable.

A. The revenue allocation is fair and reasonable because almost 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, most classes have significant reductions in the subsidy paid or received; the exceptions are NRH, CSH and EU, very small classes (Schedule B6-4, line 44).

PROPOSED RATES

Q. Please identify and describe the 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, which is carried forward from Schedule B6-2. Schedule B6-2 summarizes the detailed computations of billing units times proposed rates, presented on Schedule B6-3.

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

A. Yes. Schedule B7 presents the present and proposed rates for each rate class.

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 that customers in each rate class with a range of usage levels would pay in the FPFTY, both at present rates and proposed rates. The schedule presents a total bill comparison (i.e., including GSSR). Schedule B8-1 presents the comparisons for distribution-only comparison (i.e., excluding GSSR).

Schedule B8-2 presents the total bill comparison using the GSSR that is expected to take effect on June 1, 2025.

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 overall 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 RS?

A. For RS, the As-filed monthly charge was increased from $12.00 to $16.50. The balance of the class revenue target is proposed to be recovered in the volumetric kWh charge.

The proposed monthly charge is less than the customer-related costs typically included, based on the ACOS ($17.59, Schedule E1-C, line 25).

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

A. For RSAE, customer-related costs typically included are the same as for RS ($17.59, Schedule E1-C, line 25). Therefore, the monthly charge is proposed to be the same as RS, $16.50, and 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 NRS and NRH?

A. For NRS and NRH, customer-related costs typically included are the same as for RS ($17.59, Schedule E1-C, line 25). Therefore, the monthly charge for each is proposed to be the same as RS, $16.50, and the balance of the revenue target for each is proposed to be recovered in the respective volumetric kWh charges.

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

A. The proposed monthly charge for CS is $32.03, the same as at present. The customer-related costs typically included, based on the ACOS are $26.35 (Schedule E1-C, line 25). However CS has a minimum demand of 7 kW and demand-related costs are $25.85 per kW-month (Schedule E1-B, line 6). The proposed demand charge was increased by 40%,

approximately equal to the class revenue increase. 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 CSH?

A. The proposed monthly charge for CSH is $45.81, the same as at present. The customer-related costs typically included, based on the ACOS are $26.35 (Schedule E1-C, line 25). However CSH has a minimum demand of 7 kW and demand-related costs are $26.01 per kW-month (Schedule E1-B, line 6). 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 IS?

A. The proposed monthly charge for IS of $150.00. The customer-related costs typically included, based on the ACOS are $71.80 (Schedule E1-C, line 25). However IS has a minimum demand of 50 kW and demand-related costs are $21.64 per kW-month (Schedule E1-B, line 6). The proposed demand charge and the proposed Block 2 kWh charge were each increased by 40%, approximately equal to the class revenue increase. The balance of the class revenue target is proposed to be recovered in the Block 1 volumetric kWh charge.

Q. How did you compute the proposed rates for MSL and POL?

A. For each lamp under MSL and POL, the proposed rates were changed by the same percentage as the overall revenue change for the respective class.

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

A. The kWh charge for EU was increased to produce the revenue target for the class.

Q. Do the proposed rates produce the targeted revenues?

A. Yes. Schedule B6-3, line 38, demonstrates that the proposed rates will produce total distribution revenue in FPFTY 2026 of $9,301,000. This amount (plus a rounding adjustment) equals the total distribution revenue requirement (not including Other revenue), shown on Schedule C1, line 7.

Q. Does this conclude your Direct Testimony?

A. Yes.

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

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

EXHIBITS

OF

HOWARD S. GORMAN

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY OF LEWISBURG, PA

APRIL 30, 2025

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

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Wellsboro Electric Company
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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
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29	C1-2	Support Sheet No. 2- Summary of Cost of Capital and Fair Rate of Return Based upon a Hypothetical Ratemaking Capital Structure- Type of Capital	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			
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46	D4	Service Costs	
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49			
50		**CLASS COST OF SERVICE**	
51	E	Class Cost of Service Study	See separate index
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53		**WORKPAPERS**	
54	WP	Workpapers	See separate index
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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

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

Answer to 52 Pa. Code 53.52 b[2]

Line	Customer Type	HY 2024 Total Revenue- Present Rates	HY 2024 Distribution Only	Present Rates FTY 2025 Distribution Only	Present Rates FPFTY 2026 Distribution Only
		B1		B2-1	B3-1
1	Residential	$6,829,521	$3,190,200	$3,388,802	$3,395,335
2	Commercial and Industrial	5,657,570	2,642,167	2,887,490	2,902,837
3	Lighting	100,851	95,243	94,867	94,867
4	Sales for resale	17,863	8,957	8,957	8,957
5		12,605,805	5,936,568	6,380,115	6,401,996
6					
7	Forfeited Discounts	28,860	28,860	31,016	31,122
8	Rent from Electric Property	266,738	266,738	266,738	273,619
9	Other electric revenue	22,899	22,899	22,899	22,899
10	Sales Tax, STAS				
11	Unbilled	234,090			
12	Adjustments				
13	**Total Operating Revenues**	$13,158,392	$6,255,065	$6,700,768	$6,729,636
14	*Financials*	*$13,158,392*			
15	kWh				
16	Residential	41,774,098	41,774,098	45,123,694	45,210,554
17	Commercial and Industrial	54,875,548	54,875,548	58,839,950	60,548,647
18	Lighting	267,068	267,068	267,068	0
19	Sales for resale	102,572	102,572	102,572	102,572
20		97,019,287	97,019,287	104,333,284	105,861,774
21					

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

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

Line	Rate Class	Sales (kWh)	Average Customers	Revenue - Present Rates: Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total	GSSR	STAS	Total Revenue
1										
2	Residential Customers									
3	Schedule 1- RS	41,448,363	5,130	$738,672	$2,430,532	$0	$3,169,204	$3,611,216	($697)	$6,779,723
4	Schedule 2- RSAE	325,735	30	4,296	16,700	0	20,996	28,807	(5)	49,799
5		41,774,098	5,160	742,968	2,447,232	0	3,190,200	3,640,023	(702)	6,829,521
6										
7	Commercial and Industrial Customers									
8	Schedule 3- NRS	3,958,829	908	133,112	302,059	0	435,171	335,804	(72)	770,904
9	Schedule 3- NRH	10,826	1	183	917	0	1,100	954	(0)	2,054
10	Schedule 4- CS	26,289,234	381	146,473	596,240	661,390	1,404,103	1,700,741	(319)	3,104,525
11	Schedule 4- CSH	6,480	1	550	429	0	979	557	(0)	1,536
12	Schedule 5- IS	24,610,180	13	13,260	184,668	602,886	800,814	977,913	(175)	1,778,551
13		54,875,548	1,304	293,579	1,084,313	1,264,276	2,642,167	3,015,968	(565)	5,657,570
14										
15	Schedule 6- Municipal Street Lights	64,798	Not shown	0	13,576	0	13,576	5,609		19,185
16	Schedule 7- Private Outdoor Lights	202,270	Not shown	0	81,667	0	81,667	0	(2)	81,665
17	Lighting	267,068	0	0	95,243	0	95,243	5,609	(2)	100,851
18										
19	Schedule 8- Exchange Utility	102,572	4	0	8,957	0	8,957	8,907		17,863
20										
21	TOTAL	97,019,287	6,468	$1,036,547	$3,635,745	$1,264,276	$5,936,568	$6,670,507	($1,270)	$12,605,805

B1-1

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

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1		**BILLING UNITS**										
2	kWh Sales	41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	24,610,180	64,798	202,270	102,572	97,019,287
3												
4	Number of Bills	61,556	358	10,893	15	4,573	12	156			48	77,611
5	Average Monthly Bills	5,130	30	908	1	381	1	13			4	6,468
6												
7		**Annual Billing Units- Public Lighting and Street Lighting HY 2024**										
8	MV 20000 lumens								12	12		24
9	LED 50 OH								1,776	5,104		6,880
10	LED 50 UG								0	0		0
11	LED 50 UG Col								0	0		0
12	LED 70 OH								1,307	4,365		5,672
13	LED 70 UG								0	0		0
14	LED 140 OH								0	24		24
15	LED 140 UG								0	0		0
16									3,095	9,505		12,600
17		**RATES AND CHARGES**										
18		**Tariff Rates**										
19	Customer Charge	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
20												
21	Energy Block 1	$0.058640	$0.051270	$0.076300	$0.084690	$0.022680	$0.066280	$0.020780	$10.76	$8.81	$0.08732	
22	Energy Block 2							$0.001300	$4.12	$8.33		
23									$11.06	$11.06		
24									$16.03	$16.03		
25									$4.69	$8.89		
26									$11.62	$11.62		
27									$5.81	$10.02		
28									$12.75	$12.75		
29												
30	Block 1 kWh = Demand X							130				
31	Demand Block 1					$6.60		$10.00				
32												
33		**COMPUTATION OF REVENUE**										
34	Customer Charge Revenue	738,672	4,296	133,112	183	146,473	550	13,260	0	0	0	1,036,547
35												
36	Distribution kWh Revenue	2,430,532	16,700	302,059	917	596,240	429	184,668	13,576	81,667	8,957	3,635,745
37	Distribution Demand Revenu	0	0	0	0	661,390	0	602,886	0	0	0	1,264,276
38	*Total Distribution Revenue*	2,430,532	16,700	302,059	917	1,257,630	429	787,554	13,576	81,667	8,957	4,900,021

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

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
39	**Distribution Revenue**	$3,169,204	$20,996	$435,171	$1,100	$1,404,103	$979	$800,814	$13,576	$81,667	$8,957	$5,936,568
40	**STAS Revenue**	(697)	(5)	(72)	(0)	(319)	(0)	(175)	(2)			(1,270)
41	**Generation Revenue**	3,611,216	28,807	335,804	954	1,700,741	557	977,913	5,609	0	8,907	6,670,507
42	**Total Revenue**	6,779,723	49,799	770,904	2,054	3,104,525	1,536	1,778,551	19,183	81,667	17,863	12,605,805
43												
44		**BILLING UNITS- DETAIL**										
45	Block 1 kWh Sales	41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	7,837,515	64,798	202,270	102,572	80,246,622
46	Block 2 kWh Sales							16,772,665				16,772,665
47	Block 1 kW Demand Computed					100,211		59,872				
48	Block 1 kW Demand Adjustment							417				
49	Block 1 kW Demand					100,211		60,289				160,499

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

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

Line	Rate Class	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1							
2	Residential Customers						
3	Schedule 1- RS	44,725,913	5,149	$741,480	$2,622,728	$0	$3,364,208
4	Schedule 2- RSAE	397,781	29	4,200	20,394	0	24,594
5		45,123,694	5,178	745,680	2,643,122	0	3,388,802
6							
7	Commercial and Industrial Customers						
8	Schedule 3- NRS	4,681,726	928	136,106	357,216	0	493,322
9	Schedule 3- NRH	6,256	1	147	530	0	676
10	Schedule 4- CS	28,760,218	388	149,132	652,282	712,800	1,514,213
11	Schedule 4- CSH	7,216	1	550	478	0	1,028
12	Schedule 5- IS	25,384,534	13	13,600	201,050	663,600	878,250
13		58,839,950	1,332	299,534	1,211,555	1,376,400	2,887,490
14							
15	Schedule 6- Municipal Street Lights	64,798	Not shown	0	13,496	0	13,496
16	Schedule 7- Private Outdoor Lights	202,270	Not shown	0	81,371	0	81,371
17	Lighting	267,068	0	0	94,867	0	94,867
18							
19	Schedule 8- Exchange Utility	102,572	4	0	8,957	0	8,957
20							
21	TOTAL	104,333,284	6,514	$1,045,214	$3,958,501	$1,376,400	$6,380,115

B2-1

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

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1						**BILLING UNITS**						
2	kWh Sales	44,725,913	397,781	4,681,726	6,256	28,760,218	7,216	25,384,534	64,798	202,270	102,572	104,333,284
3												
4	Number of Bills	61,790	350	11,138	12	4,656	12	160			48	78,166
5	Average Monthly Bills	5,149	29	928	1	388	1	13			4	6,514
6												
7		**Annual Billing Units- Public Lighting and Street Lighting, Future Test Year 2025**										
8	MV 20000 lumens											
9	LED 50 OH								1,788	5,064		6,852
10	LED 50 UG											
11	LED 50 UG Col											
12	LED 70 OH								1,307	4,381		5,688
13	LED 70 UG											
14	LED 140 OH									24		24
15	LED 140 UG											
16									3,095	9,469		12,564
17		**RATES AND CHARGES**										
18		**Tariff Rates**										
19	Customer Charge	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
20												
21	Energy Block 1	$0.05864	$0.05127	$0.07630	$0.08469	$0.02268	$0.06628	$0.02078	$10.76	$8.81	$0.08732	
22	Energy Block 2							$0.00130	$4.12	$8.33		
23									$11.06	$11.06		
24									$16.03	$16.03		
25									$4.69	$8.89		
26									$11.62	$11.62		
27									$5.81	$10.02		
28									$12.75	$12.75		
29												
30	Block 1 kWh = Demand X							130				
31	Demand Block 1					$6.60		$10.00				
32												

B2-1

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

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
33		**COMPUTATION OF REVENUE**										
34	Customer Charge Revenue	741,480	4,200	136,106	147	149,132	550	13,600	0	0	0	1,045,214
35												
36	Distribution kWh Revenue	2,622,728	20,394	357,216	530	652,282	478	201,050	13,496	81,371	8,957	3,958,501
37	Distribution Demand Revenue					712,800		663,600				1,376,400
38	*Volumetric Distribution Reve*	2,622,728	20,394	357,216	530	1,365,082	478	864,650	13,496	81,371	8,957	5,334,901
39	**Total Distribution Revenue**	$3,364,208	$24,594	$493,322	$676	$1,514,213	$1,028	$878,250	$13,496	$81,371	$8,957	$6,380,115
40		*3,357,674*	*24,594*	*487,955*		*1,505,471*		*878,250*				
41		**KWh BILLING UNITS- DETAIL**										
42	Average Customers 2024	5,139	29	918	1	384	1	13	0		4	6,490
43	Customers added (lost)	10		10		4						24
44	Forecast Customers 2025	5,149	29	928	1	388	1	13	0	0	4	6,514
45	Block 1 kWh Sales	44,725,913	397,781	4,681,726	6,256	28,760,218	7,216	8,626,800	64,798	202,270	102,572	87,575,550
46	Block 2 kWh Sales							16,757,734				16,757,734
47												
48	Source:	Prior Study	Prior Study	Prior Study	Historic	Prior Study	Historic	Prior Study	Historic	Historic	Historic	
49	Forecast kWh 2025 at 2024 Cus	44,639,052	397,781	4,631,285	6,256	28,463,721	7,216	25,384,534	64,798	202,270	102,572	103,899,486
50	Customers Average 2024	5,139	29	918	1	384	1	13			4	6,490
51	Annual Use Per Customer	8,686	13,638	5,044	6,256	74,124	7,216	1,903,840			25,643	
52												
53	Block 1 kW Demand- Same as 2024					108,000		66,360				174,360

Wellsboro Electric Company
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	Rate Class	Sales (kWh)	Average Customers	Revenue - Present Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1							
2	Residential Customers						
3	Schedule 1- RS	44,812,773	5,159	$742,920	$2,627,821	$0	$3,370,741
4	Schedule 2- RSAE	397,781	29	4,200	20,394	0	24,594
5		45,210,554	5,188	747,120	2,648,215	0	3,395,335
6							
7	Commercial and Industrial Customers						
8	Schedule 3- NRS	4,732,166	938	137,573	361,064	0	498,637
9	Schedule 3- NRH	6,256	1	147	530	0	676
10	Schedule 4- CS	29,056,715	392	150,669	659,006	712,800	1,522,475
11	Schedule 4- CSH	7,216	1	550	478	0	1,028
12	Schedule 5- IS	26,746,293	13	13,600	202,820	663,600	880,020
13		60,548,647	1,346	302,538	1,223,899	1,376,400	2,902,837
14							
15	Schedule 6- Municipal Street Lights	0	Not shown	0	13,496	0	13,496
16	Schedule 7- Private Outdoor Lights	0	Not shown	0	81,371	0	81,371
17	Lighting	0	0	0	94,867	0	94,867
18							
19	Schedule 8- Exchange Utility	102,572	4	0	8,957	0	8,957
20							
21	TOTAL	105,861,774	6,538	$1,049,658	$3,975,938	$1,376,400	$6,401,996

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2026

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1		**BILLING UNITS**										
2	kWh Sales	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	26,746,293	0	0	102,572	105,861,774
3												
4	Number of Bills	61,910	350	11,258	12	4,704	12	160			48	78,454
5	Average Monthly Bills	5,159	29	938	1	392	1	13			4	6,538
6												
7		**Annual Billing Units- Public Lighting and Street Lighting, Fully Projected Future Test Year 2026**										
8	MV 20000 lumens											
9	LED 50 OH								1,788	5,064		6,852
10	LED 50 UG											
11	LED 50 UG Col											
12	LED 70 OH								1,307	4,381		5,688
13	LED 70 UG											
14	LED 140 OH									24		24
15	LED 140 UG											
16									3,095	9,469		12,564
17		**RATES AND CHARGES**										
18		**Tariff Rates**										
19	Customer Charge	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
20												
21	Energy Block 1	$0.05864	$0.05127	$0.07630	$0.08469	$0.02268	$0.06628	$0.02078	$10.76	$8.81	$0.08732	
22	Energy Block 2							$0.00130	$4.12	$8.33		
23									$11.06	$11.06		
24									$16.03	$16.03		
25									$4.69	$8.89		
26									$11.62	$11.62		
27									$5.81	$10.02		
28									$12.75	$12.75		
29												
30	Block 1 kWh = Demand X							130				
31	Demand Block 1					$6.60		$10.00				
32												
33		**COMPUTATION OF REVENUE**										
34	Customer Charge Revenue	742,920	4,200	137,573	147	150,669	550	13,600	0	0	0	1,049,658
35												
36	Distribution kWh Revenue	2,627,821	20,394	361,064	530	659,006	478	202,820	13,496	81,371	8,957	3,975,938
37	Distribution Demand Revenue					712,800		663,600				1,376,400

B3-1

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Present Rates
Fully Projected Future Test Year 2026

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
38	*Volumetric Distribution Rever*	2,627,821	20,394	361,064	530	1,371,806	478	866,420	13,496	81,371	8,957	5,352,338
39	**Total Distribution Revenue**	$3,370,741	$24,594	$498,637	$676	$1,522,475	$1,028	$880,020	$13,496	$81,371	$8,957	$6,401,996
40		*3,357,674*	*24,303*	*490,190*		*1,507,533*		*880,700*				
41		**BILLING UNITS- DETAIL**										
42	Forecast Customers 2025	5,149	29	928	1	388	1	13			4	6,514
43	Customers added (lost)	10		10		4						24
44	Forecast Customers 2026	5,159	29	938	1	392	1	13	0	0	4	6,538
45	Block 1 kWh Sales	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	8,626,800	0	0	102,572	87,742,280
46	Block 2 kWh Sales							18,119,493				18,119,493
47								26,746,293				
48												
49												
50	From Sch B2-1											
51	Annual Use Per Customer	8,686	13,638	5,044	6,256	74,124	7,216	1,903,840			25,643	
52												
53	Block 1 kW Demand- Same as 2024					108,000		66,360				174,360
54												

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Bill Analysis- Revenues Under Present Rates
Historic Year 2024

B1

Line	Customer Type	Bill Analysis Revenue	GSSR	STAS	Distribution plus GSSR	Unbilled and GSSR Over/ (Under)	Other	Revenue Computed	Revenue per 2024 Financial Statements
1	Residential	$3,190,200	$3,640,023	($702)	$6,829,521	$157,897		$6,987,418	$6,987,418
2	Commercial and Industrial	2,642,167	3,015,968	(565)	5,657,570	157,635		5,815,205	5,815,205
3	Lighting	95,243	5,609	(2)	100,851	(81,649)		19,202	19,202
4	Exchange Utility	8,957	8,907	0	17,863	207		18,070	18,070
5		5,936,568	6,670,507	(1,270)	12,605,805	234,090	0	12,839,895	12,839,895
6									
7	Forfeited Discounts						28,860	28,860	28,860
8	Rent from Electric Property						266,738	266,738	266,738
9	Other electric revenue						22,899	22,899	22,899
10									
11		$5,936,568	$6,670,507	($1,270)	$12,605,805	$234,090	$318,497	$13,158,392	$13,158,392
12									

B5

Wellsboro Electric Company
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]

Line	Customer Type	Total Customers 12/31/2024	Total Customers 12/31/2025	Total Customers 12/31/2026
1	Residential	5,160	5,178	5,188
2	Commercial and Industrial	1,304	1,332	1,346
3	Lighting	0	0	0
4	Exchange Utility	4	4	4
5	Total Customers Served	6,468	6,514	6,538
6				
7				
8				

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Wellsboro Electric Company
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	$6,829,521	$3,190,200	$3,388,802	$3,395,335	$5,078,907
3	Commercial and Industrial	5,657,570	2,642,167	2,887,490	2,902,837	4,096,297
4	Lighting	100,851	95,243	94,867	94,867	113,787
5	Exchange Utility	17,863	8,957	8,957	8,957	12,171
6	Subtotal	12,605,805	5,936,568	6,380,115	6,401,996	9,301,162
7						
8	Forfeited Discounts	28,860	28,860	31,016	31,122	31,122
9	Rent from Electric Property	266,738	266,738	266,738	273,619	273,619
10	Other electric revenue	22,899	22,899	22,899	22,899	22,899
11	Annual Rates vs Present Rates					
12	Book to Bill difference	234,090				
13	Adjustments	0				
14	Total Operating Revenues	$13,158,392	$6,255,065	$6,700,768	$6,729,636	$9,628,802
15						
16	kWh					
17	Residential	41,774,098		45,123,694	45,210,554	
18	Commercial and Industrial	54,875,548		58,839,950	60,548,647	
19	Lighting	267,068		267,068	0	
20	Sales for resale	102,572		102,572	102,572	
21		97,019,287		104,333,284	105,861,774	

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Summary Of Proposed Increase to Distribution Revenue
Fully Projected Future Test Year 2026

Line	Rate Class	Sales (kWh)	Average Customers	Distribution Total Present Rates	Distribution - Proposed Increase	Distribution Total Proposed Rates
1	Residential Customers	B3	B3	B3		B6-2
2	Schedule 1- RS	44,812,773	5,159	3,370,741	1,668,687	5,039,428
3	Schedule 2- RSAE	397,781	29	24,594	14,885	39,479
4	Schedule RS- Residential Service	45,210,554	5,188	3,395,335	1,683,572	5,078,907
5						
6	Commercial and Industrial Customers					
7	Schedule 3- NRS	4,732,166	938	498,637	236,099	734,736
8	Schedule 3- NRH	6,256	1	676	507	1,184
9	Schedule 4- CS	29,056,715	392	1,522,475	601,548	2,124,023
10	Schedule 4- CSH	7,216	1	1,028	771	1,799
11	Schedule 5- IS	26,746,293	13	880,020	354,535	1,234,556
12		60,548,647	1,346	2,902,837	1,193,460	4,096,297
13						
14	Schedule 6- Municipal Street Lights	0	Not shown	13,496	6,158	19,655
15	Schedule 7- Private Outdoor Lights	0	Not shown	81,371	12,761	94,132
16	Lighting	0	0	94,867	18,920	113,787
17						
18	Schedule 8- Exchange Utility	102,572	4	8,957	3,215	12,171
19						
20	TOTAL	105,861,774	6,538	$6,401,996	$2,899,166	$9,301,162

Wellsboro Electric Company
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	Rate Class	Sales (kWh)	Average Customers	Revenue - Proposed Rates			
				Fixed Customer Charge	Variable Distribution-Energy	Variable Distribution-Demand	Distribution Total
1	Residential Customers						
2	Schedule 1- RS	44,812,773	5,159	1,021,515	4,017,913	0	5,039,428
3	Schedule 2- RSAE	397,781	29	5,775	33,704	0	39,479
4	Schedule RS- Residential Service	45,210,554	5,188	1,027,290	4,051,617	0	5,078,907
5							
6	Commercial and Industrial Customers						
7	Schedule 3- NRS	4,732,166	938	185,757	548,979	0	734,736
8	Schedule 3- NRH	6,256	1	198	986	0	1,184
9	Schedule 4- CS	29,056,715	392	150,669	975,434	997,920	2,124,023
10	Schedule 4- CSH	7,216	1	550	1,249	0	1,799
11	Schedule 5- IS	26,746,293	13	24,000	281,516	929,040	1,234,556
12		60,548,647	1,346	361,174	1,808,163	1,926,960	4,096,297
13							
14	Schedule 6- Municipal Street Lights	0	0	0	19,655	0	19,655
15	Schedule 7- Private Outdoor Lights	0	Not shown	0	94,132	0	94,132
16	Lighting	0	0	0	113,787	0	113,787
17							
18	Schedule 8- Exchange Utility	102,572	4	0	12,171	0	12,171
19							
20	TOTAL	105,861,774	6,538	$1,388,464	$5,985,738	$1,926,960	$9,301,162

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Billing Units, Rates And Revenue At Proposed Rates
Fully Projected Future Test Year 2026

Line		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1						**BILLING UNITS**						
2	kWh Sales	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	26,746,293	0	0	102,572	105,861,774
3												
4	Number of Bills	61,910	350	11,258	12	4,704	12	160	0		48	78,454
5	Average Monthly Bills	5,159	29	938	1	392	1	13	0		4	6,538
6												
7						**Annual Billing Units- Public Lighting and Street Lighting**						
8	MV 20000 lumens								0	0		0
9	LED 50 OH								1,788	5,064		6,852
10	LED 50 UG								0	0		0
11	LED 50 UG Col								0	0		0
12	LED 70 OH								1,307	4,381		5,688
13	LED 70 UG								0	0		0
14	LED 140 OH								0	24		24
15	LED 140 UG								0	0		0
16									3,095	9,469		12,564
17						**RATES AND CHARGES**						
18						**Tariff Rates**						
19	Customer Charge	$16.50	$16.50	$16.50	$16.50	$32.03	$45.81	$150.00				Sch6 / Sch7 Lamps
20	Energy Block 1	$0.08966	$0.08473	$0.11601	$0.15758	$0.03357	$0.17313	$0.02881	$15.67	$10.19	$0.118660	MV 20000 lumens
21	Energy Block 2							$0.00182	$6.00	$9.64		LED 50 OH
22									$16.10	$12.79		LED 50 UG
23									$23.34	$18.54		LED 50 UG Col
24									$6.83	$10.28		LED 70 OH
25									$16.92	$13.44		LED 70 UG
26									$8.46	$11.59		LED 140 OH
27									$18.56	$14.75		LED 140 UG
28												
29	Demand Block 1					$9.24		$14.00				
30	Demand Block 2					140%		140%				
31												
32						**COMPUTATION OF REVENUE**						
33	Customer Charge Reven	1,021,515	5,775	185,757	198	150,669	550	24,000	0	0	0	1,388,464
34												
35	Distribution kWh Reven	4,017,913	33,704	548,979	986	975,434	1,249	281,516	19,655	94,132	12,171	5,985,738
36	Distribution Demand Revenue					997,920		929,040				1,926,960
37	*Total Distribution Rever*	4,017,913	33,704	548,979	986	1,973,354	1,249	1,210,556	19,655	94,132	12,171	7,912,698
38	**Total Revenue**	$5,039,428	$39,479	$734,736	$1,184	$2,124,023	$1,799	$1,234,556	$19,655	$94,132	$12,171	$9,301,162
39	Target Revenue	5,039,601	39,479	734,730	1,184	2,124,073	1,799	1,234,568	19,651	94,128	12,171	9,301,384
40						**BILLING UNITS- DETAIL**						
41	Block 1 kWh Sales	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	8,626,800	0	0	102,572	87,742,280
42	Block 2 kWh Sales							18,119,493				18,119,493
43												
44	Block 1 kW Demand					108,000		66,360				

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Proposed Revenue By Rate Class
Fully Projected Future Test Year 2026

Line	Account	Balance	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EU
	PRESENT RATES											
1	Distribution Revenue	6,401,996	3,370,741	24,594	498,637	676	1,522,475	1,028	880,020	13,496	81,371	8,957
2	Forfeited Disc / Other Rev	327,640	176,541	1,950	16,963	118	75,997	236	54,556	216	862	202
3	**Total Revenue**	6,729,636	3,547,282	26,544	515,600	794	1,598,472	1,264	934,576	13,712	82,233	9,159
4	Expenses	6,554,565	3,888,535	35,071	549,279	2,051	1,284,977	3,966	759,003	7,527	16,840	7,317
5	Net income	175,071	(341,253)	(8,527)	(33,679)	(1,256)	313,495	(2,702)	175,573	6,186	65,393	1,842
6	Rate Base	25,857,280	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
7	Return on Rate Base	0.68%	(2.38%)	(5.94%)	(1.79%)	(13.34%)	5.49%	(14.12%)	5.03%	5.54%	47.33%	8.15%
8	Relative Return	1.00 x	(3.52) x	(8.77) x	(2.64) x	(19.71) x	8.11 x	(20.85) x	7.43 x	8.18 x	69.90 x	12.03 x
9												
10	**FULLY ALLOCATED COST OF SERVICE**											
11	Distribution Revenue	9,301,384	5,442,633	50,786	759,020	3,135	1,871,891	6,187	1,110,768	19,546	27,675	9,743
12	Forfeited Disc / Other Revenue	327,640	176,541	1,950	16,963	118	75,997	236	54,556	216	862	202
13	Revenue Requirement	9,629,025	5,619,174	52,736	775,982	3,253	1,947,887	6,423	1,165,324	19,762	28,537	9,946
14												
15	Operating expenses	6,316,570	3,766,400	34,390	529,854	2,062	1,227,528	4,012	726,564	6,669	12,137	6,955
16	GRT	548,782	321,115	2,996	44,782	185	110,442	365	65,535	1,153	1,633	575
17	Income taxes	648,547	359,432	3,602	47,250	236	143,128	480	87,584	2,802	3,465	567
18	Net income	2,115,125	1,172,227	11,747	154,096	770	466,789	1,566	285,641	9,138	11,302	1,849
19	Return on Rate Base	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
20	Revenue Increase Required	2,899,388	2,071,892	26,192	260,383	2,459	349,415	5,159	230,748	6,050	(53,695)	787
21	Revenue Increase %	43.08%	58.41%	98.67%	50.50%	309.58%	21.86%	408.12%	24.69%	44.12%	(65.30%)	8.59%
22												
23	**PROPOSED REVENUE ALLOCATION**											
24	Distribution Revenue	9,301,384	5,039,601	39,479	734,730	1,184	2,124,073	1,799	1,234,568	19,651	94,128	12,171
25	Other Revenue	327,640	176,541	1,950	16,963	118	75,997	236	54,556	216	862	202
26	Revenue Requirement	9,629,025	5,216,143	41,429	751,693	1,302	2,200,070	2,035	1,289,124	19,867	94,990	12,373
27												
28	Operating expenses	6,316,570	3,766,400	34,390	529,854	2,062	1,227,528	4,012	726,564	6,669	12,137	6,955
29	GRT	548,782	297,336	2,329	43,349	70	125,320	106	72,840	1,159	5,554	718
30	Income taxes	648,547	270,434	1,105	41,886	(195)	198,816	(489)	114,922	2,825	18,140	1,103
31	Net income	2,115,126	881,973	3,605	136,604	(635)	648,405	(1,595)	374,799	9,214	59,160	3,597
32	**Return on Rate Base**	**8.18%**	**6.15%**	**2.51%**	**7.25%**	**(6.75%)**	**11.36%**	**(8.33%)**	**10.73%**	**8.25%**	**42.82%**	**15.91%**
33	**Relative Return**	**1.00 x**	**0.75 x**	**0.31 x**	**0.89 x**	**(0.82) x**	**1.39 x**	**(1.02) x**	**1.31 x**	**1.01 x**	**5.23 x**	**1.95 x**
34	**Progress toward unity**		**95%**	**93%**	**97%**	**91%**	**95%**	**91%**	**95%**	**100%**	**94%**	**91%**
35												
36	**Proposed Distribution Increase**	**2,899,388**	**1,668,860**	**14,885**	**236,093**	**507**	**601,598**	**771**	**354,548**	**6,155**	**12,757**	**3,214**
37	**Revenue Increase %**	**45.3%**	**49.5%**	**60.5%**	**47.3%**	**75.0%**	**39.5%**	**75.0%**	**40.3%**	**45.6%**	**15.7%**	**35.9%**
38	Total Bill Revenue Increase (100% GSSR)	17.4%	21.7%	23.6%	24.7%	39.6%	13.9%	44.7%	10.2%	45.6%	15.7%	17.0%
39	Proposed Increase		49.51%	60.52%	47.35%	75.00%	39.51%	75.00%	40.29%	45.60%	15.68%	35.89%
40	% of Cost of Service	100%	93%	79%	97%	40%	113%	32%	111%	101%	333%	124%
41	**Subsidy given (received)**											
42	Present rates	(0)	(438,279)	(9,499)	(46,434)	(1,320)	274,858	(2,832)	151,930	5,429	64,457	1,689
43	Proposed revene allocation	0	(290,254)	(8,143)	(17,493)	(1,405)	181,616	(3,160)	89,158	75	47,858	1,748
44	**Reduction in subsidy**		**34%**	**14%**	**62%**	**(6%)**	**34%**	**(12%)**	**41%**	**99%**	**26%**	**(4%)**
45	Revenue Increase % Filed	19.5%	24.4%	28.1%	17.3%	28.8%	10.6%	28.6%	24.3%	1.2%	(19.9%)	25.8%
46	**Multiplier**	**0.951088**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
47	**Relative increase**	**1.00 x**	**1.09 x**	**1.34 x**	**1.05 x**	**1.66 x**	**0.87 x**	**1.66 x**	**0.89 x**	**1.01 x**	**0.35 x**	**0.79 x**

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2026

Line		Present Rates (excl GSSR)	Present Rates (incl GSSR present)	Proposed Rates (excl 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	$12.00	$12.00	$16.50	$16.50	37.5%	
3							
4	Energy Charge, per kWh- All	$0.058640	$0.15529	$0.089660	$0.18631	52.9%	20.0%
5	**Schedule RSAE- Residential Service All Electric**						
6	Customer Charge per Bill	$12.00	$12.00	$16.50	$16.50	37.5%	
7							
8	Energy Charge, per kWh- All	$0.051270	$0.14792	$0.084730	$0.18138	65.3%	22.6%
9	**Schedule NRS- Non-Residential Service**						
10	Customer Charge per Bill	$12.22	$12.22	$16.50	$16.50	35.0%	
11							
12	Energy Charge, per kWh- All	$0.076300	$0.17295	$0.116010	$0.21266	52.0%	23.0%
13	**Schedule NRH- Non-Residential Service Space Heating**						
14	Customer Charge per Bill	$12.22	$12.22	$16.50	$16.50	35.0%	
15							
16	Energy Charge, per kWh- All	$0.084690	$0.18134	$0.157580	$0.25423	86.1%	40.2%
17	**Schedule CS- Commercial Service (Minimum 7 kW)**						
18	Customer Charge per Bill	$32.03	$32.03	$32.03	$32.03	0.0%	
19							
20	Energy Charge, per kWh- All	$0.022680	$0.11933	$0.033570	$0.13022	48.0%	9.1%
21							
22	Demand Charge, per kW-Mth- All	$6.60	$6.60	$9.24	$9.24	40.0%	
23	**Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)**						
24	Customer Charge per Bill	$45.81	$45.81	$45.81	$45.81	0.0%	
25							
26	Energy Charge, per kWh- All	$0.066280	$0.16293	$0.173130	$0.26978	161.2%	65.6%
27	**Schedule IS- General Service (Minimum 2300 volts, 50 kW)**						
28	Customer Charge per Bill	$85.00	$85.00	$150.00	$150.00	76.5%	
29							
30	Energy Charge, per kWh						
31	First 130 kWh X Billed Demand kW	$0.02078	$0.11743	$0.02881	$0.12546	38.6%	6.8%
32	Additional kWh	$0.00130	$0.09795	$0.00182	$0.09847	40.0%	0.5%
33							
34	Demand Charge, per kW-Mth- All	$10.00	$10.00	$14.00	$14.00	40.0%	40.0%

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Summary Of Present And Proposed Rates
Fully Projected Future Test Year 2026

Line		Present Rates (excl GSSR)	Present Rates (incl GSSR present)	Proposed Rates (excl GSSR)	Proposed Rates (incl GSSR present)	Proposed Increase (excl GSSR)	Proposed Increase (incl GSSR present)
35	**Schedules MSL, POL**						
36	Per Lamp per Month	MSL-Present	POL-Present	MSL- Proposed	POL-Proposed	MSL	POL
37		Excludes GSSR	Excludes GSSR	Excludes GSSR	Excludes GSSR		
38	20000 lumens (HG)	$10.76	$8.81	$15.67	$10.19	45.6%	15.7%
39							
40							
41							
42	LED 50W, 5000 lumens OH Cobra	$4.12	$8.33	$6.00	$9.64	45.6%	15.7%
43	LED 50W, 5000 lumens UG Cobra	$11.06	$11.06	$16.10	$12.79	45.6%	15.6%
44	LED 50W, 5000 lumens UG Colonial	$16.03	$16.03	$23.34	$18.54	45.6%	15.7%
45	LED 70W, 15000 lumens OH Cobra	$4.69	$8.89	$6.83	$10.28	45.6%	15.6%
46	LED 70W, 15000 lumens UG Cobra	$11.62	$11.62	$16.92	$13.44	45.6%	15.7%
47	LED 140W, 20000 lumens OH Cobra	$5.81	$10.02	$8.46	$11.59	45.6%	15.7%
48	LED 140W, 20000 lumens UG Cobra	$12.75	$12.75	$18.56	$14.75	45.6%	15.7%
49		**MSL, POL rates are Distribution only**		**MSL, POL rates are Distribution only**			
50	**Schedule EU- Exchange of Service**						
51	Energy Charge, per kWh- All	$0.08732	$0.18397	$0.118660	$0.21531	35.9%	17.0%

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Wellsboro Electric Company
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 Month	%
1		Minimum	$12.00		$16.50		$4.50	37.5%
2		1	12.16	$12.15529	16.69	$16.68631	4.53	37.3%
3		10	13.55	$1.35529	18.36	$1.83631	4.81	35.5%
4		100	27.53	$0.27529	35.13	$0.35131	7.60	27.6%
5		250	50.82	$0.20329	63.08	$0.25231	12.26	24.1%
6		500	89.65	$0.17929	109.66	$0.21931	20.01	22.3%
7	All Residential, annual	700	120.70	$0.17243	146.92	$0.20988	26.21	21.7%
8		1,000	167.29	$0.16729	202.81	$0.20281	35.52	21.2%
9		1,500	244.94	$0.16329	295.97	$0.19731	51.03	20.8%
10		2,000	322.58	$0.16129	389.12	$0.19456	66.54	20.6%
11		3,000	477.87	$0.15929	575.43	$0.19181	97.56	20.4%
12								

Schedule RSAE- Residential Service All Electric

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
13		Minimum	$12.00		$16.50		$4.50	37.5%
14		1	12.15	$12.14792	16.68	$16.68138	4.53	37.3%
15		10	13.48	1.34792	18.31	1.83138	4.83	35.9%
16		100	26.79	0.26792	34.64	0.34638	7.85	29.3%
17		250	48.98	0.19592	61.85	0.24738	12.87	26.3%
18		500	85.96	0.17192	107.19	0.21438	21.23	24.7%
19		1,000	159.92	0.15992	197.88	0.19788	37.96	23.7%
20	All RSAE, annual	1,100	174.71	0.15883	216.02	0.19638	41.31	23.6%
21		1,500	233.88	0.15592	288.57	0.19238	54.69	23.4%
22		2,000	307.84	0.15392	379.26	0.18963	71.42	23.2%
23		3,000	455.76	0.15192	560.64	0.18688	104.88	23.0%
24								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule NRS- Non-Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
25		Minimum	$12.22		$16.50		$4.28	35.0%
26		1	12.39	$12.39295	16.71	$16.71266	4.32	34.9%
27		50	20.87	0.41735	27.13	0.54266	6.27	30.0%
28		100	29.52	0.29515	37.77	0.37766	8.25	28.0%
29		250	55.46	0.22183	69.67	0.27866	14.21	25.6%
30	All NRS, annual	430	86.59	0.20137	107.94	0.25103	21.36	24.7%
31		1,000	185.17	0.18517	229.16	0.22916	43.99	23.8%
32		1,500	271.65	0.18110	335.49	0.22366	63.85	23.5%
33		2,000	358.12	0.17906	441.82	0.22091	83.70	23.4%
34		3,000	531.07	0.17702	654.48	0.21816	123.41	23.2%
35								

Schedule NRH- Non-Residential Service Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
36		Minimum	$12.22		$16.50		$4.28	35.0%
37		500	102.89	0.20578	143.62	0.28723	40.73	39.6%
38	All NRH, annual	670	133.72	0.19958	186.83	0.27886	53.12	39.7%
39		2,000	374.90	0.18745	524.96	0.26248	150.06	40.0%
40								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule CS- Commercial Service (Minimum 7 kW)

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
41	**7 kW**	Minimum	78.23		96.71		18.48	23.6%
42	Load factor 10%	511	139.21	0.27242	163.25	0.31948	24.04	17.3%
43	Load factor 20%	1,022	200.19	0.19588	229.79	0.22485	29.61	14.8%
44	Load factor 35%	1,789	291.65	0.16307	329.61	0.18429	37.96	13.0%
45	Load factor 50%	2,555	383.12	0.14995	429.42	0.16807	46.30	12.1%
46	Load factor 60%	3,066	444.10	0.14485	495.96	0.16176	51.87	11.7%
47	Load factor 75%	3,833	535.56	0.13974	595.78	0.15545	60.22	11.2%
48								
49	**10 kW Demand**	Minimum	98.03		124.43		26.40	26.9%
50	Load factor 10%	730	185.14	0.25362	219.49	0.30067	34.35	18.6%
51	Load factor 20%	1,460	272.25	0.18647	314.55	0.21545	42.30	15.5%
52	Load factor 35%	2,555	402.92	0.15770	457.14	0.17892	54.22	13.5%
53	Load factor 50%	3,650	533.58	0.14619	599.73	0.16431	66.15	12.4%
54	Load factor 60%	4,380	620.70	0.14171	694.79	0.15863	74.10	11.9%
55	Load factor 75%	5,475	751.36	0.13724	837.38	0.15295	86.02	11.5%
56								
57	**25 kW Demand**	Minimum	197.03		263.03		66.00	33.5%
58	Load factor 10%	1,825	414.81	0.22729	500.68	0.27435	85.87	20.7%
59	Load factor 20%	3,650	632.58	0.17331	738.33	0.20228	105.75	16.7%
60	Load factor 35%	6,388	959.25	0.15018	1,094.81	0.17140	135.56	14.1%
61	Load factor 50%	9,125	1,285.92	0.14092	1,451.29	0.15905	165.37	12.9%
62	Load factor 60%	10,950	1,503.69	0.13732	1,688.94	0.15424	185.25	12.3%
63	Load factor 75%	13,688	1,830.36	0.13372	2,045.42	0.14944	215.06	11.8%
64								
65	**40 kW Demand**	Minimum	296.03		401.63		$105.60	35.7%
66	Load factor 10%	2,920	644.47	0.22071	781.87	0.26776	137.40	21.3%
67	Load factor 20%	5,840	992.92	0.17002	1,162.11	0.19899	169.20	17.0%
68	Load factor 35%	10,220	1,515.58	0.14830	1,732.48	0.16952	216.90	14.3%
69	Load factor 50%	14,600	2,038.25	0.13961	2,302.84	0.15773	264.59	13.0%
70	Load factor 60%	17,520	2,386.69	0.13623	2,683.08	0.15314	296.39	12.4%
71	Load factor 75%	21,900	2,909.36	0.13285	3,253.45	0.14856	344.09	11.8%

Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)

		Present Rates		Proposed Rates		Proposed Increase	
	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
72	Minimum	$45.81		$45.81		$0.00	-
73	1,000	208.74	$0.20874	315.59	$0.31559	106.85	51.2%
74	24,000	3,956.13	0.16484	6,520.53	0.27169	2,564.40	64.8%

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR present rate)
Fully Projected Future Test Year 2026

Schedule IS- General Service (Minimum 2300 volts, 50 kW)

			Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
				Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
75	**Monthly Minimum**			$1,585.00		$2,250.00		665.00	42.0%
76		**150 kW Demand**							
77	**Load Factors**		Minimum	$1,585.00		$2,250.00		665.00	42.0%
78		30%	32,850	5,182.52	0.15776	6,011.04	0.18298	828.53	16.0%
79		40%	43,800	6,255.07	0.14281	7,089.29	0.16186	834.22	13.3%
80		50%	54,750	7,327.62	0.13384	8,167.54	0.14918	839.92	11.5%
81		60%	65,700	8,400.18	0.12786	9,245.78	0.14073	845.61	10.1%
82		75%	82,125	10,009.00	0.12188	10,863.15	0.13228	854.15	8.5%
83									
84		**400 kW Demand**							
85	**Load Factors**		Minimum	$4,085.00		$5,750.00		1,665.00	40.8%
86		30%	87,600	13,678.38	0.15615	15,779.45	0.18013	2,101.07	15.4%
87		40%	116,800	16,538.52	0.14160	18,654.78	0.15972	2,116.26	12.8%
88		50%	146,000	19,398.66	0.13287	21,530.10	0.14747	2,131.44	11.0%
89		60%	175,200	22,258.80	0.12705	24,405.42	0.13930	2,146.62	9.6%
90		75%	219,000	26,549.01	0.12123	28,718.41	0.13113	2,169.40	8.2%
91									
92		**750 kW Demand**							
93	**Load Factors**		Minimum	$7,585.00		$10,650.00		3,065.00	40.4%
94		30%	164,250	25,572.59	0.15569	29,455.22	0.17933	3,882.64	15.2%
95		40%	219,000	30,935.35	0.14126	34,846.46	0.15912	3,911.11	12.6%
96		50%	273,750	36,298.11	0.13260	40,237.69	0.14699	3,939.58	10.9%
97		60%	328,500	41,660.88	0.12682	45,628.92	0.13890	3,968.05	9.5%
98		75%	410,625	49,705.02	0.12105	53,715.77	0.13081	4,010.75	8.1%
99									
100		**1500 kW Demand**							
101	**Load Factors**		Minimum	$15,085.00		$21,150.00		6,065.00	40.2%
102		30%	328,500	51,060.18	0.15543	58,760.45	0.17888	7,700.27	15.1%
103		40%	438,000	61,785.70	0.14106	69,542.91	0.15877	7,757.21	12.6%
104		50%	547,500	72,511.23	0.13244	80,325.38	0.14671	7,814.15	10.8%
105		60%	657,000	83,236.75	0.12669	91,107.84	0.13867	7,871.09	9.5%
106		75%	821,250	99,325.04	0.12094	107,281.54	0.13063	7,956.50	8.0%

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Wellsboro Electric Company
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 Month	%
1		Minimum	$12.00		$16.50		$4.50	37.5%
2		1	12.06	$12.05864	16.59	$16.58966	4.53	37.6%
3		10	12.59	$1.25864	17.40	$1.73966	4.81	38.2%
4		100	17.86	$0.17864	25.47	$0.25466	7.60	42.6%
5		250	26.66	$0.10664	38.92	$0.15566	12.26	46.0%
6		500	41.32	$0.08264	61.33	$0.12266	20.01	48.4%
7	All Residential, annual	700	53.05	$0.07578	79.26	$0.11323	26.21	49.4%
8		1,000	70.64	$0.07064	106.16	$0.10616	35.52	50.3%
9		1,500	99.96	$0.06664	150.99	$0.10066	51.03	51.1%
10		2,000	129.28	$0.06464	195.82	$0.09791	66.54	51.5%
11		3,000	187.92	$0.06264	285.48	$0.09516	97.56	51.9%
12								

Schedule RSAE- Residential Service All Electric

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
13		Minimum	$12.00		$16.50		$4.50	37.5%
14		1	12.05	$12.05127	16.58	$16.58473	4.53	37.6%
15		10	12.51	1.25127	17.35	1.73473	4.83	38.6%
16		100	17.13	0.17127	24.97	0.24973	7.85	45.8%
17		250	24.82	0.09927	37.68	0.15073	12.87	51.8%
18		500	37.64	0.07527	58.87	0.11773	21.23	56.4%
19		1,000	63.27	0.06327	101.23	0.10123	37.96	60.0%
20	All RSAE, annual	1,100	68.40	0.06218	109.70	0.09973	41.31	60.4%
21		1,500	88.91	0.05927	143.60	0.09573	54.69	61.5%
22		2,000	114.54	0.05727	185.96	0.09298	71.42	62.4%
23		3,000	165.81	0.05527	270.69	0.09023	104.88	63.3%
24								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026
Schedule NRS- Non-Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
25		Minimum	$12.22		$16.50		$4.28	35.0%
26		1	12.30	$12.29630	16.62	$16.61601	4.32	35.1%
27		50	16.04	0.32070	22.30	0.44601	6.27	39.1%
28		100	19.85	0.19850	28.10	0.28101	8.25	41.6%
29		250	31.30	0.12518	45.50	0.18201	14.21	45.4%
30	All NRS, annual	430	45.03	0.10472	66.38	0.15438	21.36	47.4%
31		1,000	88.52	0.08852	132.51	0.13251	43.99	49.7%
32		1,500	126.67	0.08445	190.52	0.12701	63.85	50.4%
33		2,000	164.82	0.08241	248.52	0.12426	83.70	50.8%
34		3,000	241.12	0.08037	364.53	0.12151	123.41	51.2%
35								

Schedule NRH- Non-Residential Service Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
36		Minimum	$12.22		$16.50		$4.28	35.0%
37		500	54.57	0.10913	95.29	0.19058	40.73	74.6%
38	All NRH, annual	670	68.96	0.10293	122.08	0.18221	53.12	77.0%
39		2,000	181.60	0.09080	331.66	0.16583	150.06	82.6%
40								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026
Schedule CS- Commercial Service (Minimum 7 kW)

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
41	**7 kW**	Minimum	78.23		96.71		18.48	23.6%
42	Load factor 10%	511	89.82	0.17577	113.86	0.22283	24.04	26.8%
43	Load factor 20%	1,022	101.41	0.09923	131.02	0.12820	29.61	29.2%
44	Load factor 35%	1,789	118.79	0.06642	156.75	0.08764	37.96	32.0%
45	Load factor 50%	2,555	136.18	0.05330	182.48	0.07142	46.30	34.0%
46	Load factor 60%	3,066	147.77	0.04820	199.64	0.06511	51.87	35.1%
47	Load factor 75%	3,833	165.15	0.04309	225.37	0.05880	60.22	36.5%
48								
49	**10 kW Demand**	Minimum	98.03		124.43		26.40	26.9%
50	Load factor 10%	730	114.59	0.15697	148.94	0.20402	34.35	30.0%
51	Load factor 20%	1,460	131.14	0.08982	173.44	0.11880	42.30	32.3%
52	Load factor 35%	2,555	155.98	0.06105	210.20	0.08227	54.22	34.8%
53	Load factor 50%	3,650	180.81	0.04954	246.96	0.06766	66.15	36.6%
54	Load factor 60%	4,380	197.37	0.04506	271.47	0.06198	74.10	37.5%
55	Load factor 75%	5,475	222.20	0.04059	308.23	0.05630	86.02	38.7%
56								
57	**25 kW Demand**	Minimum	197.03		263.03		66.00	33.5%
58	Load factor 10%	1,825	238.42	0.13064	324.30	0.17770	85.87	36.0%
59	Load factor 20%	3,650	279.81	0.07666	385.56	0.10563	105.75	37.8%
60	Load factor 35%	6,388	341.90	0.05353	477.46	0.07475	135.56	39.7%
61	Load factor 50%	9,125	403.99	0.04427	569.36	0.06240	165.37	40.9%
62	Load factor 60%	10,950	445.38	0.04067	630.62	0.05759	185.25	41.6%
63	Load factor 75%	13,688	507.46	0.03707	722.52	0.05279	215.06	42.4%
64								
65	**40 kW Demand**	Minimum	296.03		401.63		$105.60	35.7%
66	Load factor 10%	2,920	362.26	0.12406	499.65	0.17111	137.40	37.9%
67	Load factor 20%	5,840	428.48	0.07337	597.68	0.10234	169.20	39.5%
68	Load factor 35%	10,220	527.82	0.05165	744.72	0.07287	216.90	41.1%
69	Load factor 50%	14,600	627.16	0.04296	891.75	0.06108	264.59	42.2%
70	Load factor 60%	17,520	693.38	0.03958	989.78	0.05649	296.39	42.8%
71	Load factor 75%	21,900	792.72	0.03620	1,136.81	0.05191	344.09	43.4%

Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)

		Present Rates		Proposed Rates		Proposed Increase	
	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
72	Minimum	$45.81		$45.81		$0.00	-
73	1,000	112.09	$0.11209	218.94	$0.21894	106.85	95.3%
74	24,000	1,636.53	0.06819	4,200.93	0.17504	2,564.40	156.7%

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (excluding GSSR)
Fully Projected Future Test Year 2026

Schedule IS- General Service (Minimum 2300 volts, 50 kW)

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
75	**Monthly Minimum**		$1,585.00		$2,250.00		665.00	42.0%
76		**150 kW Demand**						
77	**Load Factors**	Minimum	$1,585.00		$2,250.00		665.00	42.0%
78	30%	32,850	2,007.57	0.06111	2,836.09	0.08633	828.53	41.3%
79	40%	43,800	2,021.80	0.04616	2,856.02	0.06521	834.22	41.3%
80	50%	54,750	2,036.04	0.03719	2,875.95	0.05253	839.92	41.3%
81	60%	65,700	2,050.27	0.03121	2,895.88	0.04408	845.61	41.2%
82	75%	82,125	2,071.62	0.02523	2,925.77	0.03563	854.15	41.2%
83								
84		**400 kW Demand**						
85	**Load Factors**	Minimum	$4,085.00		$5,750.00		1,665.00	40.8%
86	30%	87,600	5,211.84	0.05950	7,312.91	0.08348	2,101.07	40.3%
87	40%	116,800	5,249.80	0.04495	7,366.06	0.06307	2,116.26	40.3%
88	50%	146,000	5,287.76	0.03622	7,419.20	0.05082	2,131.44	40.3%
89	60%	175,200	5,325.72	0.03040	7,472.34	0.04265	2,146.62	40.3%
90	75%	219,000	5,382.66	0.02458	7,552.06	0.03448	2,169.40	40.3%
91								
92		**750 kW Demand**						
93	**Load Factors**	Minimum	$7,585.00		$10,650.00		3,065.00	40.4%
94	30%	164,250	9,697.83	0.05904	13,580.46	0.08268	3,882.64	40.0%
95	40%	219,000	9,769.00	0.04461	13,680.11	0.06247	3,911.11	40.0%
96	50%	273,750	9,840.18	0.03595	13,779.75	0.05034	3,939.58	40.0%
97	60%	328,500	9,911.35	0.03017	13,879.40	0.04225	3,968.05	40.0%
98	75%	410,625	10,018.11	0.02440	14,028.86	0.03416	4,010.75	40.0%
99								
100		**1500 kW Demand**						
101	**Load Factors**	Minimum	$15,085.00		$21,150.00		6,065.00	40.2%
102	30%	328,500	19,310.65	0.05878	27,010.92	0.08223	7,700.27	39.9%
103	40%	438,000	19,453.00	0.04441	27,210.21	0.06212	7,757.21	39.9%
104	50%	547,500	19,595.35	0.03579	27,409.50	0.05006	7,814.15	39.9%
105	60%	657,000	19,737.70	0.03004	27,608.79	0.04202	7,871.09	39.9%
106	75%	821,250	19,951.23	0.02429	27,907.73	0.03398	7,956.50	39.9%

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Wellsboro Electric Company
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 Month	%
1		Minimum	$12.00		$16.50		$4.50	37.5%
2		1	12.19	$12.18679	16.72	$16.71781	4.53	37.2%
3		10	13.87	$1.38679	18.68	$1.86781	4.81	34.7%
4		100	30.68	$0.30679	38.28	$0.38281	7.60	24.8%
5		250	58.70	$0.23479	70.95	$0.28381	12.26	20.9%
6		500	105.40	$0.21079	125.41	$0.25081	20.01	19.0%
7	All Residential, annual	700	142.75	$0.20393	168.97	$0.24138	26.21	18.4%
8		1,000	198.79	$0.19879	234.31	$0.23431	35.52	17.9%
9		1,500	292.19	$0.19479	343.22	$0.22881	51.03	17.5%
10		2,000	385.58	$0.19279	452.12	$0.22606	66.54	17.3%
11		3,000	572.37	$0.19079	669.93	$0.22331	97.56	17.0%
12								

Schedule RSAE- Residential Service All Electric

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
13		Minimum	$12.00		$16.50		$4.50	37.5%
14		1	12.18	$12.17942	16.71	$16.71288	4.53	37.2%
15		10	13.79	1.37942	18.63	1.86288	4.83	35.1%
16		100	29.94	0.29942	37.79	0.37788	7.85	26.2%
17		250	56.86	0.22742	69.72	0.27888	12.87	22.6%
18		500	101.71	0.20342	122.94	0.24588	21.23	20.9%
19		1,000	191.42	0.19142	229.38	0.22938	37.96	19.8%
20	All RSAE, annual	1,100	209.36	0.19033	250.67	0.22788	41.31	19.7%
21		1,500	281.13	0.18742	335.82	0.22388	54.69	19.5%
22		2,000	370.84	0.18542	442.26	0.22113	71.42	19.3%
23		3,000	550.26	0.18342	655.14	0.21838	104.88	19.1%
24								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule NRS- Non-Residential Service

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
25		Minimum	$12.22		$16.50		$4.28	35.0%
26		1	12.42	$12.42445	16.74	$16.74416	4.32	34.8%
27		50	22.44	0.44885	28.71	0.57416	6.27	27.9%
28		100	32.67	0.32665	40.92	0.40916	8.25	25.3%
29		250	63.33	0.25333	77.54	0.31016	14.21	22.4%
30	All NRS, annual	430	100.13	0.23287	121.49	0.28253	21.36	21.3%
31		1,000	216.67	0.21667	260.66	0.26066	43.99	20.3%
32		1,500	318.90	0.21260	382.74	0.25516	63.85	20.0%
33		2,000	421.12	0.21056	504.82	0.25241	83.70	19.9%
34		3,000	625.57	0.20852	748.98	0.24966	123.41	19.7%
35								

Schedule NRH- Non-Residential Service Space Heating

			Present Rates		Proposed Rates		Proposed Increase	
	Average	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
36		Minimum	$12.22		$16.50		$4.28	35.0%
37		500	118.64	0.23728	159.37	0.31873	40.73	34.3%
38	All NRH, annual	670	154.82	0.23108	207.94	0.31036	53.12	34.3%
39		2,000	437.90	0.21895	587.96	0.29398	150.06	34.3%
40								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule CS- Commercial Service (Minimum 7 kW)

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
41	**7 kW**	Minimum	78.23		96.71		18.48	23.6%
42	Load factor 10%	511	155.30	0.30392	179.35	0.35098	24.04	15.5%
43	Load factor 20%	1,022	232.38	0.22738	261.99	0.25635	29.61	12.7%
44	Load factor 35%	1,789	347.99	0.19457	385.95	0.21579	37.96	10.9%
45	Load factor 50%	2,555	463.60	0.18145	509.90	0.19957	46.30	10.0%
46	Load factor 60%	3,066	540.67	0.17635	592.54	0.19326	51.87	9.6%
47	Load factor 75%	3,833	656.29	0.17124	716.50	0.18695	60.22	9.2%
48								
49	**10 kW Demand**	Minimum	98.03		124.43		26.40	26.9%
50	Load factor 10%	730	208.14	0.28512	242.49	0.33217	34.35	16.5%
51	Load factor 20%	1,460	318.24	0.21797	360.54	0.24695	42.30	13.3%
52	Load factor 35%	2,555	483.40	0.18920	537.62	0.21042	54.22	11.2%
53	Load factor 50%	3,650	648.56	0.17769	714.71	0.19581	66.15	10.2%
54	Load factor 60%	4,380	758.67	0.17321	832.76	0.19013	74.10	9.8%
55	Load factor 75%	5,475	923.82	0.16874	1,009.85	0.18445	86.02	9.3%
56								
57	**25 kW Demand**	Minimum	197.03		263.03		66.00	33.5%
58	Load factor 10%	1,825	472.29	0.25879	558.17	0.30585	85.87	18.2%
59	Load factor 20%	3,650	747.56	0.20481	853.31	0.23378	105.75	14.2%
60	Load factor 35%	6,388	1,160.46	0.18168	1,296.02	0.20290	135.56	11.7%
61	Load factor 50%	9,125	1,573.35	0.17242	1,738.73	0.19055	165.37	10.5%
62	Load factor 60%	10,950	1,848.62	0.16882	2,033.86	0.18574	185.25	10.0%
63	Load factor 75%	13,688	2,261.52	0.16522	2,476.57	0.18094	215.06	9.5%
64								
65	**40 kW Demand**	Minimum	296.03		401.63		$105.60	35.7%
66	Load factor 10%	2,920	736.45	0.25221	873.85	0.29926	137.40	18.7%
67	Load factor 20%	5,840	1,176.88	0.20152	1,346.07	0.23049	169.20	14.4%
68	Load factor 35%	10,220	1,837.51	0.17980	2,054.41	0.20102	216.90	11.8%
69	Load factor 50%	14,600	2,498.15	0.17111	2,762.74	0.18923	264.59	10.6%
70	Load factor 60%	17,520	2,938.57	0.16773	3,234.96	0.18464	296.39	10.1%
71	Load factor 75%	21,900	3,599.21	0.16435	3,943.30	0.18006	344.09	9.6%

Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)

		Present Rates		Proposed Rates		Proposed Increase	
	Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
72	Minimum	$45.81		$45.81		$0.00	-
73	1,000	240.24	$0.24024	347.09	$0.34709	106.85	44.5%
74	24,000	4,712.13	0.19634	7,276.53	0.30319	2,564.40	54.4%

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Bill Comparisons (including GSSR effective June 1, 2025)
Fully Projected Future Test Year 2026

Schedule IS- General Service (Minimum 2300 volts, 50 kW)

			Present Rates		Proposed Rates		Proposed Increase	
		Sales (kWh)	Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	$ per Month	%
75	**Monthly Minimum**		$1,585.00		$2,250.00		665.00	42.0%
76		**150 kW Demand**						
77	**Load Factors**	Minimum	$1,585.00		$2,250.00		665.00	42.0%
78	30%	32,850	6,217.29	0.18926	7,045.82	0.21448	828.53	13.3%
79	40%	43,800	7,634.77	0.17431	8,468.99	0.19336	834.22	10.9%
80	50%	54,750	9,052.25	0.16534	9,892.16	0.18068	839.91	9.3%
81	60%	65,700	10,469.73	0.15936	11,315.33	0.17223	845.61	8.1%
82	75%	82,125	12,595.94	0.15338	13,450.09	0.16378	854.15	6.8%
83								
84		**400 kW Demand**						
85	**Load Factors**	Minimum	$4,085.00		$5,750.00		1,665.00	40.8%
86	30%	87,600	16,437.78	0.18765	18,538.85	0.21163	2,101.07	12.8%
87	40%	116,800	20,217.72	0.17310	22,333.98	0.19122	2,116.26	10.5%
88	50%	146,000	23,997.66	0.16437	26,129.10	0.17897	2,131.44	8.9%
89	60%	175,200	27,777.60	0.15855	29,924.22	0.17080	2,146.62	7.7%
90	75%	219,000	33,447.51	0.15273	35,616.91	0.16263	2,169.40	6.5%
91								
92		**750 kW Demand**						
93	**Load Factors**	Minimum	$7,585.00		$10,650.00		3,065.00	40.4%
94	30%	164,250	30,746.46	0.18719	34,629.10	0.21083	3,882.64	12.6%
95	40%	219,000	37,833.85	0.17276	41,744.96	0.19062	3,911.11	10.3%
96	50%	273,750	44,921.24	0.16410	48,860.81	0.17849	3,939.58	8.8%
97	60%	328,500	52,008.63	0.15832	55,976.67	0.17040	3,968.05	7.6%
98	75%	410,625	62,639.71	0.15255	66,650.46	0.16231	4,010.75	6.4%
99								
100		**1500 kW Demand**						
101	**Load Factors**	Minimum	$15,085.00		$21,150.00		6,065.00	40.2%
102	30%	328,500	61,407.93	0.18693	69,108.20	0.21038	7,700.27	12.5%
103	40%	438,000	75,582.70	0.17256	83,339.91	0.19027	7,757.21	10.3%
104	50%	547,500	89,757.48	0.16394	97,571.63	0.17821	7,814.15	8.7%
105	60%	657,000	103,932.25	0.15819	111,803.34	0.17017	7,871.09	7.6%
106	75%	821,250	125,194.41	0.15244	133,150.91	0.16213	7,956.50	6.4%

Wellsboro Electric Company
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	HY 2024		Present Rates 12/31/2025	(A) Present Rates Fully Projected 12/31/2026	Proposed Rates Fully Projected 12/31/2026	(B) Proposed Rates Fully Projected 12/31/2020	(A)-(B) Change from Prior Order
		Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only	Settlement Prior	
1	**REVENUE**							
2	Residential	$6,829,521	$3,190,200	$3,388,802	$3,395,335	$5,078,907	$3,261,637	$133,698
3	Commercial and industrial	5,657,570	2,642,167	2,887,490	2,902,837	4,096,297	2,708,336	194,502
4	Lighting	100,851	95,243	94,867	94,867	113,787	90,112	4,755
5	Sales for resale	17,863	8,957	8,957	8,957	12,171	9,732	(776)
6	Rounding						200	(200)
7	Electric operating revenue	12,605,805	5,936,568	6,380,115	6,401,996	9,301,384	6,070,017	331,979
8	Other revenue, net	318,497	318,497	320,653	327,640	327,640	116,459	211,181
9	Under (over) Collections	234,090	0	0	0	0	0	0
10	Total Revenue	13,158,392	6,255,065	6,700,768	6,729,636	9,629,025	6,186,476	543,161
11	*Annual kWH*	*97,019,287*	*97,019,287*	*104,333,284*	*105,861,774*	*105,861,774*	*107,825,923*	*(10,806,636)*
12	**EXPENSES**				Increase	2,899,388		
13	Purchased electricity	5,720,438						
14	Distribution	1,334,849	1,334,849	1,561,937	1,602,629	1,602,629	1,285,908	316,721
15	Customer accounting & collection expen	929,410	929,410	1,050,953	1,084,054	1,084,054	649,803	434,251
16	Sales expense, Public relations	3,171	3,171	19,727	9,737	9,737	8,915	822
17	Administrative & general expenses	1,264,200	1,264,200	1,486,637	1,636,599	1,636,599	929,641	706,958
18	Total Operating expenses	9,252,068	3,531,630	4,119,254	4,333,019	4,333,019	2,874,267	1,458,752
19								
20	Depreciation expense	1,335,247	1,335,247	1,844,192	1,939,404	1,939,404	1,331,977	607,427
21	Taxes other than income	814,557	394,406	420,575	421,866	592,930	377,878	43,988
22	Rate case expense amortization						108,667	(108,667)
23	Total Expenses	11,401,872	5,261,283	6,384,021	6,694,288	6,865,352	4,692,789	2,001,500
24								
25	Net operating income before income t	1,756,519	993,782	316,747	35,348	2,763,673	1,493,687	(1,458,339)
26								
27	Income tax expense	175,781	(44,590)	(60,909)	(139,723)	648,547	447,548	(587,272)
28	NET UTILITY OPERATING INCOME (LOSS) (A)	$1,580,738	$1,038,371	$377,656	$175,071	$2,115,126	$1,046,139	($871,067)
29						0.0818000		
30	RATE BASE (B)		$26,163,779	$26,224,348	$25,857,280	$25,857,280	$14,653,172	$11,510,607
31	RATE OF RETURN ON RATE BASE (A / B)		3.97%	1.44%	0.68%	8.18%	7.14%	

Wellsboro Electric Company
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	HY 2024	Changes	FTY 2025	Changes to FPFTY 2026	FPFTY 2026	Labor Year 2023	Labor HY 2024	Labor FTY 2025	Labor FPFTY 2026
1		Power Supply Expenses:										
2	555	Power Purchased	$0	$0	$0	$0	$0	$0				
3		*Total Power Supply expense*	0	0	0	0	0	0	0	0	0	0
4												
5		Distribution Expenses										
6	580	Operations Supv & Eng	0	8,121	(8,121)	0	0	0	0	4,043	0	0
7	582	Station Expense	0	0	0	0	0	0	0	0	0	0
8	583	Overhead Line Expense	686	770	5,024	5,794	225	6,020	(2,379)	(1,766)	3,980	4,098
9	585	Street Lighting Expense	675	146	113	259	9	267	0	127	178	182
10	586	Meter Expense	33,644	36,983	1,462	38,445	1,458	39,903	19,146	21,287	26,220	26,981
11	587	Customer Installation Expense	0	206	52	259	9	267	0	109	178	182
12	588	Miscellaneous Distribution Exp	170,671	173,944	106,478	280,422	5,267	285,688	86,318	91,107	136,556	140,466
13	589	Rents	30,717	32,950	2,350	35,300	0	35,300	0	0	0	0
14		*Total Operating expense*	236,392	253,121	107,357	360,478	6,968	367,446	103,085	114,906	167,111	171,910
15												
16	590	Maint Supv & Eng	85,710	97,875	2,896	100,771	1,013	101,784	37,403	41,204	41,076	42,663
17	591	Maint of Structures	1,848	0	0	0	0	0	792	0	0	0
18	592	Maintenance of Station Equipment	5,697	3,210	1,361	4,571	13,986	18,557	3,834	1,589	1,869	1,924
19	593	Maintenance of Overhead Lines	836,769	869,788	99,284	969,072	16,255	985,327	196,105	223,708	281,824	289,584
20	594	Maintenance of Underground Lines	28,436	30,206	9,850	40,056	257	40,313	3,598	4,482	4,503	4,638
21	595	Maintain Line Transformers	5,677	14,532	(6,659)	7,873	191	8,064	1,742	3,059	3,347	3,447
22	596	Maint. Street Light & Signal Expense	2,991	1,612	(704)	907	35	942	1,700	962	623	641
23	597	Maintenance of Misc. Distrib Plant	75,467	64,505	13,702	78,208	1,987	80,194	63,480	56,551	35,036	36,073
24		*Total Maintenance expense*	1,042,595	1,081,729	119,730	1,201,459	33,723	1,235,182	308,653	331,556	368,279	378,972
25		*Total Operating & Maintenance expens*	1,278,988	1,334,849	227,088	1,561,937	40,692	1,602,629	411,738	446,462	535,390	550,882
26												
27		Customer Accounting & Collection Expenses:										
28	902	Meter Reading Expense	19,808	21,775	(5,853)	15,922	622	16,544	10,767	12,359	10,936	11,261
29	903	Customer Records & Collection Exp	872,949	907,634	107,397	1,015,031	32,479	1,047,510	307,531	309,910	330,520	353,116
30	904	Uncollectible Accounts	0	0	20,000	20,000	0	20,000	0	0	0	0
31		*Total Customer Accting & Coll. expens*	892,757	929,410	121,544	1,050,953	33,101	1,084,054	318,298	322,269	341,456	364,377
32												

Wellsboro Electric Company
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	HY 2024	Changes	FTY 2025	Changes to FPFTY 2026	FPFTY 2026	Labor Year 2023	Labor HY 2024	Labor FTY 2025	Labor FPFTY 2026
33		Sales expense, Public relations										
34	908-913	Safety and Communications	4,082	3,171	16,555	19,727	(9,990)	9,737	1,735	180	156	161
35												
36		Administrative & General Expenses:										
37	920	Administrative & General Salaries	652,639	757,901	111,995	869,897	41,333	911,229	301,608	355,049	401,562	426,497
38	921	Office Supplies & Expenses	61,925	112,900	10,107	123,007	(13,297)	109,710	0	0	0	0
39	923	Outside Services Employed	87,889	137,115	17,410	154,525	0	154,525	0	0	0	0
40	924	Property Insurance	51,268	53,098	8,312	61,410	0	61,410	0	0	0	0
41	926	Employee Pensions & Benefits	0	0	0	0	0	0	0	0	0	0
42	928	Regulatory commission expenses	68,366	42,985	15	43,000	110,393	153,393	0	0	0	0
43	930	Miscellaneous General Expense	105,355	84,404	15,347	99,751	10,830	110,581	3,074	0	3,100	3,100
44	931	Rents	2,442	3,611	(1,411)	2,200	0	2,200	0	0	0	0
45	932	Maintenance of General Property	112,580	72,186	60,662	132,847	704	133,551	50,565	11,364	12,378	12,746
46		*Total Administrative & General expens*	1,142,464	1,264,200	222,437	1,486,637	149,962	1,636,599	355,248	366,413	417,040	442,344
47												
48		**Total Operating & Maintenance Expe**	**$3,318,291**	**$3,531,630**	**$587,624**	**$4,119,254**	**$213,764**	**$4,333,019**	**$1,087,018**	**$1,135,323**	**$1,294,042**	**$1,357,763**
49			$3,318,291	$3,531,630	587,624	$4,119,254	213,764	$4,333,019	1,087,018	1,135,323	1,294,042	1,357,763

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Support Sheet No. 2- Summary of Cost of Capital and Fair Rate of Return Based upon a Hypothetical Ratemaking Capital Structure
12/31/2025 and 12/31/2026

Line	Type of Capital	Ratios (1)	Cost Rate		Weighted Cost Rate
1	Long-Term Debt	51.06%	4.850%		2.47641%
2	Short-Term Debt				0.00%
3	Total Debt	51.06%			2.48%
4					
5	Preferred Stock				0.00000%
6	Common Equity	48.94%	11.65%	9.2300%	5.70151%
7	Total	100.00%	9.31%		8.17792%
8				Target ROR	8.18%
9					
10	[1] Recommended hypothetical capital structure ratios as discussed in direct testimony.				
11					2,899,388

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Wellsboro Electric Company
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			HY 2024		Present Rates Year Ended 12/31/2025	Present Rates Future Test Year Ended 12/31/2026	Proposed Rates Future Test Year Ended 12/31/2026
			Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	Taxes other than income:						
2	Pennsylvania Use Tax		$837	$837	$837	$837	$837
3	PUC Assessment			0	0	0	0
4	Lease Tax		(10,663)				
5	Public Utility Realty Tax (including surcharge		43,311	43,311	43,311	43,311	43,311
6	Pennsylvania Gross Receipts Tax		781,072	350,258	376,427	377,718	548,782
7			$814,557	$394,406	$420,575	$421,866	$592,930
8							
9	**Gross Receipts Tax**						
10	Electric operating revenue		$12,605,805	$5,936,568	$6,380,115	$6,401,996	$9,301,384
11							
12							
13	Gross Receipts Taxable		$12,605,805	$5,936,568	$6,380,115	$6,401,996	$9,301,384
14	Gross Receipts Tax at Present Rate	5.90%	$743,742	$350,258	$376,427	$377,718	$548,782
15	Rounding difference		37,330				
16	Gross Receipts Tax expense		$781,072	$350,258	$376,427	$377,718	$548,782
17							
18	**Normalized Rate case expense**						
19	Estimated expenses					$331,178	
20	Amortization period (years)					3	
21	Normalized Rate case expense					$110,393	$110,393

C1-4

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

C1-4

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		HY 2024		Present Rates 12/31/2025	Present Rates Fully Projected 12/31/2026	Proposed Rates Fully Projected 12/31/2026
			Per Books	Distribution Only	Distribution Only	Distribution Only	Distribution Only
1	Net Operating Income Excluding Income Taxes		$1,756,519	$993,782	$316,747	$35,348	$2,763,673
2							
3	Synchronized interest expense:						
4	Rate base		26,163,779	26,163,779	26,224,348	25,857,280	25,857,280
5							
6	Rate base for interest compuation		26,163,779	26,163,779	26,224,348	25,857,280	25,857,280
7	Weighted Cost of debt		2.476%	2.476%	2.476%	2.476%	2.476%
8	Synchronized interest expense		647,922	647,922	649,422	640,332	640,332
9	Taxable income before depreciation tax adjustments		1,108,597	345,859	(332,676)	(604,984)	2,123,340
10							
11	Pennsylvania depreciation adjustment:						
12	Tax depreciation (using DDB method)		(2,466,799)	(2,466,799)	(2,176,619)	(2,195,614)	(2,195,614)
13	Book depreciation		1,335,247	1,335,247	1,844,192	1,939,404	1,939,404
14	Pennsylvania depreciation adjustment		(1,131,552)	(1,131,552)	(332,427)	(256,211)	(256,211)
15	Pennsylvania taxable income		(22,955)	(785,693)	(665,103)	(861,195)	1,867,130
16	Regulatory Pennsylvania income tax expense	9.99%	(2,293)	(78,491)	(66,444)	(86,033)	186,526
17							
18	Federal depreciation adjustment:						
19	Tax depreciation (using SL method)		(1,598,164)	(1,598,164)	(1,551,605)	(1,676,119)	(1,676,119)
20	Book depreciation		1,335,247	1,335,247	1,844,192	1,939,404	1,939,404
21	Federal depreciation adjustment		(262,917)	(262,917)	292,587	263,285	263,285
22							
23	Taxable income before depreciation tax adjustments		1,108,597	345,859	(332,676)	(604,984)	2,123,340
24	Federal depreciation adjustment		(262,917)	(262,917)	292,587	263,285	263,285
25	Pennsylvania income tax expense		2,293	78,491	66,444	86,033	(186,526)
26	Federal taxable income		847,973	161,433	26,356	(255,666)	2,200,099
27	Regulatory Federal income tax expense	21.00%	178,074	33,901	5,535	(53,690)	462,021
28							
29	Regulatory Total income tax expense		$175,781	($44,590)	($60,909)	($139,723)	$648,547
30							
31	Deferred Federal Income Tax expense (included in above):						
32	Tax depreciation (using SL method)		1,598,164	1,598,164	1,551,605	1,676,119	1,676,119
33	Tax depreciation (using DDB method)		2,466,799	2,466,799	2,176,619	2,195,614	2,195,614
34			868,635	868,635	625,014	519,496	519,496
35	Federal tax rate		21.00%	21.00%	21.00%	21.00%	21.00%
36	Deferred Federal income tax (credit)		$182,413	$182,413	$131,253	$109,094	$109,094
37	Combined statutory tax rate	28.89%					

Wellsboro Electric Company
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		HY 2024	FTY 2025	FPFTY 2026
1	**Utility Plant in Service**				
2	Assets	Sch. C3, line 23	$ 41,101,936	$ 42,831,436	$ 44,666,856
3	Less: Accumulated Depreciation	Sch. C3, line 23	(15,226,786)	(17,226,319)	(19,321,064)
4			25,875,150	25,605,116	25,345,792
5					
6	Less: Accumulated deferred income taxes (ADIT)	Line 32	96,455	19,318	(38,728)
7					
8	Less: Customer deposits	Sch. C2, line 52	(195,713)	(195,713)	(195,713)
9	Accrued Pension / OPEB Liability	Line 47	(295,779)	35,399	(19,798)
10	Materials & Supplies	Sch. C2, line 22	247,983	247,983	247,983
11			25,728,096	25,712,103	25,339,536
12	Cash Working Capital Allowance	Line 25	435,683	512,245	517,744
13	RATE BASE		$ 26,163,779	$ 26,224,348	$ 25,857,280
14					
15	**Cash Working Capital Allowance:**				
16	Operating Expenses	Sch. C1, line 23	$ 5,261,283	$ 6,384,021	$ 6,694,288
17					
18	Deductions:				
19	Taxes Oher Than Income	Sch. C1-3, line 7	420,575	421,866	592,930
20	Uncollectible accounts	Sch. C1-1, line 30	20,000	20,000	20,000
21	Depreciation Expense	Sch. C1, line 20	1,335,247	1,844,192	1,939,404
22	Total Deductions		1,775,822	2,286,058	2,552,333
23	Cash Operating Expenses		3,485,461	4,097,963	4,141,955
24	Cash Operating Expenses Ratio		1/8	1/8	1/8
25	Cash Working Capital Allowance (A plus B)		$ 435,683	$ 512,245	$ 517,744
26					
27	Regulatory Accumluated deferred income tax:				
28	Accumulated depreciation based on tax expense borne by ratepayers		26,630,508	28,182,113	29,858,231
29	Accumulated depreciation based on taxes paid by company		26,171,198	28,090,123	30,042,650
30	(Higher) depreciation taken by company		459,310	91,990	(184,419)
31	Federal tax rate		21.00%	21.00%	21.00%
32	Regulatory Accumluated deferred income tax (liability)		96,455	19,318	(38,728)
34	Excess deferred income tax:(EDIT)	NOT USED			
41					
42	Regulatoy (Liability) and Assets				
43	Accrued postretirement cost (Liability)		(185,579)	(185,579)	(185,579)
44	Regulatoy (Liability)		(230,379)	(230,379)	(230,379)
45	Regulatory Assets			331,178	275,981
46	Deferred tax asset related to OPEB		120,179	120,179	120,179
47			(295,779)	35,399	(19,798)

C2

Wellsboro Electric Company
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	$41,101,936	$42,831,436	$44,666,856
4	Construction work in progress	27,017	27,017	27,017
5	Accumulated depreciation	(15,226,786)	(17,226,319)	(19,321,064)
6	*Total utility plant*	25,902,167	25,632,133	25,372,809
7				
8	Other Property and Investments:			
9	Non-utility property	144,043	144,043	144,043
10	Regulatory asset	40,145	40,145	40,145
11	Regulatory asset- RS Plan		0	0
12	Rentals and other	65,176	65,176	65,176
13	*Total other property and investments*	249,364	249,364	249,364
14				
15	Current Assets:			
16	Cash	203,335	203,335	203,335
17	Customer accounts receivable	1,198,530	1,198,530	1,198,530
18	Provison for uncollectible accounts	(12,306)	(12,306)	(12,306)
19	Accrued utility revenues	667,515	667,515	667,515
20	Other accounts receivable	287,005	287,005	287,005
21	Advances to affiliates	49,000	49,000	49,000
22	Inventories	247,983	247,983	247,983
23	Prepayments	8,439	8,439	8,439
24	Prepaid Costs	108,863	108,863	108,863
25	GSSR Under (Over)	72,766	72,766	72,766
26	*Total current assets*	2,831,130	2,831,130	2,831,130
27				
28	**Total Assets and Other Debits**	**$28,982,661**	**$28,712,627**	**$28,453,303**
29				

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Wellsboro Electric Company
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
30	**Liabilities and Other Credits**			
31				
32	Proprietary Capital:			
33	Preferred stock	$125,800	$125,800	$125,800
34	Common stock Issued	240,146	240,146	240,146
35	Retained earnings	5,050,799	5,428,455	5,603,526
36	Treasury stock, at cost	(159,250)	(159,250)	(159,250)
37	*Total proprietary capital*	5,257,495	5,635,151	5,810,222
38				
39	Long-Term Debt:			
40	Long term debt	18,477,675	17,612,601	16,710,309
41	Capitalized Lease Obligations	349,544	220,330	105,672
42	*Total long-term debt*	18,827,219	17,832,931	16,815,981
43				
44	Current and Accrued Liabilities:			
45	Line of Credit	$700,000	$1,023,936	$1,611,500
46	Current maturities of long-term debt	865,074	902,292	941,209
47	Current maturities of capitalized leases	129,214	114,658	70,731
48	Accounts payable- Trade	520,911	520,911	520,911
49	Accounts payable- Related party	133,216	133,216	133,216
50	Due for Purchased electricity	537,362	537,362	537,362
51	Accrued expenses	227,799	227,799	227,799
52	Customer deposits	195,713	195,713	195,713
53	Derivative investment		0	0
54	Overcollected power costs		0	0
55	*Total current and accrued liabilities*	3,309,289	3,655,887	4,238,441
56				
57	Deferred Credits and Other Liabilities:			
58	Deferred income taxes	1,172,700	1,172,700	1,172,700
59	Accrued postretirement cost	185,579	185,579	185,579
60	Regulatory Liability	230,379	230,379	230,379
61	*Total deferred credits*	1,588,658	1,588,658	1,588,658
62				
63	**Total Liabilities and Other Credits**	**$28,982,661**	**$28,712,627**	**$28,453,303**

C3

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

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]

			Original Cost			Original Cost			Original Cost			
			Balance 12/31/2023	HY 2024		Balance 12/31/2024	FTY 2025		Balance 12/31/2025	FPFTY 2026		Balance 12/31/2026
Line	Acct No.	Account Title	Pro Forma	Additions	Retirements	Pro Forma	Additions	Retirements	Pro Forma	Additions	Retirements	Pro Forma
1	*Distribution Plant.*											
2	360	Land & Land Rights	178,334			178,334			178,334			178,334
3	361	Structures and improvements				0			0			0
4	362	Station Equipment	3,654,978	13,265		3,668,243			3,668,243			3,668,243
5	362.01	Station Equipment- Fully depr.	324,557			324,557			324,557			324,557
6	364	Poles, Tower & Fixtures	12,456,164	1,918,214	(917,791)	13,456,587	734,500		14,191,087	742,085		14,933,172
7	365	Overhead Conductors & Devices	5,529,274	1,721,121	(1,166,423)	6,083,972	362,500		6,446,472	358,475		6,804,947
8	366	Underground Conduit	26,899			26,899			26,899			26,899
9	367	Underground Conductors & Devices	1,008,032	19,299	(15,781)	1,011,550			1,011,550			1,011,550
10	368	Line Transformers	2,923,411	285,923	(11,002)	3,198,332	58,500		3,256,832	108,755		3,365,587
11	369	Services	849,838	12,862	(7,390)	855,310	101,000		956,310	104,030		1,060,340
12	369.1	Underground Services	1,300,817	76,122	(32,390)	1,344,549	40,000		1,384,549	41,200		1,425,749
13	370	Meters	986,943	27,460	(2,922)	1,011,481	20,000		1,031,481	10,000		1,041,481
14	371	Installations on Customers' premises	373,328	4,992	(8,702)	369,618	150,000		519,618	0		519,618
15	373	Street Lighting & Signal Systems	118,915	419	(62)	119,272	3,000		122,272	3,000		125,272
16	Total Distribution Plant		29,731,490	4,079,677	(2,162,464)	31,648,703	1,469,500	0	33,118,203	1,367,545	0	34,485,748
17												
18	*General Plant*											
19	390.1	Structures & Improvements, office	2,486,413	3,722,470	(544,972)	5,663,911			5,663,911			5,663,911
20	390.2	Structures & Improvements, other	884,002			884,002			884,002			884,002
21	391	Office Furniture & Equipment	601,624	297,517	(124,652)	774,489			774,489			774,489
22	391.1	Office Furn & Equip- Fully depr.				0			0			0
23	392	Transportation Equipment	1,646,618	66,390	(180,998)	1,532,010	250,000		1,782,010	455,000		2,237,010
24	394	Tools, Shop & Garage Equipment	90,042			90,042	10,000		100,042	12,875		112,917
25	395	Laboratory Equipment	96,079		(80,650)	15,429			15,429			15,429
26	396	Power Operated Equipment	98,149	72,184	(80,519)	89,814			89,814			89,814
27	397	Communication Equipment	110,323	7,578		117,901			117,901			117,901
28	398	Miscellaneous Equipment				0			0			0
29		Intangible plant, organization	1,046			1,046			1,046			1,046
30	301	Intangible plant, EDI	284,588			284,588			284,588			284,588
31		Total General Plant	6,298,884	4,166,139	(1,011,791)	9,453,232	260,000	0	9,713,232	467,875	0	10,181,107
32												
33		Total Plant in Service	36,030,374	8,245,816	(3,174,254)	41,101,936	1,729,500	0	42,831,436	1,835,420	0	44,666,856

C3

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

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	Depr. Rate	Accumulated Depreciation Balance 12/31/2023	HY 2024		Accumulated Depreciation Balance 12/31/2024	FTY 2025	Accumulated Depreciation Balance 12/31/2025	FPFTY 2026	Accumulated Depreciation Balance 12/31/2026	Net Book Valu 12/31/2026
				Balance	Additions	Retirements	Balance	Additions	Balance	Additions	Balance	Balance
1	*Distribution Plant.*											
2	360	Land & Land Rights		0	0	0	0	0	0	0	0	178,334
3	361	Structures and improvements	4.08%				-		-		-	0
4	362	Station Equipment	6.88%	2,921,442	141,847	-	3,063,289	252,375	3,315,664	252,375	3,568,039	100,204
5	362.01	Station Equipment- Fully depr.		324,557			324,557	-	324,557	-	324,557	0
6	364	Poles, Tower & Fixtures	3.50%	3,885,628	440,594	(216,988)	4,109,234	483,834	4,593,068	509,675	5,102,743	9,830,429
7	365	Overhead Conductors & Devices	3.97%	1,707,606	221,459	(117,991)	1,811,074	248,729	2,059,803	263,041	2,322,844	4,482,103
8	366	Underground Conduit	3.15%	10,761	849		11,610	847	12,457	847	13,305	13,594
9	367	Underground Conductors & Devices	4.36%	634,193	43,964		678,157	44,104	722,261	44,104	766,364	245,186
10	368	Line Transformers	3.52%	1,388,859	102,104	(23,844)	1,467,119	113,611	1,580,730	116,555	1,697,284	1,668,303
11	369	Services	6.00%	788,699	9,466	(5,385)	792,780	54,349	847,129	60,499	907,628	152,712
12	369.1	Underground Services	2.48%	464,366	32,826	(1,188)	496,004	33,841	529,845	34,848	564,693	861,057
13	370	Meters	7.70%	556,160	75,858	(2,922)	629,096	78,654	707,750	79,809	787,559	253,922
14	371	Installations on Customers' premises	10.37%	(9,128)	38,453	(13,588)	15,737	46,107	61,844	53,884	115,728	403,889
15	373	Street Lighting & Signal Systems	2.40%	(71,623)	2,861	(149)	(68,911)	2,899	(66,012)	2,971	(63,042)	188,314
16	Total Distribution Plant			12,601,520	1,110,281	(382,055)	13,329,746	1,359,349	14,689,095	1,418,607	16,107,702	18,378,046
17												
18	*General Plant*											
19	390.1	Structures & Improvements, office	4.58%	507,553	92,336	(485,119)	114,770	259,407	374,177	259,407	633,584	5,030,327
20	390.2	Structures & Improvements, other	5.20%	31,957	45,708		77,665	45,968	123,633	45,968	169,601	714,401
21	391	Office Furniture & Equipment	19.49%	378,038	69,221	(122,201)	325,058	150,948	476,006	150,948	626,954	147,535
22	391.1	Office Furn & Equip- Fully depr.					0	0	0	0	0	0
23	392	Transportation Equipment	10.00%	1,035,960	155,341	(180,998)	1,010,303	165,701	1,176,004	200,951	1,376,955	860,055
24	394	Tools, Shop & Garage Equipment	6.17%	29,100	4,976		34,076	5,864	39,940	6,570	46,510	66,407
25	395	Laboratory Equipment	2.66%	90,397	1,544	(80,650)	11,291	410	11,701	410	12,112	3,318
26	396	Power Operated Equipment	3.11%	59,514	2,845	(61,308)	1,051	2,793	3,844	2,793	6,637	83,176
27	397	Communication Equipment	7.71%	29,968	8,336		38,304	9,090	47,394	9,090	56,484	61,417
28	398	Miscellaneous Equipment	0.00%	(64)			(64)	0	(64)	0	(64)	64
29		Intangible plant, organization	0.00%	0			0	0	0	0	0	1,046
30	301	Intangible plant, EDI	14.28%	284,586			284,586	2	284,588	0	284,588	0
31		Total General Plant		2,447,009	380,307	(930,276)	1,897,040	640,184	2,537,224	676,138	3,213,362	6,967,746
32												
33		Total Plant in Service		15,048,529	1,490,588	(1,312,331)	15,226,786	1,999,533	17,226,319	2,094,745	19,321,064	25,345,792

C4

Wellsboro Electric Company
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	$15,226,786	$17,226,319	$19,321,064

C5

Wellsboro Electric Company
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	$13,158,392	$6,255,065	$6,700,768	$6,729,636
2					
3	Operating revenue deductions:				
4	Operating expenses	9,252,068	3,531,630	4,119,254	4,333,019
5	Depreciation expense	1,335,247	1,335,247	1,844,192	1,939,404
6	Taxes other than income tax	814,557	394,406	420,575	421,866
7	Rate case expense amortization	0	0	0	0
8	Total Operating revenue deductions	11,401,872	5,261,283	6,384,021	6,694,288
9					
10	Net operating income before income taxes	1,756,519	993,782	316,747	35,348
11					
12	Income tax expense	175,781	(44,590)	(60,909)	(139,723)
13					
14	Net utility operating income	$1,580,738	$1,038,371	$377,656	$175,071

C5-1

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026

Comparison to Prior Rate Case
Prior Rate Case and FPFTY 2026

Line	Description	FPFTY 2026	R-2019-3008208, Order	Difference	Gross-Up for GRT	Revenue Requirement
1	Revenue	6,729,636	5,348,459	1,381,177	1.0000	(1,381,177)
2						
3	*kWh*	*105,861,774*	*106,065,175*			
4						
5	O&M	4,333,019	2,513,845	1,819,174	1.0627	1,933,234
6	Taxes other than income, Rate Case	421,866	414,415	7,451	1.0627	7,918
7	Depreciation	1,939,404	1,162,329	777,075	1.0627	825,797
8	Income tax	(139,723)	268,113			
9	Net Income	175,071	989,758			
10						
11	Rate Base	$25,857,280	$13,819,457	12,037,823		
12	Required Return	8.18%	7.16%			
13	Target Return	2,115,126	989,758	1,125,368	1.0627	1,195,928
14						
15	Income Tax Expense	648,547	268,113	380,434	1.0627	404,287
16						
17	Rounding					(86,599)
18	Revenue Increase Required					2,899,388
19						
20						

D

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Summary of Allocator Values

Line	Units	Allocator Names	Total	Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU
		Class Allocators											
1	**InputAlloc**	**ALLOCATION VALUES**											
2	MWh	MWh-Meter	105,861,774	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	26,746,293	0	0	102,572
3	MW	NCP-Prim	20,036	9,206	123	846	9	5,356	18	4,411	13	41	12
4	MW	NCP-Sec	15,613	9,206	123	846	9	5,356	18	0	13	41	0
5	MW	NCP-Ltr	3,689	0	0	0	4	3,616	14	0	13	41	0
6	#	AVG-CUST	6,538	5,159	29	938	1	392	1	13	0	0	4
7	$	Services_Cost	5,345,508	3,952,747	22,346	718,786	766	627,903	1,602	21,357	0	0	0
8	#	Meters	6,538	5,159	29	938	1	392	1	13	0	0	4
9	$	Meter_Cost	3,086,287	1,857,300	10,500	337,740	360	671,990	1,714	158,987	0	0	47,696
10	$	Dist_Rev	6,401,996	3,370,741	24,594	498,637	676	1,522,475	1,028	880,020	13,496	81,371	8,957
11	$	Total_Rev	13,072,503	6,981,957	53,402	834,441	1,630	3,223,216	1,585	1,857,933	19,106	81,371	17,863
12	$	Supp_Rev	6,670,507	3,611,216	28,807	335,804	954	1,700,741	557	977,913	5,609	0	8,907
13	$	CustDeposits	12120000.0%	6988666.7%	51333.3%	680236.8%	1812.2%	2739398.7%	1355.1%	1569374.2%	0.0%	72060.7%	15762.3%
14	$	Write-Offs	100.0%	87.0%	0.6%	1.7%	0.0%	6.7%	0.0%	3.8%	0.0%	0.2%	0.0%
15	#	StLgt-Lamps	2								1	1	
16													

	InputFunc	FUNCTIONAL ALLOCATORS	Total	Supply	Transmission	Primary Dist	Secondary Dist
17							
18		OH_Cond	100.00%			83.37%	16.63%
19		UG_Cond	100.00%			57.35%	42.65%
20		Trans	100.00%			0.00%	100.00%
21							

	InputClass	CLASSIFICATIONS	Total	Demand	Commodity	Customer
22						
23		PTF-Sec-Z	100.00%	36.96%		63.04%
24		OH-Sec-Z	100.00%	43.97%		56.03%
25		UG-Sec-Z	100.00%	63.71%		36.29%
26		Trans-Min	100.00%	22.45%		77.55%
27						
28						

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Wellsboro Electric Company
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	Description
1	OH Primary (1 Ph)	304.82	609.64	1 phase wire, 1 neutral wire
2	OH Primary (2 Ph)	6.99	20.97	2 phase wires, 1 neutral wire
3	OH Primary (3 Ph)	72.84	291.36	3 phase wires, 1 neutral wire
4	OH Secondary	111.47	111.47	1 triplexed conductor
5	UG Primary (1 Ph)	32.28	32.28	1 cable with concentric neutral
6	UG Primary (2 Ph)	0.49	0.98	2 cable with concentric neutral
7	UG Primary (3 Ph)	6.86	20.58	3 cable with concentric neutral
8	UG Secondary	34.29	34.29	1 duplexed or triplexed conduct
9		570.04	1121.57	
11	**Totals**			
12	OH Primary	384.65	921.97	
13	OH Secondary	111.47	111.47	
14		496.12	1033.44	
15				
16	UG Primary	39.63	53.84	
17	UG Secondary	34.29	34.29	
18		73.92	88.13	
19				
20	**Totals**			**Average**
21	OH Primary	77.53%	89.21%	83.37%
22	OH Secondary	22.47%	10.79%	16.63%
23		100.00%	100.00%	100.00%
24				
25	UG Primary	53.61%	61.09%	57.35%
26	UG Secondary	46.39%	38.91%	42.65%
27		100.00%	100.00%	100.00%
28				

D1

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Distribution System Functionalizaton and Classification

29	**Zero-Load Components for Secondary**			
30		**Poles**	**Overhead Conductors**	**Underground Conductors**
31	Labor	37.2%	31.7%	8.9%
32	Overhead	14.4%	10.5%	4.5%
33	Vehicle	13.3%	8.8%	2.8%
34	**Zero-Load Component**	**64.9%**	**51.0%**	**16.2%**
35	Material	35.1%	49.0%	83.8%
36	Total Cost	100.0%	100.0%	100.0%
37	Overheads are spread over labor hours.			
38	Zero-Load Component	64.9%	51.0%	16.2%
39	Prior Study	61.2%	61.1%	56.4%
40	**Average**	**63.0%**	**56.0%**	**36.3%**
41				
42		**Poles**	**Overhead Conductors**	**Underground Conductors**
43	Labor	414,674	191,263	313
44	Overhead	160,680	63,525	159
45	Transportation	148,166	53,303	99
46	Materials	392,078	296,158	2,947
47		1,115,598	604,249	3,518
48		Account 364	Account 365	Account 367

D2

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
NCP- Sum of Customers' Usage

COMPUTED CLASS DEMANDS (NCPs)

Line	Description	Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1	Total Number of Customers	5,159	29	938	1	392	1	13			4	6,538
2	Average Peak per Customer	-	-	-	-	-	-	-			-	
3												
4												
5												
6	**NCP- Primary**	9,206	123	846	9	5,356	18	4,411	13	41	12	20,036
7	Class peaks											-
8	**Shares of Total**	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%	100.00%
9												
10												
11	1CP	8,446	58	782	-	5,203	-	4,179	-	-	-	18,668
12	Share of 1CP	45.25%	0.31%	4.19%	0.00%	27.87%	0.00%	22.39%	0.00%	0.00%	0.00%	100.00%
13												
14	**NCP- Secondary**	9,206	123	846	9	5,356	18		13	41		15,613
15	Class peaks	-	-	-	-	-	-		-	-		-
16	**Shares of Total**	58.96%	0.79%	5.42%	0.06%	34.31%	0.12%	0.00%	0.09%	0.27%	0.00%	100.00%
17												
18	**NCP-LTr**											
19	Secondary Class peaks	9,206	123	846	9	5,356	18		13	41		15,613
20	Capacity of Minimum system	22,904	129	4,165	4	1,740	4	59	-	-	18	29,024
21	Class peaks less Capacity of minimum system	-	-	-	4	3,616	14	-	13	41	-	3,689
22	**Shares of Total**	0.00%	0.00%	0.00%	0.12%	98.02%	0.37%	0.00%	0.36%	1.12%	0.00%	100.00%
23												
24	Total number of transformers on system											3,628
25	Transfomer capacity- kVa											10
26	Assumed power factor											80%
27	Total Capacity of Transformer minimum system											29,024
28	Number of customers	5,159	29	938	1	392	1	13			4	6,538
29	Capacity per Customer of Transformer minimum system- kW											4.44
30												

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Transformers Classification

Line	Transformers Minimum Size Component							
	Minimum Size	**Minimum Size**		**Cost for Minimum Size**	**Total Cost Minimum Size**	**Number**	**Replacement Cost**	**Minimum Size Component**
1	TPM10 CSP	10 kVA		1,331	4,828,578	3,628	5,975,094	80.8%
2	Prior Study							74.3%
3	Minimum Size Component							**77.5%**
4								
5	**Transformers Unit Costs**							
6	**Description**	**Description**		**Cost**	**Install**	**Total**	**Quantity**	**Total Cost**
7	**Line Transformers**							
8	TPM1.5	1.5 - KVA		$950	$281	$1,231	8	9,847
9	TPM5	5 - KVA		$995	$281	$1,276	171	218,182
10	TPM7.5	7.5 - KVA		$995	$281	$1,276	14	17,863
11	TPM10 CSP	10 - KVA	3/2024	$1,050	$281	$1,331	1,075	1,430,739
12	TPM15 CSP	15- KVA	3/2024	$1,695	$281	$1,976	1,248	2,465,948
13	TPM25 CSP	25- KVA	10/2022	$1,935	$281	$2,216	429	950,630
14	TPM37.5 Conv	37.5- KVA	10/2022	$2,715	$281	$2,996	120	359,510
15	TPM50 Conv	50- KVA		$1,575	$281	$1,856	51	94,652
16	TPM75 Conv	75- KVA		$2,050	$281	$2,331	29	67,597
17	TPM100 Conv	100- KVA	3/2024	$3,910	$281	$4,191	30	125,728
18	TPM167 Conv	167 - KVA pole Mount		$3,675	$281	$3,956	2	7,912
19	TPM250 Conv	250 - KVA pole Mount		$4,695	$281	$4,976		-
20	TPM333 Conv	333 - KVA pole Mount		$5,750	$281	$6,031		-
21	TPM333 Conv (3 ph)	333 - KVA pole Mount		$5,750	$281	$6,031	2	12,062
22								
23	**Pad-Mounted Transformers- 1-Phase**							
24	TPD10			$1,415	$1,415	$478	8	3,820
25	TPD15		Aug-24	$1,485	$3,795	$478	99	47,278
26	TPD25		Oct-22	$1,625	$5,415	$478	198	94,557
27	TPD37			$1,795	$1,795	$478	20	9,551
28	TPD50		Aug-23	$2,125	$2,807	$478	67	31,997
29	TPD75			$2,495	$2,495	$478	11	5,253
30	TPD167			$4,250	$22,550	$478	1	478
31								
32	**Pad-Mounted Transformers- 3 Phase**							
33	TPD45			$5,925	$5,925	$478	4	1,910
34	TPD112.5		Jun-24	$6,495	$19,985	$478	9	4,298
35	TPD150			$7,150	$7,150	$478	17	8,119
36	TPD225			$7,995	$7,995	$478	5	2,388
37	TPD300	12/1/2023 quote		$9,175	$29,100	$478	6	2,865
38	TPD500		Feb-24	$12,100	$34,045	$478	1	478
39	TPD1000			$18,985	$18,985	$478	1	478
40	TPD1500		Feb-23	$25,625	$58,735	$478	2	955
							3,628	5,975,094

D4

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Service Costs

	Rate Class	Replacement Cost	Customers	Services Cost
1	Sch. 1- RS	$766	5,159	3,952,747
2	Sch. 2- RSAE	$766	29	22,346
3	Sch. 3- NRS	$766	938	718,786
4	Sch. 3- NRH	$766	1	766
5	Sch. 4- CS	$1,602	392	627,903
6	Sch. 4- CSH	$1,602	1	1,602
7	Sch. 5- IS	$1,602	13	21,357
8	Sch. 6- MSL			0
9	Sch. 7- POL			0
10	Sch. 8- EU		4	0
11	**Total Service Cost**		**6,538**	**5,345,508**
12				
13	Sch. 1- RS			
14	Residential Overhead	$514	75%	385
15	Residential Underground	$1,523	25%	381
16		$766	100%	766
17	Sch. 4- CS			
18	Large Commercial Overhead	$1,399	85%	1,189
19	Large Commercial Underground	$2,752	15%	413
20		$1,602	100%	1,602

D5

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Meter Costs

		Customers	Material	Installation	Other Equipment (with Installation)	Total Cost Per Meter	Total Meter Cost	
1	Sch. 1- RS	5,159	$305	$55		$360	1,857,300	60.18%
2	Sch. 2- RSAE	29	$305	$55		$360	10,500	0.34%
3	Sch. 3- NRS	938	$305	$55		$360	337,740	10.94%
4	Sch. 3- NRH	1	$305	$55		$360	360	0.01%
5	Sch. 4- CS	392	$875	$55	$784	$1,714	671,990	21.77%
6	Sch. 4- CSH	1	$875	$55	$784	$1,714	1,714	0.06%
7	Sch. 5- IS	13	$11,924			$11,924	158,987	5.15%
8	Sch. 6- MSL	0					0	0.00%
9	Sch. 7- POL	0					0	0.00%
10	Sch. 8- EU	4	$11,924			$11,924	47,696	1.55%
11		6,538					3,086,287	100.00%
12								
13	(A) Includes Meter, as well as CT, PT and other equipment if applicable							
14								

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Customer Deposits and Advances; Uncollectible Accounts

		Revenue	% Residential	% Commercial	Write-Offs	Write-Offs	Deposits
1	Sch. 1- RS	6,779,723	99.3%		17,460	87.0%	69,887
2	Sch. 2- RSAE	49,799	0.7%		128	0.6%	513
3	Sch. 3- NRS	770,904		13.4%	332	1.7%	6,802
4	Sch. 3- NRH	2,054		0.0%	1	0.0%	18
5	Sch. 4- CS	3,104,525		53.9%	1,339	6.7%	27,394
6	Sch. 4- CSH	1,536		0.0%	1	0.0%	14
7	Sch. 5- IS	1,778,551		30.9%	767	3.8%	15,694
8	Sch. 6- MSL	19,185				0.0%	
9	Sch. 7- POL	81,665		1.4%	35	0.2%	721
10	Sch. 8- EU	17,863		0.3%	8	0.0%	158
11		12,605,805	100.0%	100.0%	20,071	100.0%	121,200
12				5,757,098			

Year	Residential	Commercial
2024	10,249	7
2023	18,174	4,210
2022	17,712	81
2021	38,989	1,172
2020	10,297	13,964
2019	9,451	11
2018	34,023	1,359
2017	11,098	1,028
2016	8,299	516
	158,291	22,347
Average	17,588	2,483

	Residential	Commercial	Total
2024 Deposits	70,400	50,800	121,200
Customers	322	72	394

Wellsboro Electric Company
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
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11	E-4D	Class Allocation- Billing Customer
12	E-5A	Allocator Assignments
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Sum
Summary of Results
Tot
E-1

Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Summary of Results

Line	Account	No.	Balance	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	Distribution Revenue		6,401,996	3,370,741	24,594	498,637	676	1,522,475	1,028	880,020	13,496	81,371	8,957
2	Forfeited Discounts		31,122	27,073	199	516	1	2,076	1	1,189	0	55	12
3	Other Revenue		296,518	149,468	1,751	16,447	116	73,920	235	53,366	216	807	190
4	**Total Revenue**		6,729,636	3,547,282	26,544	515,600	794	1,598,472	1,264	934,576	13,712	82,233	9,159
5													
6	Expenses		6,554,565	3,888,535	35,071	549,279	2,051	1,284,977	3,966	759,003	7,527	16,840	7,317
7	Net income		175,071	(341,253)	(8,527)	(33,679)	(1,256)	313,495	(2,702)	175,573	6,186	65,393	1,842
8													
9	Rate Base		25,857,280	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
10													
11	Return on Rate Base		0.68%	(2.38%)	(5.94%)	(1.79%)	(13.34%)	5.49%	(14.12%)	5.03%	5.54%	47.33%	8.15%
12	*Relative*		*1.00 x*	*(3.52) x*	*(8.77) x*	*(2.64) x*	*(19.71) x*	*8.11 x*	*(20.85) x*	*7.43 x*	*8.18 x*	*69.90 x*	*12.03 x*
13	Revenue Requirement		9,629,025	5,619,174	52,736	775,982	3,253	1,947,887	6,423	1,165,324	19,762	28,537	9,946
14	*% Total*		*100.0%*	*58.4%*	*0.5%*	*8.1%*	*0.0%*	*20.2%*	*0.1%*	*12.1%*	*0.2%*	*0.3%*	*0.1%*
15	Operating expenses		4,159,626	2,556,765	22,510	371,098	1,300	752,741	2,446	438,293	3,531	6,765	4,176
16	Depreciation expense		1,939,404	1,083,370	10,658	144,200	688	428,719	1,416	260,334	2,732	4,716	2,569
17	Regulatory Commission Expenses		153,393	84,536	849	11,045	56	34,737	116	21,099	316	482	157
18	General taxes / Other		44,148	24,330	244	3,179	16	9,998	33	6,073	91	139	45
19	Uncollectibles expense		20,000	17,398	128	331	1	1,334	1	764	0	35	8
20	GRT		548,782	321,115	2,996	44,782	185	110,442	365	65,535	1,153	1,633	575
21			6,865,352	4,087,515	37,387	574,636	2,247	1,337,970	4,377	792,099	7,822	13,770	7,529
22	Pre-tax income		2,763,673	1,531,659	15,349	201,346	1,006	609,917	2,046	373,225	11,941	14,767	2,416
23	Income taxes		648,547	359,432	3,602	47,250	236	143,128	480	87,584	2,802	3,465	567
24	Net income		2,115,125	1,172,227	11,747	154,096	770	466,789	1,566	285,641	9,138	11,302	1,849
25													
26	Return on Rate Base		8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
27													
28	Revenue Increase Required		2,899,388	2,071,892	26,192	260,383	2,459	349,415	5,159	230,748	6,050	(53,695)	787
29	Revenue Increase %		45.29%	61.47%	106.50%	52.22%	363.50%	22.95%	501.84%	26.22%	44.83%	(65.99%)	8.78%

Total
Class Allocations- Total
Tot
E-1A

Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**I. ELECTRIC PLANT IN SERVICE**													
2	INTANGIBLE PLANT													
3	EDI Software	303	284,588	.	224,575	1,270	40,838	44	17,064	44	580	0	0	174
4	Total INTANGIBLE Plant		284,588	.	224,575	1,270	40,838	44	17,064	44	580	0	0	174
5														
6	**C. TRANSMISSION PLANT**													
7	Transmission Plant	361	0	.	0	0	0	0	0	0	0	0	0	0
8	Total TRANSMISSION Plant	350-359	0	.	0	0	0	0	0	0	0	0	0	0
9														
10	**D. DISTRIBUTION PLANT**													
11	Land & Land Rights	360	178,334	.	81,941	1,096	7,527	78	47,673	162	39,258	120	369	110
12	Structures and improvements	361	0	.	0	0	0	0	0	0	0	0	0	0
13	Station Equipment	362	3,992,800	.	1,834,608	24,545	168,528	1,753	1,067,372	3,629	878,966	2,682	8,255	2,462
14	Poles, Tower & Fixtures	364	14,933,172	.	7,499,446	90,771	800,278	6,223	3,737,105	12,627	2,740,757	9,153	28,174	8,637
15	OH Conductors & Devices	365	6,804,947	.	3,401,508	41,635	357,577	2,868	1,725,404	5,834	1,248,945	4,239	13,049	3,887
16	UG Conduits and Conductors	366	1,038,449	.	567,115	6,605	63,532	445	265,660	895	131,107	643	1,980	466
17	Line Transformers	368	3,365,587	.	2,063,802	11,667	375,291	1,293	897,472	3,221	0	2,756	8,485	1,600
18	Services	369	2,486,089	.	1,838,344	10,393	334,293	356	292,025	745	9,933	0	0	0
19	Meters	370	1,041,481	.	626,754	3,543	113,972	121	226,766	578	53,651	0	0	16,095
20	Install. Customers' premises	371	519,618	.	410,043	2,318	74,564	79	31,156	79	1,060	0	0	318
21	Street Lighting & Signal	373	125,272	.	0	0	0	0	0	0	0	62,636	62,636	0
22	Total DISTRIBUTION Plant	360-373	34,485,748	.	18,323,559	192,574	2,295,562	13,218	8,290,633	27,772	5,103,676	82,230	122,948	33,575
23														
24	**E. GENERAL PLANT**													
25	General Plant	389	9,778,618	.	6,062,712	52,552	889,585	2,988	1,739,095	5,616	989,128	8,965	16,219	11,760
26	Communication Equip	398	117,901	.	73,098	634	10,726	36	20,968	68	11,926	108	196	142
27	Total GENERAL Plant	389-399	9,896,519	.	6,135,810	53,185	900,311	3,024	1,760,063	5,684	1,001,054	9,073	16,415	11,901
28														
29	**TOTAL UTILITY PLANT**		44,666,856	.	24,683,945	247,029	3,236,711	16,285	10,067,760	33,500	6,105,310	91,302	139,363	45,651
30														

Total
Class Allocations- Total
Tot
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	**II. DEPRECIATION RESERVE**													
32	Intangible Plant		284,588	.	224,575	1,270	40,838	44	17,064	44	580	0	0	174
33	Transmission Plant		0	.	0	0	0	0	0	0	0	0	0	0
34	Structures and improvements		0	.	0	0	0	0	0	0	0	0	0	0
35	Station Equipment		3,892,596	.	1,788,566	23,929	164,299	1,709	1,040,585	3,538	856,908	2,614	8,048	2,400
36	Poles, Towers and Fixtures		5,102,743	.	2,562,600	31,017	273,459	2,126	1,276,988	4,315	936,531	3,128	9,627	2,951
37	OH Conductors and Devices		2,322,844	.	1,161,092	14,212	122,058	979	588,960	1,992	426,323	1,447	4,454	1,327
38	UG Conduits and Conductors		779,669	.	425,791	4,959	47,700	334	199,458	672	98,436	483	1,486	350
39	Line Transformers		1,697,284	.	1,040,787	5,884	189,261	652	452,600	1,624	0	1,390	4,279	807
40	Services		1,472,321	.	1,088,711	6,155	197,976	211	172,944	441	5,882	0	0	0
41	Meters		787,559	.	473,946	2,679	86,185	92	171,478	437	40,570	0	0	12,171
42	Install. Customers' premises		115,728	.	91,324	516	16,607	18	6,939	18	236	0	0	71
43	Street Lighting & Signal		(63,042)	.	0	0	0	0	0	0	0	(31,521)	(31,521)	0
44	General Plant		2,928,774	.	1,815,830	15,740	266,438	895	520,873	1,682	296,252	2,685	4,858	3,522
45	Total DEPRECIATION RESE	108	19,321,064	.	10,673,222	106,361	1,404,820	7,060	4,447,890	14,763	2,661,718	(19,774)	1,231	23,773
46														
47	**III. OTHER RATE BASE ITEMS**													
48	Cash Working Capital	131	517,744	.	317,740	2,807	45,717	162	94,148	306	54,937	501	910	516
49	CWIP	131	0	.	0	0	0	0	0	0	0	0	0	0
50	Materials & Supplies	255	247,983	.	148,411	1,286	21,786	77	48,975	158	26,080	238	441	531
51	Customer Deposits		(195,713)	.	(112,853)	(829)	(10,984)	(29)	(44,236)	(22)	(25,342)	0	(1,164)	(255)
52	ADIT	154	(38,728)	.	(21,343)	(214)	(2,789)	(14)	(8,770)	(29)	(5,327)	(80)	(122)	(40)
53	Accrued Pension / OPEB	182	(19,798)	.	(12,274)	(106)	(1,801)	(6)	(3,521)	(11)	(2,003)	(18)	(33)	(24)
54	Total OTHER RATE BASE	131-283	511,488	.	319,681	2,943	51,929	190	86,596	402	48,346	641	34	729
55														
56	**TOTAL RATE BASE**		25,857,280	.	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
57														

Total
Class Allocations- Total
Tot
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
58	**I. OPERATING AND MAINTENANCE EXPENSES**													
59	**B. TRANSMISSION EXPENSE**													
60	Transmission Expense		0	.	0	0	0	0	0	0	0	0	0	0
61	Total TRANSMISSION Expe		0		0	0	0	0	0	0	0	0	0	0
62														
63	**C. DISTRIBUTION EXPENSE**													
64	Ops Supv & Engineering	580	0	.	0	0	0	0	0	0	0	0	0	0
65	Station Expenses	582	0	.	0	0	0	0	0	0	0	0	0	0
66	OH Line Expenses	583	6,020	.	3,009	37	316	3	1,526	5	1,105	4	12	3
67	Street Lighting Expenses	585	267	.	0	0	0	0	0	0	0	134	134	0
68	Meter Expenses	586	39,903	.	24,013	136	4,367	5	8,688	22	2,056	0	0	617
69	Customer Install. expense	587	267	.	211	1	38	0	16	0	1	0	0	0
70	Misc. Distribution Expenses	588	285,688	.	146,787	1,813	15,239	125	75,535	256	45,033	186	573	141
71	Rents	589	35,300	.	19,508	206	2,429	13	7,836	26	5,181	18	56	26
72	Maint Supv & Engineering	590	101,784	.	51,062	624	5,381	43	26,073	88	18,012	152	285	63
73	Maint of Station Equip	592	18,557	.	8,527	114	783	8	4,961	17	4,085	12	38	11
74	Maint of OH Lines	593	985,327	.	492,524	6,029	51,776	415	249,831	845	180,842	614	1,889	563
75	Maint of UG Lines	594	40,313	.	22,016	256	2,466	17	10,313	35	5,090	25	77	18
76	Maint of Line Transformers	595	8,064	.	4,945	28	899	3	2,150	8	0	7	20	4
77	Maint of Lighting	596	942	.	0	0	0	0	0	0	0	471	471	0
78	Maint of Misc. Plant	599	80,194	.	43,828	466	5,430	30	18,083	60	11,791	182	268	56
79	Total DISTR. O&M EXP.	500-599	1,602,629	.	816,430	9,710	89,126	663	405,012	1,361	273,196	1,805	3,823	1,502
80	Distribution Expense		1,602,629		816,430	9,710	89,126	663	405,012	1,361	273,196	1,805	3,823	1,502
81	**D. CUSTOMER ACCOUNTS AND SERVICE**													
82	Supervision	901	0	.	0	0	0	0	0	0	0	0	0	0
83	Meter Reading Exp	902	16,544	.	9,956	56	1,810	2	3,602	9	852	0	0	256
84	Customer Records & Coll	903	1,047,510	.	826,616	4,673	150,316	160	62,807	160	2,136	0	0	641
85	Uncollectible Accounts	904	20,000	.	17,398	128	331	1	1,334	1	764	0	35	8
86	Subtotal - Cust. Accts. Exp.	901-905	1,084,054	.	853,970	4,857	152,457	163	67,744	170	3,753	0	35	904
87														
88	Customer Assistance	908	9,737	.	7,684	43	1,397	1	584	1	20	0	0	6
89	OPEN	916	0	.	0	0	0	0	0	0	0	0	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	9,737	.	7,684	43	1,397	1	584	1	20	0	0	6
91	Total CUST. ACCT. & SERV	901-919	1,093,791	.	861,654	4,901	153,855	165	68,328	172	3,773	0	35	910
92														

Total
Class Allocations- Total
Tot
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
93	**E. ADMINISTRATIVE AND GENERAL**													
94	Admin. & Gen'l. Salaries	920	911,229	.	564,959	4,897	82,897	278	162,059	523	92,173	835	1,511	1,096
95	Office Supplies & Expenses	921	109,710	.	68,020	590	9,981	34	19,512	63	11,097	101	182	132
96	Outside Services Employed	923	154,525	.	89,934	845	12,434	52	31,839	105	18,524	225	369	198
97	Property Insurance	924	61,410	.	33,843	340	4,422	22	13,907	46	8,447	126	193	63
98	Employee Pensions & Benefits	926	0	.	0	0	0	0	0	0	0	0	0	0
99	Regulatory Comm. Expense	928	153,393	.	85,012	852	11,175	56	33,852	114	20,715	663	820	134
100	Misc. General Expense	930	110,581	.	64,358	605	8,898	37	22,784	75	13,256	161	264	142
101	Rents	931	2,200	.	1,364	12	200	1	391	1	223	2	4	3
102	Maint General Property	932	133,551	.	73,601	740	9,617	49	30,244	101	18,370	275	419	137
103	Total A&G Expense	920-932	1,636,599	.	981,092	8,880	139,624	530	314,588	1,028	182,805	2,388	3,761	1,905
104														
105	TOTAL OPERATING EXPE		4,333,019	.	2,659,175	23,490	382,605	1,357	787,927	2,561	459,773	4,193	7,620	4,317
106														
107	**II. DEPRECIATION EXPENSE**													
108	Intangible Plant		0	.	0	0	0	0	0	0	0	0	0	0
109	Station Equipment		252,375	.	115,961	1,551	10,652	111	67,466	229	55,557	170	522	156
110	Poles, Towers and Fixtures		509,675	.	255,959	3,098	27,314	212	127,549	431	93,543	312	962	295
111	OH Conductors and Devices		263,041	.	131,483	1,609	13,822	111	66,694	226	48,277	164	504	150
112	UG Conduits and Conductors		44,951	.	24,548	286	2,750	19	11,500	39	5,675	28	86	20
113	Line Transformers		116,555	.	71,472	404	12,997	45	31,081	112	0	95	294	55
114	Services		95,347	.	70,505	399	12,821	14	11,200	29	381	0	0	0
115	Meters		79,809	.	48,028	272	8,734	9	17,377	44	4,111	0	0	1,233
116	Install. Customers' premises		53,884	.	42,521	240	7,732	8	3,231	8	110	0	0	33
117	Street Lighting & Signal		2,971	.	0	0	0	0	0	0	0	1,485	1,485	0
118	General Plant		520,797	.	322,892	2,799	47,378	159	92,622	299	52,680	477	864	626
119	Total DEPRECIATION Exp.	403	1,939,404	.	1,083,370	10,658	144,200	688	428,719	1,416	260,334	2,732	4,716	2,569
120														
121	**III. TAXES and OTHER**													
122	**A. GENERAL TAXES**													
123	Payroll related	408	0	.	0	0	0	0	0	0	0	0	0	0
124	PURTA, Real estate	408.16	43,311	.	23,869	240	3,119	16	9,808	33	5,957	89	136	44
125	Capital stock		0	.	0	0	0	0	0	0	0	0	0	0
126	Other	408	837	.	461	5	60	0	190	1	115	2	3	1
127	Subtotal - General Taxes		44,148	.	24,330	244	3,179	16	9,998	33	6,073	91	139	45
128														
129	**B. GROSS RECEIPTS TAX**													
130	Gross Receipts tax		377,718	.	198,874	1,451	29,420	40	89,826	61	51,921	796	4,801	528
131	Subtotal- Gross Receipts tax		377,718	.	198,874	1,451	29,420	40	89,826	61	51,921	796	4,801	528
132														

Total
Class Allocations- Total
Tot
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
133	**B. FEDERAL / STATE INCOME TAXES**													
134	State Income Tax Expense		(86,033)	.	(47,544)	(476)	(6,234)	(31)	(19,392)	(65)	(11,760)	(176)	(268)	(88)
135	Federal Income Tax Expense		(53,690)	.	(29,670)	(297)	(3,891)	(20)	(12,101)	(40)	(7,339)	(110)	(168)	(55)
136	Subtotal - Fed / State Inc Tax	409-411	(139,723)	.	(77,214)	(773)	(10,125)	(51)	(31,493)	(105)	(19,098)	(286)	(436)	(143)
137	Total TAXES	408-411	282,143	.	145,990	923	22,474	5	68,331	(11)	38,896	602	4,504	431
138														
139	**TOTAL EXPENSES**		6,554,565	.	3,888,535	35,071	549,279	2,051	1,284,977	3,966	759,003	7,527	16,840	7,317
140														
141	**IV. OPERATING REVENUES at Present Rates**													
142	Distribution Revenue		6,401,996	.	3,370,741	24,594	498,637	676	1,522,475	1,028	880,020	13,496	81,371	8,957
143	Forfeited Discounts		31,122	.	27,073	199	516	1	2,076	1	1,189	0	55	12
144	Rent For Electric Property		273,619	.	137,412	1,663	14,663	114	68,475	231	50,219	168	516	158
145	Other Electric Revenues		22,899	.	12,057	88	1,784	2	5,446	4	3,148	48	291	32
146	Total REVENUES		6,729,636	.	3,547,282	26,544	515,600	794	1,598,472	1,264	934,576	13,712	82,233	9,159
147														
148	TOTAL EXPENSES		6,554,565	.	3,888,535	35,071	549,279	2,051	1,284,977	3,966	759,003	7,527	16,840	7,317
149	**V. NET INCOME at Present Rates**		175,071	.	(341,253)	(8,527)	(33,679)	(1,256)	313,495	(2,702)	175,573	6,186	65,393	1,842
150														
151	**SUMMARY REPORT**													
152	OPERATING REVENUES													
153	Utility Revenues	440-446	6,433,118	.	3,397,814	24,793	499,153	678	1,524,552	1,029	881,210	13,496	81,425	8,969
154	Other Operating Revenues	450-456	296,518	.	149,468	1,751	16,447	116	73,920	235	53,366	216	807	190
155	Total Operating Revenues		6,729,636	.	3,547,282	26,544	515,600	794	1,598,472	1,264	934,576	13,712	82,233	9,159
156														
157	OPERATING EXPENSES													
158	Distribution / Transmission	580-599	1,602,629	.	816,430	9,710	89,126	663	405,012	1,361	273,196	1,805	3,823	1,502
159	Customer Acctg & Service	901-919	1,093,791	.	861,654	4,901	153,855	165	68,328	172	3,773	0	35	910
160	Admin & General	920-932	1,636,599	.	981,092	8,880	139,624	530	314,588	1,028	182,805	2,388	3,761	1,905
161	Total Operating Expenses		4,333,019	.	2,659,175	23,490	382,605	1,357	787,927	2,561	459,773	4,193	7,620	4,317
162														
163	Depreciation Expense	403	1,939,404	.	1,083,370	10,658	144,200	688	428,719	1,416	260,334	2,732	4,716	2,569
164	Taxes Other Than Income	408	421,866	.	223,204	1,696	32,599	56	99,824	94	57,994	887	4,939	574
165	INCOME BEFORE INCOME		35,348	.	(418,467)	(9,300)	(43,804)	(1,307)	282,002	(2,807)	156,475	5,900	64,957	1,699
166	Income Taxes	409-411	(139,723)	.	(77,214)	(773)	(10,125)	(51)	(31,493)	(105)	(19,098)	(286)	(436)	(143)
167	**NET INCOME**		175,071	.	(341,253)	(8,527)	(33,679)	(1,256)	313,495	(2,702)	175,573	6,186	65,393	1,842
168														
169	**RATE BASE**		25,857,280	.	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
170	Return on Rate Base		0.68%											
171														

Total
Class Allocations- Total
Tot
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocations- Total

Line	Account	No.	Balance		RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
172	**REVENUE REQUIREMENTS**													
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%
174														
175	Rate Base		25,857,280	.	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
176														
177	Operating expenses		4,159,626	.	2,556,765	22,510	371,098	1,300	752,741	2,446	438,293	3,531	6,765	4,176
178	Uncollectibles expense		20,000	.	17,398	128	331	1	1,334	1	764	0	35	8
179	Depreciation expense		1,939,404	.	1,083,370	10,658	144,200	688	428,719	1,416	260,334	2,732	4,716	2,569
180	Regulatory Commission Expenses		153,393	.	84,536	849	11,045	56	34,737	116	21,099	316	482	157
181	General taxes / Other		44,148	.	24,330	244	3,179	16	9,998	33	6,073	91	139	45
182	Subtotal- Operating Costs to recover		6,316,570	.	3,766,400	34,390	529,854	2,062	1,227,528	4,012	726,564	6,669	12,137	6,955
183														
184	Target Return on Rate Base- After tax		2,115,125		1,172,227	11,747	154,096	770	466,789	1,566	285,641	9,138	11,302	1,849
185														
186	Income taxes to recover		648,547	.	359,432	3,602	47,250	236	143,128	480	87,584	2,802	3,465	567
187														
188	Subtotal- Rev Req before GRT		9,080,243	.	5,298,059	49,740	731,200	3,068	1,837,446	6,058	1,099,788	18,609	26,904	9,371
189	GRT needed		548,782	.	321,115	2,996	44,782	185	110,442	365	65,535	1,153	1,633	575
190	**TOTAL REVENUE REQUIREMEN**		9,629,025	.	5,619,174	52,736	775,982	3,253	1,947,887	6,423	1,165,324	19,762	28,537	9,946
191														
192	Revenue at Present rates		6,729,636		3,547,282	26,544	515,600	794	1,598,472	1,264	934,576	13,712	82,233	9,159
193	Revenue Excess (Deficiency)		(2,899,388)		(2,071,892)	(26,192)	(260,383)	(2,459)	(349,415)	(5,159)	(230,748)	(6,050)	53,695	(787)
194														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
TOTAL REVENUE REQUIREMENT

	Account Description	Total Dollars	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**Demand-related**											
2	Primary	5,203,351	2,390,780	31,988	219,596	2,285	1,391,004	4,730	1,145,517	3,494	10,749	3,208
3	Secondary	630,468	321,616	4,303	29,541	408	270,478	954	(13)	780	2,401	(0)
4		5,833,819	2,712,396	36,291	249,137	2,693	1,661,482	5,684	1,145,504	4,274	13,150	3,208
5	NCP-Primary	20,036	9,206	123	846	9	5,356	18	4,411	13	41	12
6	Per kW / month-Demand	24.26	24.55	24.55	24.55	25.51	25.85	26.01	21.64	26.47	26.46	21.64
7												
8	kWh-Meter	105,861,774	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	26,746,293	0	0	102,572
9	Per kWh-Meter	$0.05511	$0.06053	$0.09123	$0.05265	$0.43039	$0.05718	$0.78770	$0.04283	#DIV/0!	#DIV/0!	$0.03127
10												
11	**Customer-related**											
12	Secondary	1,177,355	893,250	5,050	162,436	173	83,718	214	1,012	15,480	15,479	544
13	Billing	2,617,851	2,013,528	11,395	364,410	388	202,688	525	18,807	8	(92)	6,194
14		3,795,205	2,906,778	16,445	526,845	561	286,406	739	19,819	15,489	15,387	6,738
15	Number of Bills	78,454	61,910	350	11,258	12	4,704	12	160	0	0	48
16	Per bill	$48.37	$46.95	$46.98	$46.80	$46.72	$60.89	$61.58	$123.87	-	-	$140.37
17												
18	Total revenue requirement	9,629,025	5,619,174	52,736	775,982	3,253	1,947,887	6,423	1,165,324	19,762	28,537	9,946
19												
20	**Demand-related**											
21	Primary	$21.64	$21.64	$21.64	$21.64	$21.64	$21.64	$21.64	$21.64	$21.64	$21.63	$21.64
22	Secondary	$2.62	$2.91	$2.91	$2.91	$3.86	$4.21	$4.36	($0.00)	$4.83	$4.83	($0.00)
23		$24.26	$24.55	$24.55	$24.55	$25.51	$25.85	$26.01	$21.64	$26.47	$26.46	$21.64

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
TOTAL REVENUE REQUIREMENT

	Account Description		Total Dollars	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	Services, cost	Acct 369	2,486,089	1,838,344	10,393	334,293	356	292,025	745	9,933	0	0	0
2	Services, Acc Depr	Portion Acct 108	(1,472,321)	(1,088,711)	(6,155)	(197,976)	(211)	(172,944)	(441)	(5,882)	0	0	0
3	Meters, cost	Acct 370	1,041,481	626,754	3,543	113,972	121	226,766	578	53,651	0	0	16,095
4	Meters, Acc Depr	Portion Acct 108	(787,559)	(473,946)	(2,679)	(86,185)	(92)	(171,478)	(437)	(40,570)	0	0	(12,171)
5	ADIT- Service / Meter	Portion Acct 154	(4,068)	(2,871)	(16)	(545)	(1)	(549)	(1)	(66)	0	0	(19)
6	Service / Meter-Related Rate Base		1,263,622	899,569	5,086	163,559	174	173,820	443	17,065	0	0	3,905
7	Rate of return on rate base		8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%	8.18%
8	Return on Service / Meter rate base		103,364	73,585	416	13,379	14	14,218	36	1,396	0	0	319
9	Income tax gross-up		31,694	22,563	128	4,102	4	4,360	11	428	0	0	98
10	GRT gross-up		8,186	5,828	33	1,071	1	1,117	3	109	0	0	26
11	Customer-charge return component		143,244	101,975	576	18,552	20	19,695	50	1,933	0	0	443
12													
13	Meter expenses	Acct 586	39,903	24,013	136	4,367	5	8,688	22	2,056	0	0	617
14	Meter reading expenses	Acct 902	16,544	9,956	56	1,810	2	3,602	9	852	0	0	256
15	Service / Meter / EDI depr / amc	Portion Acct 403	175,156	118,533	670	21,555	23	28,577	73	4,492	0	0	1,233
16	Customer records and collection	Acct 903	1,047,510	826,616	4,673	150,316	160	62,807	160	2,136	0	0	641
17	Customer assistance	Acct 908	9,737	7,684	43	1,397	1	584	1	20	0	0	6
18	Employee benefits, taxes		0	0	0	0	0	0	0	0	0	0	0
19	Customer-charge expense component		1,288,851	986,802	5,579	179,445	191	104,259	266	9,556	0	0	2,753
20													
21	Customer-charge expense component		1,432,095	1,088,778	6,155	197,997	211	123,953	316	11,489	0	0	3,196
22													
23	Number of Bills		78,454	61,910	350	11,258	12	4,704	12	160	0	0	48
24													
25	**Customer-charge Components**		**$18.25**	**$17.59**	**$17.59**	**$17.59**	**$17.59**	**$26.35**	**$26.35**	**$71.80**	**-**	**-**	**$66.57**
26													
27	Distribution Plant in Service- Cost		34,485,748	18,323,559	192,574	2,295,562	13,218	8,290,633	27,772	5,103,676	82,230	122,948	33,575
28	Services / Meters % of Distribution Plant		10.2%	13.5%	7.2%	19.5%	3.6%	6.3%	4.8%	1.2%	0.0%	0.0%	47.9%
29	ADIT		(38,728)	(21,343)	(214)	(2,789)	(14)	(8,770)	(29)	(5,327)	(80)	(122)	(40)
30													
31	Income tax gross-up		30.66%	30.66%	30.66%	30.66%	30.66%	30.66%	30.66%	30.66%	30.66%	30.66%	30.66%
32	GRT gross-up		6.04%	6.06%	6.02%	6.12%	6.03%	6.01%	6.03%	5.96%	6.20%	6.07%	6.13%

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Funtionalization

Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
1	**I. ELECTRIC PLANT IN SERVICE**									
2	INTANGIBLE PLANT									
3	EDI Software	303	284,588	Bill	0	0	284,588	-		
4	Total INTANGIBLE Plant		284,588		0	0	284,588	-		
5										
6	**C. TRANSMISSION PLANT**							-		
7	Transmission Plant	361	0	Tran	0	0	0	-		
8	Total TRANSMISSION Plant	350-359	0		0	0	0	-		
9										
10	**D. DISTRIBUTION PLANT**									
11	Land & Land Rights	360	178,334	Prim	178,334	0	0	-		
12	Structures and improvements	361	0	Prim	0	0	0	-		
13	Station Equipment	362	3,992,800	Prim	3,992,800	0	0	-		
14	Poles, Tower & Fixtures	364	14,933,172	OH_Cond	12,450,184	2,482,988	0	-		
15	OH Conductors & Devices	365	6,804,947	OH_Cond	5,673,466	1,131,481	0	-		
16	UG Conduits and Conductors	366	1,038,449	UG_Cond	595,569	442,880	0	-		
17	Line Transformers	368	3,365,587	Trans	0	3,365,587	0	-		
18	Services	369	2,486,089	Sec	0	2,486,089	0	-		
19	Meters	370	1,041,481	Bill	0	0	1,041,481	-		
20	Install. Customers' premises	371	519,618	Bill	0	0	519,618	-		
21	Street Lighting & Signal	373	125,272	Sec	0	125,272	0	-		
22	Total DISTRIBUTION Plant	360-373	34,485,748		22,890,353	10,034,297	1,561,098	-		
23										
24	**E. GENERAL PLANT**									
25	General Plant	389	9,778,618	Labor	4,360,516	1,214,242	4,203,861	-		
26	Communication Equip	398	117,901	Labor	52,575	14,640	50,686	-		
27	Total GENERAL Plant	389-399	9,896,519		4,413,091	1,228,882	4,254,547	-		
28										
29	**TOTAL UTILITY PLANT**		44,666,856		27,303,444	11,263,179	6,100,233	-		
30										

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Wellsboro Electric Company
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Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
31	**II. DEPRECIATION RESERVE**									
32	Intangible Plant		284,588	IntanPt	0	0	284,588	-		
33	Transmission Plant		0	TranPt	0	0	0	-		
34	Structures and improvements		0	Prim	0	0	0	-		
35	Station Equipment		3,892,596	Prim	3,892,596	0	0	-		
36	Poles, Towers and Fixtures		5,102,743	OH_Cond	4,254,293	848,450	0	-		
37	OH Conductors and Devices		2,322,844	OH_Cond	1,936,617	386,227	0	-		
38	UG Conduits and Conductors		779,669	UG_Cond	447,154	332,515	0	-		
39	Line Transformers		1,697,284	Trans	0	1,697,284	0	-		
40	Services		1,472,321	Sec	0	1,472,321	0	-		
41	Meters		787,559	Bill	0	0	787,559	-		
42	Install. Customers' premises		115,728	Bill	0	0	115,728	-		
43	Street Lighting & Signal		(63,042)	Sec	0	(63,042)	0	-		
44	General Plant		2,928,774	GenPtxL	1,306,009	363,675	1,259,090	-		
45	Total DEPRECIATION RESE	108	19,321,064		11,836,669	5,037,430	2,446,965	-		
46										
47	**III. OTHER RATE BASE ITEMS**									
48	Cash Working Capital	131	517,744	OpExp_Dist	232,758	65,985	219,001	-		
49	CWIP	131	0	Plant	0	0	0	-		
50	Materials & Supplies	255	247,983	OpExp_Dist	111,484	31,605	104,895	-		
51	Customer Deposits		(195,713)	Bill	0	0	(195,713)	-		
52	ADIT	154	(38,728)	Plant	(23,825)	(9,828)	(5,075)	-		
53	Accrued Pension / OPEB	182	(19,798)	Labor	(8,828)	(2,458)	(8,511)	-		
54	Total OTHER RATE BASE	131-283	511,488		311,588	85,303	114,597	-		
55										
56	**TOTAL RATE BASE**		25,857,280		15,778,363	6,311,053	3,767,865	-		
57			25,857,280							

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Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
58	**I. OPERATING AND MAINTENANCE EXPENSES**									
59	**B. TRANSMISSION EXPENSE**									
60	Transmission Expense		0	Tran	0	0	0	-	0	0
61	Total TRANSMISSION Expense		0		0	0	0			
62										
63	**C. DISTRIBUTION EXPENSE**									
64	Ops Supv & Engineering	580	0	D-Labor-Op	0	0	0	-	0	0.0%
65	Station Expenses	582	0	Prim	0	0	0	-	0	0.0%
66	OH Line Expenses	583	6,020	OH_Cond	5,019	1,001	0	-	4,098	68.1%
67	Street Lighting Expenses	585	267	Sec	0	267	0	-	182	68.2%
68	Meter Expenses	586	39,903	Bill	0	0	39,903	-	26,981	67.6%
69	Customer Install. expense	587	267	Bill	0	0	267	-	182	68.2%
70	Misc. Distribution Expenses	588	285,688	OH_UG	204,569	81,120	0	-	140,466	49.2%
71	Rents	589	35,300	DistPt	23,431	10,271	1,598	-	0	0.0%
72	Maint Supv & Engineering	590	101,784	D-Labor-Mnt	81,705	19,585	494	-	42,663	41.9%
73	Maint of Station Equip	592	18,557	Prim	18,557	0	0	-	1,924	10.4%
74	Maint of OH Lines	593	985,327	OH_Cond	821,493	163,834	0	-	289,584	29.4%
75	Maint of UG Lines	594	40,313	UG_Cond	23,120	17,193	0	-	4,638	11.5%
76	Maint of Line Transformers	595	8,064	Trans	0	8,064	0	-	3,447	42.7%
77	Maint of Lighting	596	942	Sec	0	942	0	-	641	68.1%
78	Maint of Misc. Plant	599	80,194	DistPt	53,230	23,334	3,630	-	36,073	45.0%
79	Total DISTR. O&M EXP.	500-599	1,602,629		1,231,124	325,612	45,893	-	550,882	
80	Distribution Expense		1,602,629		1,231,124	325,612	45,893	-		
81	**D. CUSTOMER ACCOUNTS AND SERVICE**									
82	Supervision	901	0	None	0	0	0	-	0	0.0%
83	Meter Reading Exp	902	16,544	Bill	0	0	16,544	-	11,261	68.1%
84	Customer Records & Coll	903	1,047,510	Bill	0	0	1,047,510	-	353,116	33.7%
85	Uncollectible Accounts	904	20,000	Bill	0	0	20,000	-	0	0.0%
86	Subtotal - Cust. Accts. Exp.	901-905	1,084,054		0	0	1,084,054	-	364,377	
87										
88	Customer Assistance	908	9,737	Bill	0	0	9,737	-	161	1.7%
89	OPEN	916	0	None	0	0	0	-	0	0.0%
90	Subtotal - Cust. Svce. & Info.	908-916	9,737		0	0	9,737	-	161	
91	Total CUST. ACCT. & SERV.	901-919	1,093,791		0	0	1,093,791	-	364,538	
92									915,420	

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Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
93	**E. ADMINISTRATIVE AND GENERAL**									
94	Admin. & Gen'l. Salaries	920	911,229	Labor	406,339	113,150	391,740	-		
95	Office Supplies & Expenses	921	109,710	Labor	48,922	13,623	47,165	-		
96	Outside Services Employed	923	154,525	Labor_Pt	81,984	29,201	43,340	-		
97	Property Insurance	924	61,410	Plant	37,779	15,584	8,047	-		
98	Employee Pensions & Benefits	926	0	Labor	0	0	0	-		
99	Regulatory Comm. Expense	928	153,393	Bill	0	0	153,393	-		
100	Misc. General Expense	930	110,581	Labor_Pt	58,669	20,897	31,014	-		
101	Rents	931	2,200	Labor	981	273	946	-		
102	Maint General Property	932	133,551	Plant	82,159	33,892	17,500	-		
103	Total A&G Expense	920-932	1,636,599		716,833	226,621	693,144	-		
104										
105	TOTAL OPERATING EXPENSES		4,333,019		1,947,957	552,233	1,832,829	-		
106										
107	**II. DEPRECIATION EXPENSE**									
108	Intangible Plant		0	IntanPt	0	0	0	-		
109	Station Equipment		252,375	Prim	252,375	0	0	-		
110	Poles, Towers and Fixtures		509,675	OH_Cond	424,929	84,745	0	-		
111	OH Conductors and Devices		263,041	OH_Cond	219,304	43,737	0	-		
112	UG Conduits and Conductors		44,951	UG_Cond	25,780	19,171	0	-		
113	Line Transformers		116,555	Trans	0	116,555	0	-		
114	Services		95,347	Sec	0	95,347	0	-		
115	Meters		79,809	Bill	0	0	79,809	-		
116	Install. Customers' premises		53,884	Bill	0	0	53,884	-		
117	Street Lighting & Signal		2,971	Sec	0	2,971	0	-		
118	General Plant		520,797	GenPtxL	232,236	64,669	223,892	-		
119	Total DEPRECIATION Exp.	403	1,939,404		1,154,624	427,194	357,586	-		
120										
121	**III. TAXES and OTHER**									
122	**A. GENERAL TAXES**									
123	Payroll related	408.3	0	None	0	0	0	-		
124	PURTA, Real estate	408.16	43,311	Plant	26,644	10,991	5,675	-		
125	Capital stock		0	RateBase	0	0	0	-		
126	Other	408.1	837	Plant	515	212	110	-		
127	Subtotal - General Taxes		44,148		27,159	11,204	5,785	-		
128										
129	**B. GROSS RECEIPTS TAX**									
130	Gross Receipts tax		377,718	GRT_RevxT	198,268	69,393	110,058	-		
131	Subtotal- Gross Receipts tax		377,718		198,268	69,393	110,058	-		
132										

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Wellsboro Electric Company
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Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
133	**B. FEDERAL / STATE INCOME TAXES**									
134	State Income Tax Expense		(86,033)	StaTax	(53,985)	(32,048)	0	-		
135	Federal Income Tax Expense		(53,690)	FedTax	(33,690)	(20,000)	0	-		
136	Subtotal - Fed / State Inc Tax	409-411	(139,723)		(87,675)	(52,048)	0	-		
137	Total TAXES	408-411	282,143		137,752	28,548	115,842	-		
138										
139	**TOTAL EXPENSES**		6,554,565		3,240,333	1,007,975	2,306,257	-		
140										
141	**IV. OPERATING REVENUES at Present Rates**									
142	Distribution Revenue		6,401,996	DistBill_RR-PF	3,376,804	1,181,864	1,843,328	-		
143	Forfeited Discounts		31,122	Bill	0	0	31,122	-		
144	Rent For Electric Property		273,619	OH_Cond	228,123	45,496	0	-		
145	Other Electric Revenues		22,899	DistBill_RR-PF	12,078	4,227	6,593	-		
146	Total REVENUES		6,729,636		3,617,006	1,231,587	1,881,044	-		
147										
148	TOTAL EXPENSES		6,554,565		3,240,333	1,007,975	2,306,257	-		
149	**V. NET INCOME at Present Rates**		175,071		376,672	223,612	(425,213)	-		
150			175,071							
151	**SUMMARY REPORT**									
152	OPERATING REVENUES									
153	Utility Revenues	440-446	6,433,118		3,376,804	1,181,864	1,874,450	-		
154	Other Operating Revenues	450-456	296,518		240,202	49,723	6,593	-		
155	Total Operating Revenues		6,729,636		3,617,006	1,231,587	1,881,044	-		
156										
157	OPERATING EXPENSES									
158	Distribution / Transmission	580-599	1,602,629		1,231,124	325,612	45,893	-		
159	Customer Acctg & Service	901-919	1,093,791		0	0	1,093,791	-		
160	Admin & General	920-932	1,636,599		716,833	226,621	693,144	-		
161	Total Operating Expenses		4,333,019		1,947,957	552,233	1,832,829	-		
162										
163	Depreciation Expense	403	1,939,404		1,154,624	427,194	357,586	-		
164	Taxes Other Than Income	408	421,866		225,427	80,596	115,842	-		
165	INCOME BEFORE INCOME TAXES		35,348		288,998	171,564	(425,213)	-		
166	Income Taxes	409-411	(139,723)		(87,675)	(52,048)	0	-		
167	**NET INCOME**		175,071		376,672	223,612	(425,213)	-		
168										
169	**RATE BASE**		25,857,280		15,778,363	6,311,053	3,767,865	-		
170	Return on Rate Base		0.7%		2.4%	3.5%	(11.3%)			
171										

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Wellsboro Electric Company
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Line	Account	No.	Balance	Allocator	Primary	Secondary	Billing		Labor Cost	Labor %
					4	5	6			
172	**REVENUE REQUIREMENTS**									
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%			
174										
175	Rate Base		25,857,280		15,778,363	6,311,053	3,767,865	-		
176								-		
177	Operating expenses		4,159,626		1,947,957	552,233	1,659,436	-		
178	Uncollectibles expense		20,000	BILL	0	0	20,000	-		
179	Depreciation expense		1,939,404		1,154,624	427,194	357,586	-		
180	Regulatory Commission Expenses		153,393	Plant	94,365	38,927	20,100	-		
181	General taxes / Other		44,148		27,159	11,204	5,785	-		
182	Subtotal- Operating Costs to recover		6,316,570		3,224,106	1,029,558	2,062,907	-		
183										
184	Target Return on Rate Base- After tax		2,115,125		1,290,670	516,244	308,211	-		
185										
186	Income taxes to recover		648,547	30.66%	395,750	158,293	94,505	-		
187				23.47%						
188	Subtotal- Rev Req before GRT		9,080,243		4,910,526	1,704,095	2,465,623	-		
189	GRT needed		548,782	6.27%	292,826	103,728	152,228	-		
190	**TOTAL REVENUE REQUIREMENT**		9,629,025		5,203,351	1,807,823	2,617,851	-		
191										
192	Revenue at Present rates		6,729,636		3,617,006	1,231,587	1,881,044	-		
193	Revenue Excess (Deficiency)		(2,899,388)		(1,586,346)	(576,235)	(736,807)	-		
194										

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Wellsboro Electric Company
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Line	Account	No.	Secondary	Allocator	Demand	Customer
1	**I. ELECTRIC PLANT IN SERVICE**					
2	INTANGIBLE PLANT					
3	EDI Software	303	0	None	0	0
4	Total INTANGIBLE Plant		0		0	0
5						
6	**C. TRANSMISSION PLAN**					
7	Transmission Plant	361	0	None	0	0
8	Total TRANSMISSION Plant	350-359	0		0	0
9						
10	**D. DISTRIBUTION PLANT**					
11	Land & Land Rights	360	0	None	0	0
12	Structures and improvements	361	0	None	0	0
13	Station Equipment	362	0	None	0	0
14	Poles, Tower & Fixtures	364	2,482,988	PTF-Sec-Z	917,711	1,565,277
15	OH Conductors & Devices	365	1,131,481	OH-Sec-Z	497,461	634,020
16	UG Conduits and Conductors	366	442,880	UG-Sec-Z	282,151	160,729
17	Line Transformers	368	3,365,587	Trans-Min	755,617	2,609,971
18	Services	369	2,486,089	Customer	0	2,486,089
19	Meters	370	0	None	0	0
20	Install. Customers' premises	371	0	None	0	0
21	Street Lighting & Signal	373	125,272	Customer	0	125,272
22	Total DISTRIBUTION Plant	360-373	#########		2,452,940	7,581,357
23						
24	**E. GENERAL PLANT**					
25	General Plant	389	1,214,242	Sec-Lab	623,270	590,971
26	Communication Equip	398	14,640	Sec-Lab	7,515	7,125
27	Total GENERAL Plant	389-399	1,228,882		630,785	598,097
28						
29	**TOTAL UTILITY PLANT**		#########		3,083,725	8,179,454
30						

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Wellsboro Electric Company
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Line	Account	No.	Secondary	Allocator	Demand	Customer
31	**II. DEPRECIATION RESEI**					
32	Intangible Plant		0	None	0	0
33	Transmission Plant		0	None	0	0
34	Structures and improvements		0	None	0	0
35	Station Equipment		0	None	0	0
36	Poles, Towers and Fixtures		848,450	PTF-Sec-Z	313,587	534,863
37	OH Conductors and Devices		386,227	OH-Sec-Z	169,806	216,420
38	UG Conduits and Conductors		332,515	UG-Sec-Z	211,840	120,675
39	Line Transformers		1,697,284	Trans-Min	381,062	1,316,223
40	Services		1,472,321	Customer	0	1,472,321
41	Meters		0	None	0	0
42	Install. Customers' premises		0	None	0	0
43	Street Lighting & Signal		(63,042)	Customer	0	(63,042)
44	General Plant		363,675	Sec-GenPt	186,674	177,001
45	Total DEPRECIATION RESE	108	5,037,430		1,262,969	3,774,461
46						
47	**III. OTHER RATE BASE I**					
48	Cash Working Capital	131	65,985	Sec-OpExp	30,997	34,988
49	CWIP	131	0	Sec-Pt	0	0
50	Materials & Supplies	255	31,605	Sec-OpExp	14,847	16,758
51	Customer Deposits		0	None	0	0
52	ADIT	154	(9,828)	Sec-Pt	(2,691)	(7,137)
53	Accrued Pension / OPEB	182	(2,458)	Sec-Lab	(1,262)	(1,196)
54	Total OTHER RATE BASE	131-283	85,303		41,891	43,413
55						
56	**TOTAL RATE BASE**		6,311,053		1,862,647	4,448,406
57						

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Line	Account	No.	Secondary	Allocator	Demand	Customer
58	**I. OPERATING AND MAIN**					
59	**B. TRANSMISSION EXPEI**					
60	Transmission Expense		0	None	0	0
61	Total TRANSMISSION Expe		0		0	0
62						
63	**C. DISTRIBUTION EXPEN**					
64	Ops Supv & Engineering	580	0	Sec-Lab	0	0
65	Station Expenses	582	0	None	0	0
66	OH Line Expenses	583	1,001	OH-Sec-Z	440	561
67	Street Lighting Expenses	585	267	Customer	0	267
68	Meter Expenses	586	0	None	0	0
69	Customer Install. expense	587	0	None	0	0
70	Misc. Distribution Expenses	588	81,120	Sec-OH_UG	56,453	24,667
71	Rents	589	10,271	Sec-Pt	2,812	7,459
72	Maint Supv & Engineering	590	19,585	Sec-Lab	10,053	9,532
73	Maint of Station Equip	592	0	None	0	0
74	Maint of OH Lines	593	163,834	OH-Sec-Z	72,030	91,803
75	Maint of UG Lines	594	17,193	UG-Sec-Z	10,953	6,240
76	Maint of Line Transformers	595	8,064	Trans-Min	1,810	6,253
77	Maint of Lighting	596	942	Customer	0	942
78	Maint of Misc. Plant	599	23,334	Sec-Pt	6,389	16,945
79	Total DISTR. O&M EXP.	500-599	325,612		160,940	164,671
80	Distribution Expense		325,612		160,940	164,671
81	**D. CUSTOMER ACCOUNTS AND S**					
82	Supervision	901	0	None	0	0
83	Meter Reading Exp	902	0	None	0	0
84	Customer Records & Coll	903	0	None	0	0
85	Uncollectible Accounts	904	0	None	0	0
86	Subtotal - Cust. Accts. Exp.	901-905	0		0	0
87						
88	Customer Assistance	908	0	None	0	0
89	OPEN	916	0	None	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	0		0	0
91	Total CUST. ACCT. & SERV	901-919	0		0	0
92						

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Line	Account	No.	Secondary	Allocator	Demand	Customer
93	**E. ADMINISTRATIVE AND GENEF**					
94	Admin. & Gen'l. Salaries	920	113,150	Sec-Lab	58,080	55,070
95	Office Supplies & Expenses	921	13,623	Sec-Lab	6,993	6,630
96	Outside Services Employed	923	29,201	Sec-LabPt	11,492	17,709
97	Property Insurance	924	15,584	Sec-Pt	4,267	11,318
98	Employee Pensions & Benefits	926	0	Sec-Lab	0	0
99	Regulatory Comm. Expense	928	0	Sec-Pt	0	0
100	Misc. General Expense	930	20,897	Sec-LabPt	8,224	12,673
101	Rents	931	273	Sec-Lab	140	133
102	Maint General Property	932	33,892	Sec-Pt	9,279	24,613
103	Total A&G Expense	920-932	226,621		98,475	128,146
104						
105	TOTAL OPERATING EXPE		552,233		259,415	292,817
106						
107	**II. DEPRECIATION EXPENSE**					
108	Intangible Plant		0	None	0	0
109	Station Equipment		0	None	0	0
110	Poles, Towers and Fixtures		84,745	PTF-Sec-Z	31,322	53,423
111	OH Conductors and Devices		43,737	OH-Sec-Z	19,229	24,508
112	UG Conduits and Conductors		19,171	UG-Sec-Z	12,213	6,957
113	Line Transformers		116,555	Trans-Min	26,168	90,387
114	Services		95,347	Customer	0	95,347
115	Meters		0	None	0	0
116	Install. Customers' premises		0	None	0	0
117	Street Lighting & Signal		2,971	Customer	0	2,971
118	General Plant		64,669	Sec-GenPt	33,195	31,474
119	Total DEPRECIATION Exp.	403	427,194		122,127	305,067
120						
121	**III. TAXES and OTHER**					
122	**A. GENERAL TAXES**					
123	Payroll related	408	0	None	0	0
124	PURTA, Real estate	408.16	10,991	Sec-Pt	3,009	7,982
125	Capital stock		0	Sec-RB	0	0
126	Other	408	212	Sec-Pt	58	154
127	Subtotal - General Taxes		11,204		3,067	8,136
128						
129	**B. GROSS RECEIPTS TAX**					
130	Gross Receipts tax		69,393	Sec-Rev	24,552	44,841
131	Subtotal- Gross Receipts tax		69,393		24,552	44,841
132						

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Line	Account	No.	Secondary	Allocator	Demand	Customer
133	**B. FEDERAL / STATE INCOME TA**					
134	State Income Tax Expense		(32,048)	Sec-StaTax	(5,100)	(26,949)
135	Federal Income Tax Expense		(20,000)	Sec-FedTax	(3,182)	(16,818)
136	Subtotal - Fed / State Inc Tax	409-411	(52,048)		(8,282)	(43,766)
137	Total TAXES	408-411	28,548		19,337	9,211
138						
139	**TOTAL EXPENSES**		1,007,975		400,879	607,096
140						
141	**IV. OPERATING REVENUES at Pre**					
142	Distribution Revenue		1,181,864	Sec-RetRRPF	418,150	763,714
143	Forfeited Discounts		0	None	0	0
144	Rent For Electric Property		45,496	PTF-Sec-Z	16,815	28,680
145	Other Electric Revenues		4,227	Sec-RetRRPF	1,496	2,732
146	Total REVENUES		1,231,587		436,461	795,126
147						
148	TOTAL EXPENSES		1,007,975		400,879	607,096
149	**V. NET INCOME at Present Rates**		223,612		35,582	188,030
150						
151	**SUMMARY REPORT**					
152	OPERATING REVENUES					
153	Utility Revenues	440-446	1,181,864		418,150	763,714
154	Other Operating Revenues	450-456	49,723		18,311	31,412
155	Total Operating Revenues		1,231,587		436,461	795,126
156						
157	OPERATING EXPENSES					
158	Distribution / Transmission	580-599	325,612		160,940	164,671
159	Customer Acctg & Service	901-919	0		0	0
160	Admin & General	920-932	226,621		98,475	128,146
161	Total Operating Expenses		552,233		259,415	292,817
162						
163	Depreciation Expense	403	427,194		122,127	305,067
164	Taxes Other Than Income	408	80,596		27,619	52,977
165	INCOME BEFORE INCOME		171,564		27,300	144,264
166	Income Taxes	409-411	(52,048)		(8,282)	(43,766)
167	**NET INCOME**		223,612		35,582	188,030
168						
169	**RATE BASE**		6,311,053		1,862,647	4,448,406
170	Return on Rate Base					
171						

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FPFTY Ending December 31, 2026
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Line	Account	No.	Secondary [1]	Allocator	Demand [1]	Customer [3]
172	**REVENUE REQUIREMENTS**					
173	Target Rate of Return		8.1800%		8.1800%	8.1800%
174						
175	Rate Base		6,311,053		1,862,647	4,448,406
176						
177	Operating expenses		552,233		259,415	292,817
178	Uncollectibles expense		0	None	0	0
179	Depreciation expense		427,194		122,127	305,067
180	Regulatory Commission Expenses		38,927	Sec-Pt	10,658	28,270
181	General taxes / Other		11,204		3,067	8,136
182	Subtotal- Operating Costs to recover		1,029,558		395,267	634,291
183						
184	Target Return on Rate Base- After tax		516,244		152,365	363,880
185						
186	Income taxes to recover	30.66%	158,293		46,719	111,574
187						
188	Subtotal- Rev Req before GRT		1,704,095		594,351	1,109,744
189	GRT needed	6.27%	103,728		36,117	67,611
190	**TOTAL REVENUE REQUIREMEN**		1,807,823		630,468	1,177,355
191						
192	Revenue at Present rates					
193	Revenue Excess (Deficiency)					
194						

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
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Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**I. ELECTRIC PLANT IN SERVICE**													
2	INTANGIBLE PLANT													
3	EDI Software	303	0	PriD-Lab	0	0	0	0	0	0	0	0	0	0
4	Total INTANGIBLE Plant		0		0	0	0	0	0	0	0	0	0	0
5														
6	**C. TRANSMISSION PLANT**													
7	Transmission Plant	361	0	None	0	0	0	0	0	0	0	0	0	0
8	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0	0	0	0	0
9														
10	**D. DISTRIBUTION PLANT**													
11	Land & Land Rights	360	178,334	NCP-Prim	81,941	1,096	7,527	78	47,673	162	39,258	120	369	110
12	Structures and improvements	361	0	NCP-Prim	0	0	0	0	0	0	0	0	0	0
13	Station Equipment	362	3,992,800	NCP-Prim	1,834,608	24,545	168,528	1,753	1,067,372	3,629	878,966	2,682	8,255	2,462
14	Poles, Tower & Fixtures	364	12,450,184	NCP-Prim	5,720,598	76,535	525,497	5,466	3,328,236	11,317	2,740,757	8,362	25,740	7,677
15	OH Conductors & Devices	365	5,673,466	NCP-Prim	2,606,838	34,876	239,465	2,491	1,516,655	5,157	1,248,945	3,811	11,729	3,499
16	UG Conduits and Conductors	366	595,569	NCP-Prim	273,652	3,661	25,138	261	159,210	541	131,107	400	1,231	367
17	Line Transformers	368	0	None	0	0	0	0	0	0	0	0	0	0
18	Services	369	0	None	0	0	0	0	0	0	0	0	0	0
19	Meters	370	0	None	0	0	0	0	0	0	0	0	0	0
20	Install. Customers' premises	371	0	None	0	0	0	0	0	0	0	0	0	0
21	Street Lighting & Signal	373	0	None	0	0	0	0	0	0	0	0	0	0
22	Total DISTRIBUTION Plant	360-373	22,890,353		10,517,637	140,713	966,155	10,050	6,119,146	20,807	5,039,033	15,374	47,324	14,115
23														
24	**E. GENERAL PLANT**													
25	General Plant	389	4,360,516	PriD-Lab	2,003,566	26,805	184,048	1,914	1,165,672	3,964	959,915	2,929	9,015	2,689
26	Communication Equip	398	52,575	PriD-Lab	24,157	323	2,219	23	14,055	48	11,574	35	109	32
27	Total GENERAL Plant	389-399	4,413,091		2,027,723	27,128	186,268	1,938	1,179,726	4,011	971,488	2,964	9,124	2,721
28														
29	**TOTAL UTILITY PLANT**		27,303,444		12,545,359	167,841	1,152,422	11,987	7,298,872	24,818	6,010,522	18,338	56,447	16,837
30														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
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Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	**II. DEPRECIATION RESERVE**													
32	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
33	Transmission Plant		0	None	0	0	0	0	0	0	0	0	0	0
34	Structures and improvements		0	NCP-Prim	0	0	0	0	0	0	0	0	0	0
35	Station Equipment		3,892,596	NCP-Prim	1,788,566	23,929	164,299	1,709	1,040,585	3,538	856,908	2,614	8,048	2,400
36	Poles, Towers and Fixtures		4,254,293	NCP-Prim	1,954,758	26,152	179,565	1,868	1,137,276	3,867	936,531	2,857	8,795	2,623
37	OH Conductors and Devices		1,936,617	NCP-Prim	889,835	11,905	81,741	850	517,705	1,760	426,323	1,301	4,004	1,194
38	UG Conduits and Conductors		447,154	NCP-Prim	205,458	2,749	18,873	196	119,535	406	98,436	300	924	276
39	Line Transformers		0	None	0	0	0	0	0	0	0	0	0	0
40	Services		0	None	0	0	0	0	0	0	0	0	0	0
41	Meters		0	None	0	0	0	0	0	0	0	0	0	0
42	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
43	Street Lighting & Signal		0	None	0	0	0	0	0	0	0	0	0	0
44	General Plant		1,306,009	PriD-Lab	600,084	8,028	55,124	573	349,128	1,187	287,502	877	2,700	805
45	Total DEPRECIATION RESE	108	11,836,669		5,438,701	72,763	499,602	5,197	3,164,228	10,759	2,605,699	7,950	24,471	7,299
46														
47	**III. OTHER RATE BASE ITEMS**													
48	Cash Working Capital	131	232,758	PriD-OpExp	106,947	1,431	9,824	102	62,222	212	51,239	156	481	144
49	CWIP	131	0	PriD-Pt	0	0	0	0	0	0	0	0	0	0
50	Materials & Supplies	255	111,484	PriD-Pt	51,224	685	4,705	49	29,802	101	24,542	75	230	69
51	Customer Deposits		0	None	0	0	0	0	0	0	0	0	0	0
52	ADIT	154	(23,825)	PriD-Pt	(10,947)	(146)	(1,006)	(10)	(6,369)	(22)	(5,245)	(16)	(49)	(15)
53	Accrued Pension / OPEB	182	(8,828)	PriD-Lab	(4,056)	(54)	(373)	(4)	(2,360)	(8)	(1,943)	(6)	(18)	(5)
54	Total OTHER RATE BASE	131-283	311,588		143,168	1,915	13,151	137	83,295	283	68,592	209	644	192
55														
56	**TOTAL RATE BASE**		15,778,363		7,249,826	96,994	665,972	6,927	4,217,938	14,342	3,473,415	10,597	32,620	9,730
57														

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FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
58	**I. OPERATING AND MAINTENANCE EXPENSES**													
59	**B. TRANSMISSION EXPENSE**													
60	Transmission Expense		0	None	0	0	0	0	0	0	0	0	0	0
61	Total TRANSMISSION Expense		0		0	0	0	0	0	0	0	0	0	0
62														
63	**C. DISTRIBUTION EXPENSE**													
64	Ops Supv & Engineering	580	0	PriD-Lab	0	0	0	0	0	0	0	0	0	0
65	Station Expenses	582	0	NCP-Prim	0	0	0	0	0	0	0	0	0	0
66	OH Line Expenses	583	5,019	NCP-Prim	2,306	31	212	2	1,342	5	1,105	3	10	3
67	Street Lighting Expenses	585	0	None	0	0	0	0	0	0	0	0	0	0
68	Meter Expenses	586	0	None	0	0	0	0	0	0	0	0	0	0
69	Customer Install. expense	587	0	None	0	0	0	0	0	0	0	0	0	0
70	Misc. Distribution Expenses	588	204,569	NCP-Prim	93,995	1,258	8,634	90	54,686	186	45,033	137	423	126
71	Rents	589	23,431	NCP-Prim	10,766	144	989	10	6,264	21	5,158	16	48	14
72	Maint Supv & Engineering	590	81,705	PriD-Lab	37,542	502	3,449	36	21,842	74	17,986	55	169	50
73	Maint of Station Equip	592	18,557	NCP-Prim	8,527	114	783	8	4,961	17	4,085	12	38	11
74	Maint of OH Lines	593	821,493	NCP-Prim	377,459	5,050	34,674	361	219,605	747	180,842	552	1,698	507
75	Maint of UG Lines	594	23,120	NCP-Prim	10,623	142	976	10	6,181	21	5,090	16	48	14
76	Maint of Line Transformers	595	0	None	0	0	0	0	0	0	0	0	0	0
77	Maint of Lighting	596	0	None	0	0	0	0	0	0	0	0	0	0
78	Maint of Misc. Plant	599	53,230	NCP-Prim	24,458	327	2,247	23	14,230	48	11,718	36	110	33
79	Total DISTR. O&M EXP.	500-599	1,231,124		565,676	7,568	51,963	541	329,109	1,119	271,017	827	2,545	759
80	Distribution Expense		1,231,124		565,676	7,568	51,963	541	329,109	1,119	271,017	827	2,545	759
81	**D. CUSTOMER ACCOUNTS AND SERVICE**													
82	Supervision	901	0	None	0	0	0	0	0	0	0	0	0	0
83	Meter Reading Exp	902	0	None	0	0	0	0	0	0	0	0	0	0
84	Customer Records & Coll	903	0	None	0	0	0	0	0	0	0	0	0	0
85	Uncollectible Accounts	904	0	None	0	0	0	0	0	0	0	0	0	0
86	Subtotal - Cust. Accts. Exp.	901-905	0		0	0	0	0	0	0	0	0	0	0
87														
88	Customer Assistance	908	0	None	0	0	0	0	0	0	0	0	0	0
89	OPEN	916	0	None	0	0	0	0	0	0	0	0	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	0		0	0	0	0	0	0	0	0	0	0
91	Total CUST. ACCT. & SERV	901-919	0		0	0	0	0	0	0	0	0	0	0
92														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
93	**E. ADMINISTRATIVE AND GENERAL**													
94	Admin. & Gen'l. Salaries	920	406,339	PriD-Lab	186,704	2,498	17,151	178	108,624	369	89,451	273	840	251
95	Office Supplies & Expenses	921	48,922	PriD-Lab	22,479	301	2,065	21	13,078	44	10,770	33	101	30
96	Outside Services Employed	923	81,984	PriD-LabPt	37,670	504	3,460	36	21,916	75	18,048	55	169	51
97	Property Insurance	924	37,779	PriD-Pt	17,359	232	1,595	17	10,099	34	8,317	25	78	23
98	Employee Pensions & Benefits	926	0	PriD-Lab	0	0	0	0	0	0	0	0	0	0
99	Regulatory Comm. Expense	928	0	PriD-Pt	0	0	0	0	0	0	0	0	0	0
100	Misc. General Expense	930	58,669	PriD-LabPt	26,957	361	2,476	26	15,684	53	12,915	39	121	36
101	Rents	931	981	PriD-Lab	451	6	41	0	262	1	216	1	2	1
102	Maint General Property	932	82,159	PriD-Pt	37,750	505	3,468	36	21,963	75	18,086	55	170	51
103	Total A&G Expense	920-932	716,833		329,370	4,407	30,256	315	191,627	652	157,802	481	1,482	442
104														
105	TOTAL OPERATING EXPENSES		1,947,957		895,045	11,975	82,219	855	520,736	1,771	428,819	1,308	4,027	1,201
106														
107	**II. DEPRECIATION EXPENSE**													
108	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
109	Station Equipment		252,375	NCP-Prim	115,961	1,551	10,652	111	67,466	229	55,557	170	522	156
110	Poles, Towers and Fixtures		424,929	NCP-Prim	195,246	2,612	17,935	187	113,594	386	93,543	285	879	262
111	OH Conductors and Devices		219,304	NCP-Prim	100,766	1,348	9,256	96	58,625	199	48,277	147	453	135
112	UG Conduits and Conductors		25,780	NCP-Prim	11,845	158	1,088	11	6,892	23	5,675	17	53	16
113	Line Transformers		0	None	0	0	0	0	0	0	0	0	0	0
114	Services		0	None	0	0	0	0	0	0	0	0	0	0
115	Meters		0	None	0	0	0	0	0	0	0	0	0	0
116	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
117	Street Lighting & Signal		0	None	0	0	0	0	0	0	0	0	0	0
118	General Plant		232,236	PriD-Lab	106,707	1,428	9,802	102	62,082	211	51,124	156	480	143
119	Total DEPRECIATION Exp.	403	1,154,624		530,526	7,098	48,734	507	308,659	1,050	254,176	775	2,387	712
120														
121	**III. TAXES and OTHER**													
122	**A. GENERAL TAXES**													
123	Payroll related	408	0	None	0	0	0	0	0	0	0	0	0	0
124	PURTA, Real estate	408.16	26,644	PriD-Pt	12,243	164	1,125	12	7,123	24	5,865	18	55	16
125	Capital stock		0	RateBase	0	0	0	0	0	0	0	0	0	0
126	Other	408	515	PriD-Pt	237	3	22	0	138	0	113	0	1	0
127	Subtotal - General Taxes		27,159		12,479	167	1,146	12	7,260	25	5,979	18	56	17
128														
129	**B. GROSS RECEIPTS TAX**													
130	Gross Receipts tax		198,268	Dist_Rev	104,391	762	15,443	21	47,151	32	27,254	418	2,520	277
131	Subtotal- Gross Receipts tax		198,268		104,391	762	15,443	21	47,151	32	27,254	418	2,520	277
132														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
133	**B. FEDERAL / STATE INCOME TAXES**													
134	State Income Tax Expense		(53,985)	PreStaTax	(29,833)	(299)	(3,912)	(20)	(12,168)	(40)	(7,379)	(110)	(168)	(55)
135	Federal Income Tax Expense		(33,690)	PreFedTax	(18,618)	(186)	(2,441)	(12)	(7,594)	(25)	(4,605)	(69)	(105)	(34)
136	Subtotal - Fed / State Inc Tax	409-411	(87,675)		(48,451)	(485)	(6,353)	(32)	(19,762)	(66)	(11,984)	(179)	(274)	(90)
137	Total TAXES	408-411	137,752		68,419	444	10,236	1	34,649	(9)	21,249	257	2,303	205
138														
139	**TOTAL EXPENSES**		3,240,333		1,493,990	19,516	141,189	1,363	864,044	2,811	704,244	2,341	8,717	2,118
140														
141	**IV. OPERATING REVENUES at Present Rates**													
142	Distribution Revenue		3,376,804	Dist_Rev	1,777,935	12,973	263,012	357	803,047	542	464,176	7,119	42,920	4,724
143	Forfeited Discounts		0	None	0	0	0	0	0	0	0	0	0	0
144	Rent For Electric Property		228,123	NCP-Prim	104,818	1,402	9,629	100	60,983	207	50,219	153	472	141
145	Other Electric Revenues		12,078	Dist_Rev	6,359	46	941	1	2,872	2	1,660	25	154	17
146	Total REVENUES		3,617,006		1,889,112	14,421	273,581	458	866,902	752	516,055	7,297	43,545	4,882
147														
148	TOTAL EXPENSES		3,240,333		1,493,990	19,516	141,189	1,363	864,044	2,811	704,244	2,341	8,717	2,118
149	**V. NET INCOME at Present Rates**		376,672		395,123	(5,095)	132,392	(905)	2,858	(2,059)	(188,189)	4,957	34,828	2,764
150														
151	**SUMMARY REPORT**													
152	OPERATING REVENUES													
153	Utility Revenues	440-446	3,376,804		1,777,935	12,973	263,012	357	803,047	542	464,176	7,119	42,920	4,724
154	Other Operating Revenues	450-456	240,202		111,177	1,449	10,569	101	63,855	209	51,879	179	625	158
155	Total Operating Revenues		3,617,006		1,889,112	14,421	273,581	458	866,902	752	516,055	7,297	43,545	4,882
156														
157	OPERATING EXPENSES													
158	Distribution / Transmission	580-599	1,231,124		565,676	7,568	51,963	541	329,109	1,119	271,017	827	2,545	759
159	Customer Acctg & Service	901-919	0		0	0	0	0	0	0	0	0	0	0
160	Admin & General	920-932	716,833		329,370	4,407	30,256	315	191,627	652	157,802	481	1,482	442
161	Total Operating Expenses		1,947,957		895,045	11,975	82,219	855	520,736	1,771	428,819	1,308	4,027	1,201
162														
163	Depreciation Expense	403	1,154,624		530,526	7,098	48,734	507	308,659	1,050	254,176	775	2,387	712
164	Taxes Other Than Income	408	225,427		116,870	929	16,589	33	54,411	57	33,233	436	2,576	294
165	INCOME BEFORE INCOME		288,998		346,671	(5,580)	126,038	(937)	(16,904)	(2,125)	(200,173)	4,777	34,555	2,674
166	Income Taxes	409-411	(87,675)		(48,451)	(485)	(6,353)	(32)	(19,762)	(66)	(11,984)	(179)	(274)	(90)
167	**NET INCOME**		376,672		395,123	(5,095)	132,392	(905)	2,858	(2,059)	(188,189)	4,957	34,828	2,764
168														
169	**RATE BASE**		15,778,363		7,249,826	96,994	665,972	6,927	4,217,938	14,342	3,473,415	10,597	32,620	9,730
170	Return on Rate Base		2.39%											
171														

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Wellsboro Electric Company
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Class Allocation- Primary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
172	**REVENUE REQUIREMENTS**													
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%
174														
175	Rate Base		15,778,363		7,249,826	96,994	665,972	6,927	4,217,938	14,342	3,473,415	10,597	32,620	9,730
176														
177	Operating expenses		1,947,957		895,045	11,975	82,219	855	520,736	1,771	428,819	1,308	4,027	1,201
178	Uncollectibles expense		0	None	0	0	0	0	0	0	0	0	0	0
179	Depreciation expense		1,154,624		530,526	7,098	48,734	507	308,659	1,050	254,176	775	2,387	712
180	Regulatory Commission Expenses		94,365	PriD-Pt	43,359	580	3,983	41	25,226	86	20,773	63	195	58
181	General taxes / Other		27,159		12,479	167	1,146	12	7,260	25	5,979	18	56	17
182	Subtotal- Operating Costs to recover		3,224,106		1,481,409	19,819	136,083	1,416	861,882	2,931	709,748	2,165	6,666	1,988
183														
184	Target Return on Rate Base- After tax		1,290,670		593,036	7,934	54,477	567	345,027	1,173	284,125	867	2,668	796
185														
186	Income taxes to recover		395,750	30.66%	181,839	2,433	16,704	174	105,793	360	87,119	266	818	244
187														
188	Subtotal- Rev Req before GRT		4,910,526		2,256,283	30,186	207,263	2,156	1,312,702	4,464	1,080,993	3,298	10,152	3,028
189	GRT needed		292,826	6.27%	134,497	1,802	12,333	129	78,302	267	64,525	196	597	180
190	**TOTAL REVENUE REQUIREMEN**		5,203,351		2,390,780	31,988	219,596	2,285	1,391,004	4,730	1,145,517	3,494	10,749	3,208
191														
192	Revenue at Present rates		3,617,006		1,889,112	14,421	273,581	458	866,902	752	516,055	7,297	43,545	4,882
193	Revenue Excess (Deficiency)		(1,586,346)		(501,668)	(17,567)	53,985	(1,827)	(524,102)	(3,979)	(629,462)	3,804	32,796	1,674
194														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**I. ELECTRIC PLANT IN SERVICE**													
2	INTANGIBLE PLANT													
3	EDI Software	303	0	SecD-Lab	0	0	0	0	0	0	0	0	0	0
4	Total INTANGIBLE Plant		0		0	0	0	0	0	0	0	0	0	0
5														
6	**C. TRANSMISSION PLANT**													
7	Transmission Plant	361	0	None	0	0	0	0	0	0	0	0	0	0
8	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0	0	0	0	0
9														
10	**D. DISTRIBUTION PLANT**													
11	Land & Land Rights	360	0	None	0	0	0	0	0	0	0	0	0	0
12	Structures and improvements	361	0	None	0	0	0	0	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0	0	0	0	0
14	Poles, Tower & Fixtures	364	917,711	NCP-Sec	541,125	7,240	49,708	517	314,826	1,070	0	791	2,435	0
15	OH Conductors & Devices	365	497,461	NCP-Sec	293,326	3,924	26,945	280	170,657	580	0	429	1,320	0
16	UG Conduits and Conductors	366	282,151	NCP-Sec	166,369	2,226	15,283	159	96,793	329	0	243	749	0
17	Line Transformers	368	755,617	NCP-Ltr	0	0	0	893	740,661	2,821	0	2,756	8,485	0
18	Services	369	0	None	0	0	0	0	0	0	0	0	0	0
19	Meters	370	0	None	0	0	0	0	0	0	0	0	0	0
20	Install. Customers' premises	371	0	None	0	0	0	0	0	0	0	0	0	0
21	Street Lighting & Signal	373	0	None	0	0	0	0	0	0	0	0	0	0
22	Total DISTRIBUTION Plant	360-373	2,452,940		1,000,820	13,390	91,936	1,849	1,322,937	4,801	0	4,219	12,988	0
23														
24	**E. GENERAL PLANT**													
25	General Plant	389	623,270	SecD-Lab	362,255	4,847	33,277	357	219,493	750	0	562	1,730	0
26	Communication Equip	398	7,515	SecD-Lab	4,368	58	401	4	2,646	9	0	7	21	0
27	Total GENERAL Plant	389-399	630,785		366,623	4,905	33,678	361	222,140	759	0	569	1,751	0
28														
29	**TOTAL UTILITY PLANT**		3,083,725		1,367,443	18,295	125,614	2,210	1,545,077	5,560	0	4,788	14,739	0
30														

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Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	**II. DEPRECIATION RESERVE**													
32	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
33	Transmission Plant		0	None	0	0	0	0	0	0	0	0	0	0
34	Structures and improvements		0	None	0	0	0	0	0	0	0	0	0	0
35	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
36	Poles, Towers and Fixtures		313,587	NCP-Sec	184,905	2,474	16,985	177	107,578	366	0	270	832	0
37	OH Conductors and Devices		169,806	NCP-Sec	100,126	1,340	9,198	96	58,253	198	0	146	451	0
38	UG Conduits and Conductors		211,840	NCP-Sec	124,910	1,671	11,474	119	72,673	247	0	183	562	0
39	Line Transformers		381,062	NCP-Ltr	0	0	0	450	373,520	1,423	0	1,390	4,279	0
40	Services		0	None	0	0	0	0	0	0	0	0	0	0
41	Meters		0	None	0	0	0	0	0	0	0	0	0	0
42	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
43	Street Lighting & Signal		0	None	0	0	0	0	0	0	0	0	0	0
44	General Plant		186,674	SecD-Lab	108,498	1,452	9,967	107	65,740	225	0	168	518	0
45	Total DEPRECIATION RESE	108	1,262,969		518,439	6,936	47,624	949	677,763	2,458	0	2,158	6,642	0
46														
47	**III. OTHER RATE BASE I**													
48	Cash Working Capital	131	30,997	SecD-OpExp	17,655	236	1,622	18	11,306	39	0	30	91	0
49	CWIP	131	0	SecD-Pt	0	0	0	0	0	0	0	0	0	0
50	Materials & Supplies	255	14,847	SecD-Pt	6,584	88	605	11	7,439	27	0	23	71	0
51	Customer Deposits		0	None	0	0	0	0	0	0	0	0	0	0
52	ADIT	154	(2,691)	SecD-Pt	(1,193)	(16)	(110)	(2)	(1,348)	(5)	0	(4)	(13)	0
53	Accrued Pension / OPEB	182	(1,262)	SecD-Lab	(733)	(10)	(67)	(1)	(444)	(2)	0	(1)	(4)	0
54	Total OTHER RATE BASE	131-283	41,891		22,312	299	2,050	26	16,952	59	0	47	146	0
55														
56	**TOTAL RATE BASE**		1,862,647		871,315	11,657	80,039	1,287	884,266	3,161	0	2,678	8,243	0
57														

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Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
58	**I. OPERATING AND MAINTENANCE EXPENSES**													
59	**B. TRANSMISSION EXPENSE**													
60	Transmission Expense		0	None	0	0	0	0	0	0	0	0	0	0
61	Total TRANSMISSION Expe		0		0	0	0	0	0	0	0	0	0	0
62														
63	**C. DISTRIBUTION EXPENSE**													
64	Ops Supv & Engineering	580	0	SecD-Lab	0	0	0	0	0	0	0	0	0	0
65	Station Expenses	582	0	None	0	0	0	0	0	0	0	0	0	0
66	OH Line Expenses	583	440	NCP-Sec	259	3	24	0	151	1	0	0	1	0
67	Street Lighting Expenses	585	0	None	0	0	0	0	0	0	0	0	0	0
68	Meter Expenses	586	0	None	0	0	0	0	0	0	0	0	0	0
69	Customer Install. expense	587	0	None	0	0	0	0	0	0	0	0	0	0
70	Misc. Distribution Expenses	588	56,453	NCP-Sec	33,287	445	3,058	32	19,366	66	0	49	150	0
71	Rents	589	2,812	NCP-Sec	1,658	22	152	2	965	3	0	2	7	0
72	Maint Supv & Engineering	590	10,053	SecD-Lab	5,843	78	537	6	3,540	12	0	9	28	0
73	Maint of Station Equip	592	0	None	0	0	0	0	0	0	0	0	0	0
74	Maint of OH Lines	593	72,030	NCP-Sec	42,472	568	3,902	41	24,710	84	0	62	191	0
75	Maint of UG Lines	594	10,953	NCP-Sec	6,459	86	593	6	3,758	13	0	9	29	0
76	Maint of Line Transformers	595	1,810	NCP-Ltr	0	0	0	2	1,775	7	0	7	20	0
77	Maint of Lighting	596	0	None	0	0	0	0	0	0	0	0	0	0
78	Maint of Misc. Plant	599	6,389	NCP-Sec	3,767	50	346	4	2,192	7	0	6	17	0
79	Total DISTR. O&M EXP.	500-599	160,940		93,746	1,254	8,612	92	56,457	193	0	144	444	0
80	Distribution Expense		160,940		93,746	1,254	8,612	92	56,457	193	0	144	444	0
81	**D. CUSTOMER ACCOUNTS AND SERVICE**													
82	Supervision	901	0	None	0	0	0	0	0	0	0	0	0	0
83	Meter Reading Exp	902	0	None	0	0	0	0	0	0	0	0	0	0
84	Customer Records & Coll	903	0	None	0	0	0	0	0	0	0	0	0	0
85	Uncollectible Accounts	904	0	None	0	0	0	0	0	0	0	0	0	0
86	Subtotal - Cust. Accts. Exp.	901-905	0		0	0	0	0	0	0	0	0	0	0
87														
88	Customer Assistance	908	0	None	0	0	0	0	0	0	0	0	0	0
89	OPEN	916	0	None	0	0	0	0	0	0	0	0	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	0		0	0	0	0	0	0	0	0	0	0
91	Total CUST. ACCT. & SERV	901-919	0		0	0	0	0	0	0	0	0	0	0
92														

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Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
93	**E. ADMINISTRATIVE AND GENERAL**													
94	Admin. & Gen'l. Salaries	920	58,080	SecD-Lab	33,757	452	3,101	33	20,454	70	0	52	161	0
95	Office Supplies & Expenses	921	6,993	SecD-Lab	4,064	54	373	4	2,463	8	0	6	19	0
96	Outside Services Employed	923	11,492	SecD-LabPt	5,888	79	541	7	4,903	17	0	14	43	0
97	Property Insurance	924	4,267	SecD-Pt	1,892	25	174	3	2,138	8	0	7	20	0
98	Employee Pensions & Benefits	926	0	SecD-Lab	0	0	0	0	0	0	0	0	0	0
99	Regulatory Comm. Expense	928	0	SecD-Pt	0	0	0	0	0	0	0	0	0	0
100	Misc. General Expense	930	8,224	SecD-LabPt	4,213	56	387	5	3,508	12	0	10	31	0
101	Rents	931	140	SecD-Lab	82	1	7	0	49	0	0	0	0	0
102	Maint General Property	932	9,279	SecD-Pt	4,115	55	378	7	4,649	17	0	14	44	0
103	Total A&G Expense	920-932	98,475		54,011	723	4,961	60	38,164	133	0	104	320	0
104														
105	TOTAL OPERATING EXPENSES		259,415		147,756	1,977	13,573	152	94,620	325	0	248	764	0
106														
107	**II. DEPRECIATION EXPENSE**													
108	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
109	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
110	Poles, Towers and Fixtures		31,322	NCP-Sec	18,469	247	1,697	18	10,745	37	0	27	83	0
111	OH Conductors and Devices		19,229	NCP-Sec	11,338	152	1,042	11	6,597	22	0	17	51	0
112	UG Conduits and Conductors		12,213	NCP-Sec	7,202	96	662	7	4,190	14	0	11	32	0
113	Line Transformers		26,168	NCP-Ltr	0	0	0	31	25,650	98	0	95	294	0
114	Services		0	None	0	0	0	0	0	0	0	0	0	0
115	Meters		0	None	0	0	0	0	0	0	0	0	0	0
116	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
117	Street Lighting & Signal		0	None	0	0	0	0	0	0	0	0	0	0
118	General Plant		33,195	SecD-Lab	19,293	258	1,772	19	11,690	40	0	30	92	0
119	Total DEPRECIATION Exp.	403	122,127		56,302	753	5,172	85	58,872	211	0	179	553	0
120														
121	**III. TAXES and OTHER**													
122	**A. GENERAL TAXES**													
123	Payroll related	408	0	SecD-Lab	0	0	0	0	0	0	0	0	0	0
124	PURTA, Real estate	408.16	3,009	SecD-Pt	1,334	18	123	2	1,508	5	0	5	14	0
125	Capital stock		0	RateBase	0	0	0	0	0	0	0	0	0	0
126	Other	408	58	SecD-Pt	26	0	2	0	29	0	0	0	0	0
127	Subtotal - General Taxes		3,067		1,360	18	125	2	1,537	6	0	5	15	0
128														
129	**B. GROSS RECEIPTS TAX**													
130	Gross Receipts tax		24,552	Dist_Rev	12,927	94	1,912	3	5,839	4	3,375	52	312	34
131	Subtotal- Gross Receipts tax		24,552		12,927	94	1,912	3	5,839	4	3,375	52	312	34
132														

SecnDem
Class Allocation- Secondary Demand
CAl
E-4B

Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
133	**B. FEDERAL / STATE INCOME TAXES**													
134	State Income Tax Expense		(5,100)	PreStaTax	(2,818)	(28)	(370)	(2)	(1,149)	(4)	(697)	(10)	(16)	(5)
135	Federal Income Tax Expense		(3,182)	PreFedTax	(1,759)	(18)	(231)	(1)	(717)	(2)	(435)	(7)	(10)	(3)
136	Subtotal - Fed / State Inc Tax	409-411	(8,282)		(4,577)	(46)	(600)	(3)	(1,867)	(6)	(1,132)	(17)	(26)	(8)
137	Total TAXES	408-411	19,337		9,710	67	1,437	2	5,509	3	2,243	40	301	26
138														
139	**TOTAL EXPENSES**		400,879		213,768	2,797	20,182	239	159,001	539	2,243	467	1,617	26
140														
141	**IV. OPERATING REVENUES at Present Rates**													
142	Distribution Revenue		418,150	Dist_Rev	220,162	1,606	32,569	44	99,441	67	57,479	882	5,315	585
143	Forfeited Discounts		0	None	0	0	0	0	0	0	0	0	0	0
144	Rent For Electric Property		16,815	NCP-Sec	9,915	133	911	9	5,769	20	0	14	45	0
145	Other Electric Revenues		1,496	Dist_Rev	787	6	116	0	356	0	206	3	19	2
146	Total REVENUES		436,461		230,864	1,745	33,596	54	105,566	87	57,685	899	5,378	587
147														
148	TOTAL EXPENSES		400,879		213,768	2,797	20,182	239	159,001	539	2,243	467	1,617	26
149	**V. NET INCOME at Present Rates**		35,582		17,096	(1,052)	13,414	(185)	(53,435)	(452)	55,442	432	3,761	561
150														
151	**SUMMARY REPORT**													
152	OPERATING REVENUES													
153	Utility Revenues	440-446	418,150		220,162	1,606	32,569	44	99,441	67	57,479	882	5,315	585
154	Other Operating Revenues	450-456	18,311		10,702	138	1,027	10	6,124	20	206	18	64	2
155	Total Operating Revenues		436,461		230,864	1,745	33,596	54	105,566	87	57,685	899	5,378	587
156														
157	OPERATING EXPENSES													
158	Distribution / Transmission	580-599	160,940		93,746	1,254	8,612	92	56,457	193	0	144	444	0
159	Customer Acctg & Service	901-919	0		0	0	0	0	0	0	0	0	0	0
160	Admin & General	920-932	98,475		54,011	723	4,961	60	38,164	133	0	104	320	0
161	Total Operating Expenses		259,415		147,756	1,977	13,573	152	94,620	325	0	248	764	0
162														
163	Depreciation Expense	403	122,127		56,302	753	5,172	85	58,872	211	0	179	553	0
164	Taxes Other Than Income	408	27,619		14,287	113	2,037	5	7,376	9	3,375	57	327	34
165	INCOME BEFORE INCOME		27,300		12,519	(1,098)	12,814	(188)	(55,302)	(459)	54,310	415	3,735	553
166	Income Taxes	409-411	(8,282)		(4,577)	(46)	(600)	(3)	(1,867)	(6)	(1,132)	(17)	(26)	(8)
167	**NET INCOME**		35,582		17,096	(1,052)	13,414	(185)	(53,435)	(452)	55,442	432	3,761	561
168														
169	**RATE BASE**		1,862,647		871,315	11,657	80,039	1,287	884,266	3,161	0	2,678	8,243	0
170	Return on Rate Base		1.91%											
171														

SecnDem
Class Allocation- Secondary Demand
CAl
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Demand

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
172	**REVENUE REQUIREMENTS**													
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%
174														
175	Rate Base		1,862,647		871,315	11,657	80,039	1,287	884,266	3,161	0	2,678	8,243	0
176														
177	Operating expenses		259,415		147,756	1,977	13,573	152	94,620	325	0	248	764	0
178	Uncollectibles expense		0	None	0	0	0	0	0	0	0	0	0	0
179	Depreciation expense		122,127		56,302	753	5,172	85	58,872	211	0	179	553	0
180	Regulatory Commission Expenses		10,658	SecD-Pt	4,726	63	434	8	5,340	19	0	17	51	0
181	General taxes / Other		3,067		1,360	18	125	2	1,537	6	0	5	15	0
182	Subtotal- Operating Costs to recover		395,267		210,145	2,811	19,304	247	160,369	561	0	449	1,382	0
183														
184	Target Return on Rate Base- After tax		152,365		71,274	954	6,547	105	72,333	259	0	219	674	0
185														
186	Income taxes to recover		46,719	30.66%	21,854	292	2,008	32	22,179	79	0	67	207	0
187														
188	Subtotal- Rev Req before GRT		594,351		303,272	4,057	27,859	384	254,881	899	0	735	2,263	0
189	GRT needed		36,117	6.27%	18,344	246	1,682	23	15,597	55	(13)	45	138	(0)
190	**TOTAL REVENUE REQUIREMEN**		630,468		321,616	4,303	29,541	408	270,478	954	(13)	780	2,401	(0)
191														
192	Revenue at Present rates		436,461		230,864	1,745	33,596	54	105,566	87	57,685	899	5,378	587
193	Revenue Excess (Deficiency)		(194,007)		(90,752)	(2,558)	4,055	(354)	(164,912)	(867)	57,698	119	2,977	587
194														

SecnCus
Class Allocation- Secondary Customer
CAl
E-4C

Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**I. ELECTRIC PLANT IN SERVICE**													
2	INTANGIBLE PLANT													
3	EDI Software	303	0	None	0	0	0	0	0	0	0	0	0	0
4	Total INTANGIBLE Plant		0		0	0	0	0	0	0	0	0	0	0
5														
6	**C. TRANSMISSION PLANT**													
7	Transmission Plant	361	0	None	0	0	0	0	0	0	0	0	0	0
8	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0	0	0	0	0
9														
10	**D. DISTRIBUTION PLANT**													
11	Land & Land Rights	360	0	None	0	0	0	0	0	0	0	0	0	0
12	Structures and improvements	361	0	None	0	0	0	0	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0	0	0	0	0
14	Poles, Tower & Fixtures	364	1,565,277	Avg-Cust-Sec	1,237,723	6,997	225,073	240	94,044	240	0	0	0	960
15	OH Conductors & Devices	365	634,020	Avg-Cust-Sec	501,343	2,834	91,167	97	38,093	97	0	0	0	389
16	UG Conduits and Conductors	366	160,729	Avg-Cust-Sec	127,094	719	23,111	25	9,657	25	0	0	0	99
17	Line Transformers	368	2,609,971	Avg-Cust-Sec	2,063,802	11,667	375,291	400	156,810	400	0	0	0	1,600
18	Services	369	2,486,089	Services_Cost	1,838,344	10,393	334,293	356	292,025	745	9,933	0	0	0
19	Meters	370	0	None	0	0	0	0	0	0	0	0	0	0
20	Install. Customers' premises	371	0	None	0	0	0	0	0	0	0	0	0	0
21	Street Lighting & Signal	373	125,272	StLgt-Lamps	0	0	0	0	0	0	0	62,636	62,636	0
22	Total DISTRIBUTION Plant	360-373	7,581,357		5,768,306	32,610	1,048,935	1,118	590,629	1,507	9,933	62,636	62,636	3,047
23														
24	**E. GENERAL PLANT**													
25	General Plant	389	590,971	SecC-Lab	457,263	2,585	83,151	89	36,396	93	108	5,474	5,474	339
26	Communication Equip	398	7,125	SecC-Lab	5,513	31	1,003	1	439	1	1	66	66	4
27	Total GENERAL Plant	389-399	598,097		462,776	2,616	84,153	90	36,835	94	109	5,540	5,540	343
28														
29	**TOTAL UTILITY PLANT**		8,179,454		6,231,082	35,227	1,133,089	1,208	627,464	1,601	10,042	68,176	68,176	3,390
30														

SecnCus
Class Allocation- Secondary Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	**II. DEPRECIATION RESERVE**													
32	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
33	Transmission Plant		0	None	0	0	0	0	0	0	0	0	0	0
34	Structures and improvements		0	None	0	0	0	0	0	0	0	0	0	0
35	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
36	Poles, Towers and Fixtures		534,863	Avg-Cust-Sec	422,936	2,391	76,909	82	32,135	82	0	0	0	328
37	OH Conductors and Devices		216,420	Avg-Cust-Sec	171,132	967	31,119	33	13,003	33	0	0	0	133
38	UG Conduits and Conductors		120,675	Avg-Cust-Sec	95,422	539	17,352	18	7,250	18	0	0	0	74
39	Line Transformers		1,316,223	Avg-Cust-Sec	1,040,787	5,884	189,261	202	79,080	202	0	0	0	807
40	Services		1,472,321	Services_Cost	1,088,711	6,155	197,976	211	172,944	441	5,882	0	0	0
41	Meters		0	None	0	0	0	0	0	0	0	0	0	0
42	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
43	Street Lighting & Signal		(63,042)	StLgt-Lamps	0	0	0	0	0	0	0	(31,521)	(31,521)	0
44	General Plant		177,001	SecC-Lab	136,954	774	24,904	27	10,901	28	32	1,640	1,640	102
45	Total DEPRECIATION RESE	108	3,774,461		2,955,942	16,711	537,522	573	315,314	804	5,915	(29,881)	(29,881)	1,443
46														
47	**III. OTHER RATE BASE I**													
48	Cash Working Capital	131	34,988	SecC-OpExp	27,141	153	4,935	5	2,244	6	12	236	236	19
49	CWIP	131	0	SecC-Pt	0	0	0	0	0	0	0	0	0	0
50	Materials & Supplies	255	16,758	SecC-Pt	12,766	72	2,321	2	1,286	3	21	140	140	7
51	Customer Deposits		0	CustDeposits	0	0	0	0	0	0	0	0	0	0
52	ADIT	154	(7,137)	SecC-Pt	(5,437)	(31)	(989)	(1)	(548)	(1)	(9)	(59)	(59)	(3)
53	Accrued Pension / OPEB	182	(1,196)	SecC-Lab	(926)	(5)	(168)	(0)	(74)	(0)	(0)	(11)	(11)	(1)
54	Total OTHER RATE BASE	131-283	43,413		33,544	190	6,100	7	2,909	7	23	305	305	23
55														
56	**TOTAL RATE BASE**		4,448,406		3,308,685	18,705	601,667	641	315,058	804	4,151	98,363	98,363	1,970
57														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
58	**I. OPERATING AND MAINTENANCE EXPENSES**													
59	**B. TRANSMISSION EXPENSE**													
60	Transmission Expense		0	None	0	0	0	0	0	0	0	0	0	0
61	Total TRANSMISSION Expe		0		0	0	0	0	0	0	0	0	0	0
62														
63	**C. DISTRIBUTION EXPENSE**													
64	Ops Supv & Engineering	580	0	SecC-Lab	0	0	0	0	0	0	0	0	0	0
65	Station Expenses	582	0	None	0	0	0	0	0	0	0	0	0	0
66	OH Line Expenses	583	561	Avg-Cust-Sec	443	3	81	0	34	0	0	0	0	0
67	Street Lighting Expenses	585	267	StLgt-Lamps	0	0	0	0	0	0	0	134	134	0
68	Meter Expenses	586	0	None	0	0	0	0	0	0	0	0	0	0
69	Customer Install. expense	587	0	None	0	0	0	0	0	0	0	0	0	0
70	Misc. Distribution Expenses	588	24,667	Avg-Cust-Sec	19,505	110	3,547	4	1,482	4	0	0	0	15
71	Rents	589	7,459	Avg-Cust-Sec	5,898	33	1,073	1	448	1	0	0	0	5
72	Maint Supv & Engineering	590	9,532	SecC-Lab	7,376	42	1,341	1	587	1	2	88	88	5
73	Maint of Station Equip	592	0	None	0	0	0	0	0	0	0	0	0	0
74	Maint of OH Lines	593	91,803	Avg-Cust-Sec	72,592	410	13,201	14	5,516	14	0	0	0	56
75	Maint of UG Lines	594	6,240	Avg-Cust-Sec	4,934	28	897	1	375	1	0	0	0	4
76	Maint of Line Transformers	595	6,253	Avg-Cust-Sec	4,945	28	899	1	376	1	0	0	0	4
77	Maint of Lighting	596	942	StLgt-Lamps	0	0	0	0	0	0	0	471	471	0
78	Maint of Misc. Plant	599	16,945	SecC-Pt	12,909	73	2,347	3	1,300	3	21	141	141	7
79	Total DISTR. O&M EXP.	500-599	164,671		128,603	727	23,386	25	10,117	26	23	834	834	96
80	Distribution Expense		164,671		128,603	727	23,386	25	10,117	26	23	834	834	96
81	**D. CUSTOMER ACCOUNTS AND SERVICE**													
82	Supervision	901	0	None	0	0	0	0	0	0	0	0	0	0
83	Meter Reading Exp	902	0	None	0	0	0	0	0	0	0	0	0	0
84	Customer Records & Coll	903	0	None	0	0	0	0	0	0	0	0	0	0
85	Uncollectible Accounts	904	0	None	0	0	0	0	0	0	0	0	0	0
86	Subtotal - Cust. Accts. Exp.	901-905	0		0	0	0	0	0	0	0	0	0	0
87														
88	Customer Assistance	908	0	None	0	0	0	0	0	0	0	0	0	0
89	OPEN	916	0	None	0	0	0	0	0	0	0	0	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	0		0	0	0	0	0	0	0	0	0	0
91	Total CUST. ACCT. & SERV	901-919	0		0	0	0	0	0	0	0	0	0	0
92														

SecnCus
Class Allocation- Secondary Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
93	**E. ADMINISTRATIVE AND GENERAL**													
94	Admin. & Gen'l. Salaries	920	55,070	SecC-Lab	42,610	241	7,748	8	3,392	9	10	510	510	32
95	Office Supplies & Expenses	921	6,630	SecC-Lab	5,130	29	933	1	408	1	1	61	61	4
96	Outside Services Employed	923	17,709	SecC-LabPt	13,597	77	2,472	3	1,225	3	12	156	156	9
97	Property Insurance	924	11,318	SecC-Pt	8,622	49	1,568	2	868	2	14	94	94	5
98	Employee Pensions & Benefits	926	0	SecC-Lab	0	0	0	0	0	0	0	0	0	0
99	Regulatory Comm. Expense	928	0	SecC-Pt	0	0	0	0	0	0	0	0	0	0
100	Misc. General Expense	930	12,673	SecC-LabPt	9,730	55	1,769	2	876	2	9	112	112	6
101	Rents	931	133	SecC-Lab	103	1	19	0	8	0	0	1	1	0
102	Maint General Property	932	24,613	SecC-Pt	18,750	106	3,410	4	1,888	5	30	205	205	10
103	Total A&G Expense	920-932	128,146		98,542	557	17,919	19	8,665	22	77	1,140	1,140	65
104														
105	TOTAL OPERATING EXPENSES		292,817		227,145	1,284	41,305	44	18,782	48	99	1,974	1,974	162
106														
107	**II. DEPRECIATION EXPENSE**													
108	Intangible Plant		0	None	0	0	0	0	0	0	0	0	0	0
109	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
110	Poles, Towers and Fixtures		53,423	Avg-Cust-Sec	42,244	239	7,682	8	3,210	8	0	0	0	33
111	OH Conductors and Devices		24,508	Avg-Cust-Sec	19,379	110	3,524	4	1,472	4	0	0	0	15
112	UG Conduits and Conductors		6,957	Avg-Cust-Sec	5,501	31	1,000	1	418	1	0	0	0	4
113	Line Transformers		90,387	Avg-Cust-Sec	71,472	404	12,997	14	5,431	14	0	0	0	55
114	Services		95,347	Services_Cost	70,505	399	12,821	14	11,200	29	381	0	0	0
115	Meters		0	None	0	0	0	0	0	0	0	0	0	0
116	Install. Customers' premises		0	None	0	0	0	0	0	0	0	0	0	0
117	Street Lighting & Signal		2,971	StLgt-Lamps	0	0	0	0	0	0	0	1,485	1,485	0
118	General Plant		31,474	SecC-Lab	24,353	138	4,429	5	1,938	5	6	292	292	18
119	Total DEPRECIATION Exp.	403	305,067		233,455	1,320	42,452	45	23,669	60	387	1,777	1,777	126
120														
121	**III. TAXES and OTHER**													
122	**A. GENERAL TAXES**													
123	Payroll related	408	0	SecC-Lab	0	0	0	0	0	0	0	0	0	0
124	PURTA, Real estate	408.16	7,982	SecC-Pt	6,081	34	1,106	1	612	2	10	67	67	3
125	Capital stock		0	RateBase	0	0	0	0	0	0	0	0	0	0
126	Other	408	154	SecC-Pt	118	1	21	0	12	0	0	1	1	0
127	Subtotal - General Taxes		8,136		6,198	35	1,127	1	624	2	10	68	68	3
128														
129	**B. GROSS RECEIPTS TAX**													
130	Gross Receipts tax		44,841	Dist_Rev	23,609	172	3,493	5	10,664	7	6,164	95	570	63
131	Subtotal- Gross Receipts tax		44,841		23,609	172	3,493	5	10,664	7	6,164	95	570	63
132														

SecnCus
Class Allocation- Secondary Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
133	**B. FEDERAL / STATE INCOME TAXES**													
134	State Income Tax Expense		(26,949)	PreStaTax	(14,892)	(149)	(1,953)	(10)	(6,074)	(20)	(3,683)	(55)	(84)	(28)
135	Federal Income Tax Expense		(16,818)	PreFedTax	(9,294)	(93)	(1,219)	(6)	(3,791)	(13)	(2,299)	(34)	(52)	(17)
136	Subtotal - Fed / State Inc Tax	409-411	(43,766)		(24,186)	(242)	(3,171)	(16)	(9,865)	(33)	(5,982)	(89)	(137)	(45)
137	Total TAXES	408-411	9,211		5,621	(35)	1,448	(10)	1,423	(24)	192	73	501	21
138														
139	**TOTAL EXPENSES**		607,096		466,221	2,569	85,206	79	43,875	84	678	3,824	4,252	309
140														
141	**IV. OPERATING REVENUES at Present Rates**													
142	Distribution Revenue		763,714	Dist_Rev	402,106	2,934	59,484	81	181,621	123	104,980	1,610	9,707	1,068
143	Forfeited Discounts		0	None	0	0	0	0	0	0	0	0	0	0
144	Rent For Electric Property		28,680	Avg-Cust-Sec	22,679	128	4,124	4	1,723	4	0	0	0	18
145	Other Electric Revenues		2,732	Dist_Rev	1,438	10	213	0	650	0	375	6	35	4
146	Total REVENUES		795,126		426,223	3,073	63,821	85	183,994	127	105,356	1,616	9,742	1,090
147														
148	TOTAL EXPENSES		607,096		466,221	2,569	85,206	79	43,875	84	678	3,824	4,252	309
149	**V. NET INCOME at Present Rates**		188,030		(39,998)	503	(21,385)	6	140,119	43	104,678	(2,208)	5,490	781
150														
151	**SUMMARY REPORT**													
152	OPERATING REVENUES													
153	Utility Revenues	440-446	763,714		402,106	2,934	59,484	81	181,621	123	104,980	1,610	9,707	1,068
154	Other Operating Revenues	450-456	31,412		24,117	139	4,337	5	2,373	5	375	6	35	21
155	Total Operating Revenues		795,126		426,223	3,073	63,821	85	183,994	127	105,356	1,616	9,742	1,090
156														
157	OPERATING EXPENSES													
158	Distribution / Transmission	580-599	164,671		128,603	727	23,386	25	10,117	26	23	834	834	96
159	Customer Acctg & Service	901-919	0		0	0	0	0	0	0	0	0	0	0
160	Admin & General	920-932	128,146		98,542	557	17,919	19	8,665	22	77	1,140	1,140	65
161	Total Operating Expenses		292,817		227,145	1,284	41,305	44	18,782	48	99	1,974	1,974	162
162														
163	Depreciation Expense	403	305,067		233,455	1,320	42,452	45	23,669	60	387	1,777	1,777	126
164	Taxes Other Than Income	408	52,977		29,808	207	4,620	6	11,288	9	6,174	162	638	66
165	INCOME BEFORE INCOME		144,264		(64,184)	261	(24,556)	(10)	130,254	10	98,696	(2,297)	5,353	736
166	Income Taxes	409-411	(43,766)		(24,186)	(242)	(3,171)	(16)	(9,865)	(33)	(5,982)	(89)	(137)	(45)
167	**NET INCOME**		188,030		(39,998)	503	(21,385)	6	140,119	43	104,678	(2,208)	5,490	781
168														
169	**RATE BASE**		4,448,406		3,308,685	18,705	601,667	641	315,058	804	4,151	98,363	98,363	1,970
170	Return on Rate Base		4.23%											
171														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Secondary Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
172	**REVENUE REQUIREMENTS**													
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%
174														
175	Rate Base		4,448,406		3,308,685	18,705	601,667	641	315,058	804	4,151	98,363	98,363	1,970
176														
177	Operating expenses		292,817		227,145	1,284	41,305	44	18,782	48	99	1,974	1,974	162
178	Uncollectibles expense		0	None	0	0	0	0	0	0	0	0	0	0
179	Depreciation expense		305,067		233,455	1,320	42,452	45	23,669	60	387	1,777	1,777	126
180	Regulatory Commission Expenses		28,270	SecC-Pt	21,536	122	3,916	4	2,169	6	35	236	236	12
181	General taxes / Other		8,136		6,198	35	1,127	1	624	2	10	68	68	3
182	Subtotal- Operating Costs to recover		634,291		488,333	2,761	88,801	95	45,244	115	531	4,054	4,054	302
183														
184	Target Return on Rate Base- After tax		363,880		270,650	1,530	49,216	52	25,772	66	340	8,046	8,046	161
185														
186	Income taxes to recover		111,574	30.66%	82,988	469	15,091	16	7,902	20	104	2,467	2,467	49
187														
188	Subtotal- Rev Req before GRT		1,109,744		841,971	4,760	153,108	163	78,918	201	974	14,567	14,567	513
189	GRT needed		67,611	6.27%	51,279	290	9,328	10	4,799	12	38	913	911	31
190	**TOTAL REVENUE REQUIREMEN**		1,177,355		893,250	5,050	162,436	173	83,718	214	1,012	15,480	15,479	544
191														
192	Revenue at Present rates		795,126		426,223	3,073	63,821	85	183,994	127	105,356	1,616	9,742	1,090
193	Revenue Excess (Deficiency)		(382,229)		(467,027)	(1,977)	(98,615)	(88)	100,276	(86)	104,344	(13,865)	(5,737)	546
194														

BillCus
Class Allocation- Billing Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	**I. ELECTRIC PLANT IN SERVICE**													
2	INTANGIBLE PLANT													
3	EDI Software	303	284,588	Avg-Cust	224,575	1,270	40,838	44	17,064	44	580	0	0	174
4	Total INTANGIBLE Plant		284,588		224,575	1,270	40,838	44	17,064	44	580	0	0	174
5														
6	**C. TRANSMISSION PLANT**													
7	Transmission Plant	361	0	None	0	0	0	0	0	0	0	0	0	0
8	Total TRANSMISSION Plant	350-359	0		0	0	0	0	0	0	0	0	0	0
9														
10	**D. DISTRIBUTION PLANT**													
11	Land & Land Rights	360	0	None	0	0	0	0	0	0	0	0	0	0
12	Structures and improvements	361	0	None	0	0	0	0	0	0	0	0	0	0
13	Station Equipment	362	0	None	0	0	0	0	0	0	0	0	0	0
14	Poles, Tower & Fixtures	364	0	None	0	0	0	0	0	0	0	0	0	0
15	OH Conductors & Devices	365	0	None	0	0	0	0	0	0	0	0	0	0
16	UG Conduits and Conductors	366	0	None	0	0	0	0	0	0	0	0	0	0
17	Line Transformers	368	0	None	0	0	0	0	0	0	0	0	0	0
18	Services	369	0	None	0	0	0	0	0	0	0	0	0	0
19	Meters	370	1,041,481	Meter_Cost	626,754	3,543	113,972	121	226,766	578	53,651	0	0	16,095
20	Install. Customers' premises	371	519,618	Avg-Cust	410,043	2,318	74,564	79	31,156	79	1,060	0	0	318
21	Street Lighting & Signal	373	0	StLgt-Lamps	0	0	0	0	0	0	0	0	0	0
22	Total DISTRIBUTION Plant	360-373	1,561,098		1,036,797	5,861	188,536	201	257,921	658	54,710	0	0	16,413
23														
24	**E. GENERAL PLANT**													
25	General Plant	389	4,203,861	Bill-Lab	3,239,628	18,315	589,109	628	317,534	810	29,105	0	0	8,732
26	Communication Equip	398	50,686	Bill-Lab	39,060	221	7,103	8	3,829	10	351	0	0	105
27	Total GENERAL Plant	389-399	4,254,547		3,278,688	18,536	596,212	636	321,363	820	29,456	0	0	8,837
28														
29	**TOTAL UTILITY PLANT**		6,100,233		4,540,060	25,667	825,586	880	596,348	1,521	84,747	0	0	25,424
30														

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Class Allocation- Billing Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	**II. DEPRECIATION RESERVE**													
32	Intangible Plant		284,588	Avg-Cust	224,575	1,270	40,838	44	17,064	44	580	0	0	174
33	Transmission Plant		0	None	0	0	0	0	0	0	0	0	0	0
34	Structures and improvements		0	None	0	0	0	0	0	0	0	0	0	0
35	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
36	Poles, Towers and Fixtures		0	None	0	0	0	0	0	0	0	0	0	0
37	OH Conductors and Devices		0	None	0	0	0	0	0	0	0	0	0	0
38	UG Conduits and Conductors		0	None	0	0	0	0	0	0	0	0	0	0
39	Line Transformers		0	None	0	0	0	0	0	0	0	0	0	0
40	Services		0	None	0	0	0	0	0	0	0	0	0	0
41	Meters		787,559	Meter_Cost	473,946	2,679	86,185	92	171,478	437	40,570	0	0	12,171
42	Install. Customers' premises		115,728	Avg-Cust	91,324	516	16,607	18	6,939	18	236	0	0	71
43	Street Lighting & Signal		0	StLgt-Lamps	0	0	0	0	0	0	0	0	0	0
44	General Plant		1,259,090	Bill-Lab	970,294	5,485	176,443	188	95,104	243	8,717	0	0	2,615
45	Total DEPRECIATION RESE	108	2,446,965		1,760,140	9,951	320,072	341	290,585	741	50,104	0	0	15,031
46														
47	**III. OTHER RATE BASE I**													
48	Cash Working Capital	131	219,001	Bill-OpExp	165,996	986	29,335	37	18,376	50	3,687	79	102	353
49	CWIP	131	0	Bill-Pt	0	0	0	0	0	0	0	0	0	0
50	Materials & Supplies	255	104,895	Bill-Pt	77,837	440	14,154	15	10,448	27	1,518	0	0	455
51	Customer Deposits		(195,713)	CustDeposits	(112,853)	(829)	(10,984)	(29)	(44,236)	(22)	(25,342)	0	(1,164)	(255)
52	ADIT	154	(5,075)	Bill-Pt	(3,766)	(21)	(685)	(1)	(505)	(1)	(73)	0	0	(22)
53	Accrued Pension / OPEB	182	(8,511)	Bill-Lab	(6,559)	(37)	(1,193)	(1)	(643)	(2)	(59)	0	0	(18)
54	Total OTHER RATE BASE	131-283	114,597		120,656	539	30,628	20	(16,560)	52	(20,270)	79	(1,062)	514
55														
56	**TOTAL RATE BASE**		3,767,865		2,900,577	16,255	536,141	559	289,203	832	14,373	79	(1,062)	10,907
57														

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
58	**I. OPERATING AND MAINTENANCE EXPENSES**													
59	**B. TRANSMISSION EXPENSE**													
60	Transmission Expense		0	None	0	0	0	0	0	0	0	0	0	0
61	Total TRANSMISSION Expe		0		0	0	0	0	0	0	0	0	0	0
62														
63	**C. DISTRIBUTION EXPENSE**													
64	Ops Supv & Engineering	580	0	Bill-DxLab	0	0	0	0	0	0	0	0	0	0
65	Station Expenses	582	0	None	0	0	0	0	0	0	0	0	0	0
66	OH Line Expenses	583	0	None	0	0	0	0	0	0	0	0	0	0
67	Street Lighting Expenses	585	0	StLgt-Lamps	0	0	0	0	0	0	0	0	0	0
68	Meter Expenses	586	39,903	Meter_Cost	24,013	136	4,367	5	8,688	22	2,056	0	0	617
69	Customer Install. expense	587	267	Avg-Cust	211	1	38	0	16	0	1	0	0	0
70	Misc. Distribution Expenses	588	0	Avg-Cust	0	0	0	0	0	0	0	0	0	0
71	Rents	589	1,598	Bill-Pt	1,186	7	216	0	159	0	23	0	0	7
72	Maint Supv & Engineering	590	494	Bill-DxLab	302	2	55	0	104	0	24	0	0	7
73	Maint of Station Equip	592	0	None	0	0	0	0	0	0	0	0	0	0
74	Maint of OH Lines	593	0	None	0	0	0	0	0	0	0	0	0	0
75	Maint of UG Lines	594	0	None	0	0	0	0	0	0	0	0	0	0
76	Maint of Line Transformers	595	0	None	0	0	0	0	0	0	0	0	0	0
77	Maint of Lighting	596	0	StLgt-Lamps	0	0	0	0	0	0	0	0	0	0
78	Maint of Misc. Plant	599	3,630	Bill-Pt	2,694	15	490	1	362	1	53	0	0	16
79	Total DISTR. O&M EXP.	500-599	45,893		28,406	161	5,165	6	9,329	24	2,156	0	0	647
80	Distribution Expense		45,893		28,406	161	5,165	6	9,329	24	2,156	0	0	647
81	**D. CUSTOMER ACCOUNTS AND SERVICE**													
82	Supervision	901	0	Avg-Cust	0	0	0	0	0	0	0	0	0	0
83	Meter Reading Exp	902	16,544	Meter_Cost	9,956	56	1,810	2	3,602	9	852	0	0	256
84	Customer Records & Coll	903	1,047,510	Avg-Cust	826,616	4,673	150,316	160	62,807	160	2,136	0	0	641
85	Uncollectible Accounts	904	20,000	Write-Offs	17,398	128	331	1	1,334	1	764	0	35	8
86	Subtotal - Cust. Accts. Exp.	901-905	1,084,054		853,970	4,857	152,457	163	67,744	170	3,753	0	35	904
87														
88	Customer Assistance	908	9,737	Avg-Cust	7,684	43	1,397	1	584	1	20	0	0	6
89	OPEN	916	0	None	0	0	0	0	0	0	0	0	0	0
90	Subtotal - Cust. Svce. & Info.	908-916	9,737		7,684	43	1,397	1	584	1	20	0	0	6
91	Total CUST. ACCT. & SERV	901-919	1,093,791		861,654	4,901	153,855	165	68,328	172	3,773	0	35	910
92														

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Class Allocation- Billing Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
93	**E. ADMINISTRATIVE AND GENERAL**													
94	Admin. & Gen'l. Salaries	920	391,740	Bill-Lab	301,888	1,707	54,897	59	29,590	75	2,712	0	0	814
95	Office Supplies & Expenses	921	47,165	Bill-Lab	36,347	205	6,609	7	3,563	9	327	0	0	98
96	Outside Services Employed	923	43,340	Bill-LabPt	32,779	185	5,961	6	3,795	10	464	0	0	139
97	Property Insurance	924	8,047	Bill-Pt	5,971	34	1,086	1	802	2	116	0	0	35
98	Employee Pensions & Benefits	926	0	Bill-Lab	0	0	0	0	0	0	0	0	0	0
99	Regulatory Comm. Expense	928	153,393	RateBase	85,012	852	11,175	56	33,852	114	20,715	663	820	134
100	Misc. General Expense	930	31,014	Bill-LabPt	23,457	133	4,266	5	2,716	7	332	0	0	100
101	Rents	931	946	Bill-Lab	729	4	133	0	71	0	7	0	0	2
102	Maint General Property	932	17,500	Bill-Pt	12,986	73	2,361	3	1,743	4	253	0	0	76
103	Total A&G Expense	920-932	693,144		499,169	3,193	86,488	136	76,132	221	24,926	663	820	1,397
104														
105	TOTAL OPERATING EXPENSES		1,832,829		1,389,229	8,255	245,508	306	153,788	417	30,854	663	855	2,954
106														
107	**II. DEPRECIATION EXPENSE**													
108	Intangible Plant		0	Avg-Cust	0	0	0	0	0	0	0	0	0	0
109	Station Equipment		0	None	0	0	0	0	0	0	0	0	0	0
110	Poles, Towers and Fixtures		0	None	0	0	0	0	0	0	0	0	0	0
111	OH Conductors and Devices		0	None	0	0	0	0	0	0	0	0	0	0
112	UG Conduits and Conductors		0	None	0	0	0	0	0	0	0	0	0	0
113	Line Transformers		0	None	0	0	0	0	0	0	0	0	0	0
114	Services		0	None	0	0	0	0	0	0	0	0	0	0
115	Meters		79,809	Meter_Cost	48,028	272	8,734	9	17,377	44	4,111	0	0	1,233
116	Install. Customers' premises		53,884	Avg-Cust	42,521	240	7,732	8	3,231	8	110	0	0	33
117	Street Lighting & Signal		0	StLgt-Lamps	0	0	0	0	0	0	0	0	0	0
118	General Plant		223,892	Bill-Lab	172,538	975	31,375	33	16,911	43	1,550	0	0	465
119	Total DEPRECIATION Exp.	403	357,586		263,088	1,487	47,841	51	37,519	96	5,771	0	0	1,731
120														
121	**III. TAXES and OTHER**													
122	**A. GENERAL TAXES**													
123	Payroll related	408	0	None	0	0	0	0	0	0	0	0	0	0
124	PURTA, Real estate	408.16	5,675	Bill-Pt	4,211	24	766	1	565	1	82	0	0	25
125	Capital stock		0	RateBase	0	0	0	0	0	0	0	0	0	0
126	Other	408	110	Bill-Pt	81	0	15	0	11	0	2	0	0	0
127	Subtotal - General Taxes		5,785		4,293	24	781	1	576	1	84	0	0	25
128														
129	**B. GROSS RECEIPTS TAX**													
130	Gross Receipts tax		110,058	Dist_Rev	57,947	423	8,572	12	26,173	18	15,129	232	1,399	154
131	Subtotal- Gross Receipts tax		110,058		57,947	423	8,572	12	26,173	18	15,129	232	1,399	154
132														

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Class Allocation- Billing Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
133	**B. FEDERAL / STATE INCOME TAXES**													
134	State Income Tax Expense		0	PreStaTax	0	0	0	0	0	0	0	0	0	0
135	Federal Income Tax Expense		0	PreFedTax	0	0	0	0	0	0	0	0	0	0
136	Subtotal - Fed / State Inc Tax	409-411	0		0	0	0	0	0	0	0	0	0	0
137	Total TAXES	408-411	115,842		62,240	447	9,353	12	26,749	19	15,212	232	1,399	179
138														
139	**TOTAL EXPENSES**		2,306,257		1,714,557	10,189	302,702	370	218,057	532	51,838	895	2,254	4,865
140														
141	**IV. OPERATING REVENUES at Present Rates**													
142	Distribution Revenue		1,843,328	Dist_Rev	970,538	7,081	143,573	195	438,367	296	253,384	3,886	23,429	2,579
143	Forfeited Discounts		31,122	Write-Offs	27,073	199	516	1	2,076	1	1,189	0	55	12
144	Rent For Electric Property		0	None	0	0	0	0	0	0	0	0	0	0
145	Other Electric Revenues		6,593	Dist_Rev	3,471	25	514	1	1,568	1	906	14	84	9
146	Total REVENUES		1,881,044		1,001,083	7,306	144,602	197	442,011	298	255,480	3,900	23,567	2,600
147														
148	TOTAL EXPENSES		2,306,257		1,714,557	10,189	302,702	370	218,057	532	51,838	895	2,254	4,865
149	**V. NET INCOME at Present Rates**		(425,213)		(713,474)	(2,883)	(158,100)	(173)	223,954	(234)	203,642	3,005	21,314	(2,265)
150														
151	**SUMMARY REPORT**													
152	OPERATING REVENUES													
153	Utility Revenues	440-446	1,874,450		997,611	7,280	144,088	196	440,443	297	254,574	3,886	23,484	2,591
154	Other Operating Revenues	450-456	6,593		3,471	25	514	1	1,568	1	906	14	84	9
155	Total Operating Revenues		1,881,044		1,001,083	7,306	144,602	197	442,011	298	255,480	3,900	23,567	2,600
156														
157	OPERATING EXPENSES													
158	Distribution / Transmission	580-599	45,893		28,406	161	5,165	6	9,329	24	2,156	0	0	647
159	Customer Acctg & Service	901-919	1,093,791		861,654	4,901	153,855	165	68,328	172	3,773	0	35	910
160	Admin & General	920-932	693,144		499,169	3,193	86,488	136	76,132	221	24,926	663	820	1,397
161	Total Operating Expenses		1,832,829		1,389,229	8,255	245,508	306	153,788	417	30,854	663	855	2,954
162														
163	Depreciation Expense	403	357,586		263,088	1,487	47,841	51	37,519	96	5,771	0	0	1,731
164	Taxes Other Than Income	408	115,842		62,240	447	9,353	12	26,749	19	15,212	232	1,399	179
165	INCOME BEFORE INCOME		(425,213)		(713,474)	(2,883)	(158,100)	(173)	223,954	(234)	203,642	3,005	21,314	(2,265)
166	Income Taxes	409-411	0		0	0	0	0	0	0	0	0	0	0
167	**NET INCOME**		(425,213)		(713,474)	(2,883)	(158,100)	(173)	223,954	(234)	203,642	3,005	21,314	(2,265)
168														
169	**RATE BASE**		3,767,865		2,900,577	16,255	536,141	559	289,203	832	14,373	79	(1,062)	10,907
170	Return on Rate Base		-11.29%											
171														

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Class Allocation- Billing Customer
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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
FPFTY Ending December 31, 2026
Class Allocation- Billing Customer

Line	Account	No.	Balance	Allocator	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
172	**REVENUE REQUIREMENTS**													
173	Target Rate of Return		8.1800%		8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%	8.1800%
174														
175	Rate Base		3,767,865		2,900,577	16,255	536,141	559	289,203	832	14,373	79	(1,062)	10,907
176														
177	Operating expenses		1,659,436		1,286,819	7,275	234,001	249	118,602	303	9,375	0	0	2,812
178	Uncollectibles expense		20,000	Write-Offs	17,398	128	331	1	1,334	1	764	0	35	8
179	Depreciation expense		357,586		263,088	1,487	47,841	51	37,519	96	5,771	0	0	1,731
180	Regulatory Commission Expenses		20,100	Bill-Pt	14,915	84	2,712	3	2,002	5	291	0	0	87
181	General taxes / Other		5,785		4,293	24	781	1	576	1	84	0	0	25
182	Subtotal- Operating Costs to recover		2,062,907		1,586,513	8,999	285,666	305	160,034	406	16,285	0	35	4,664
183														
184	Target Return on Rate Base- After tax		308,211		237,267	1,330	43,856	46	23,657	68	1,176	6	(87)	892
185														
186	Income taxes to recover		94,505	30.66%	72,752	408	13,447	14	7,254	21	361	2	(27)	274
187														
188	Subtotal- Rev Req before GRT		2,465,623		1,896,532	10,736	342,970	365	190,944	494	17,821	8	(78)	5,830
189	GRT needed		152,228	6.27%	116,996	659	21,439	23	11,744	31	986	(0)	(14)	364
190	**TOTAL REVENUE REQUIREMEN**		2,617,851		2,013,528	11,395	364,410	388	202,688	525	18,807	8	(92)	6,194
191														
192	Revenue at Present rates		1,881,044		1,001,083	7,306	144,602	197	442,011	298	255,480	3,900	23,567	2,600
193	Revenue Excess (Deficiency)		(736,807)		(1,012,445)	(4,089)	(219,808)	(191)	239,323	(227)	236,673	3,892	23,659	(3,594)
194														

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Wellsboro Electric Company
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	EDI Software	303	284,588	Bill	-	-	-	-	Avg-Cust
4	Total INTANGIBLE Plant		284,588						
5									
6	**C. TRANSMISSION PLANT**								
7	Transmission Plant	361	0	-	-	-	-	-	-
8	Total TRANSMISSION Plant	350-359	0						
9									
10	**D. DISTRIBUTION PLANT**								
11	Land & Land Rights	360	178,334	Prim	-	NCP-Prim	-	-	-
12	Structures and improvements	361	0	-	-	-	-	-	-
13	Station Equipment	362	3,992,800	Prim	-	NCP-Prim	-	-	-
14	Poles, Tower & Fixtures	364	14,933,172	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
15	OH Conductors & Devices	365	6,804,947	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
16	UG Conduits and Conductors	366	1,038,449	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
17	Line Transformers	368	3,365,587	Trans	Trans-Min	-	NCP-Ltr	Avg-Cust-Sec	-
18	Services	369	2,486,089	Sec	Customer	-	-	Services_Cost	-
19	Meters	370	1,041,481	Bill	-	-	-	-	Meter_Cost
20	Install. Customers' premises	371	519,618	Bill	-	-	-	-	Avg-Cust
21	Street Lighting & Signal	373	125,272	Sec	Customer	-	-	StLgt-Lamps	-
22	Total DISTRIBUTION Plant	360-373	34,485,748						
23									
24	**E. GENERAL PLANT**								
25	General Plant	389	9,778,618	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
26	Communication Equip	398	117,901	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
27	Total GENERAL Plant	389-399	9,896,519						
28									
29	**TOTAL UTILITY PLANT**		44,666,856						
30									

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Wellsboro Electric Company
Embedded Cost of Service Study (ECOSS)
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Allocator Assignments

Line	Account	No.	Balance	Function Allocator	Classify Secondary	Class Allocation PrimDem	SecnDem	SecnCus	BillCus ×
31	**II. DEPRECIATION RESERVE**								
32	Intangible Plant		284,588	IntanPt	-	-	-	-	Avg-Cust
33	Transmission Plant		0	-	-	-	-	-	-
34	Structures and improvements		0	-	-	-	-	-	-
35	Station Equipment		3,892,596	Prim	-	NCP-Prim	-	-	-
36	Poles, Towers and Fixtures		5,102,743	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
37	OH Conductors and Devices		2,322,844	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
38	UG Conduits and Conductors		779,669	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
39	Line Transformers		1,697,284	Trans	Trans-Min	-	NCP-Ltr	Avg-Cust-Sec	-
40	Services		1,472,321	Sec	Customer	-	-	Services_Cost	-
41	Meters		787,559	Bill	-	-	-	-	Meter_Cost
42	Install. Customers' premises		115,728	Bill	-	-	-	-	Avg-Cust
43	Street Lighting & Signal		(63,042)	Sec	Customer	-	-	StLgt-Lamps	-
44	General Plant		2,928,774	GenPtxL	Sec-GenPt	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
45	Total DEPRECIATION RESE	108	9,279,927						
46									
47	**III. OTHER RATE BASE ITEMS**								
48	Cash Working Capital	131	517,744	OpExp_Dist	Sec-OpExp	PriD-OpExp	SecD-OpExp	SecC-OpExp	Bill-OpExp
49	CWIP	131	0	-	-	-	-	-	-
50	Materials & Supplies	255	247,983	OpExp_Dist	Sec-OpExp	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
51	Customer Deposits		(195,713)	Bill	-	-	-	-	CustDeposits
52	ADIT	154	(38,728)	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
53	Accrued Pension / OPEB	182	(19,798)	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
54	Total OTHER RATE BASE	131-283	511,488						
55									
56	**TOTAL RATE BASE**		35,898,417						
57									

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Wellsboro Electric Company
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Allocator Assignments

Line	Account	No.	Balance	Function	Classify	Class Allocation			
				Allocator	Secondary	PrimDem	SecnDem	SecnCus	BillCus ×
58	**I. OPERATING AND MAINTENANCE EXPENSES**								
59	B. TRANSMISSION EXPENSE								
60	Transmission Expense								
61	Total TRANSMISSION Expense								
62									
63	**C. DISTRIBUTION EXPENSE**								
64	Ops Supv & Engineering	580	0	-	-	-	-	-	-
65	Station Expenses	582	0	-	-	-	-	-	-
66	OH Line Expenses	583	6,020	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
67	Street Lighting Expenses	585	267	Sec	Customer	-	-	StLgt-Lamps	-
68	Meter Expenses	586	39,903	Bill	-	-	-	-	Meter_Cost
69	Customer Install. expense	587	267	Bill	-	-	-	-	Avg-Cust
70	Misc. Distribution Expenses	588	285,688	OH_UG	Sec-OH_UG	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
71	Rents	589	35,300	DistPt	Sec-Pt	NCP-Prim	NCP-Sec	Avg-Cust-Sec	Bill-Pt
72	Maint Supv & Engineering	590	101,784	D-Labor-Mnt	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-DxLab
73	Maint of Station Equip	592	18,557	Prim	-	NCP-Prim	-	-	-
74	Maint of OH Lines	593	985,327	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
75	Maint of UG Lines	594	40,313	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
76	Maint of Line Transformers	595	8,064	Trans	Trans-Min	-	NCP-Ltr	Avg-Cust-Sec	-
77	Maint of Lighting	596	942	Sec	Customer	-	-	StLgt-Lamps	-
78	Maint of Misc. Plant	599	80,194	DistPt	Sec-Pt	NCP-Prim	NCP-Sec	SecC-Pt	Bill-Pt
79	Total DISTR. O&M EXP.	500-599	1,602,629						
80	Distribution Expense								
81	**D. CUSTOMER ACCOUNTS AND SERVICE**								
82	Supervision	901	0	-	-	-	-	-	-
83	Meter Reading Exp	902	16,544	Bill	-	-	-	-	Meter_Cost
84	Customer Records & Coll	903	1,047,510	Bill	-	-	-	-	Avg-Cust
85	Uncollectible Accounts	904	20,000	Bill	-	-	-	-	Write-Offs
86	Subtotal - Cust. Accts. Exp.	901-905	1,084,054						
87									
88	Customer Assistance	908	9,737	Bill	-	-	-	-	Avg-Cust
89	OPEN	916	0	-	-	-	-	-	-
90	Subtotal - Cust. Svce. & Info.	908-916	9,737						
91	Total CUST. ACCT. & SERV	901-919	1,093,791						
92									

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Wellsboro Electric Company
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 ×
93	**E. ADMINISTRATIVE AND GENERAL**								
94	Admin. & Gen'l. Salaries	920	911,229	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
95	Office Supplies & Expenses	921	109,710	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
96	Outside Services Employed	923	154,525	Labor_Pt	Sec-LabPt	PriD-LabPt	SecD-LabPt	SecC-LabPt	Bill-LabPt
97	Property Insurance	924	61,410	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
98	Employee Pensions & Benefits	926	0	-	-	-	-	-	-
99	Regulatory Comm. Expense	928	153,393	Bill	-	-	-	-	RateBase
100	Misc. General Expense	930	110,581	Labor_Pt	Sec-LabPt	PriD-LabPt	SecD-LabPt	SecC-LabPt	Bill-LabPt
101	Rents	931	2,200	Labor	Sec-Lab	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
102	Maint General Property	932	133,551	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
103	Total A&G Expense	920-932	1,636,599						
104									
105	TOTAL OPERATING EXPEI		4,333,019						
106									
107	**II. DEPRECIATION EXPENSE**								
108	Intangible Plant		0	-	-	-	-	-	-
109	Station Equipment		252,375	Prim	-	NCP-Prim	-	-	-
110	Poles, Towers and Fixtures		509,675	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
111	OH Conductors and Devices		263,041	OH_Cond	OH-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
112	UG Conduits and Conductors		44,951	UG_Cond	UG-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
113	Line Transformers		116,555	Trans	Trans-Min	-	NCP-Ltr	Avg-Cust-Sec	-
114	Services		95,347	Sec	Customer	-	-	Services_Cost	-
115	Meters		79,809	Bill	-	-	-	-	Meter_Cost
116	Install. Customers' premises		53,884	Bill	-	-	-	-	Avg-Cust
117	Street Lighting & Signal		2,971	Sec	Customer	-	-	StLgt-Lamps	-
118	General Plant		520,797	GenPtxL	Sec-GenPt	PriD-Lab	SecD-Lab	SecC-Lab	Bill-Lab
119	Total DEPRECIATION Exp.	403	762,050						
120									
121	**III. TAXES and OTHER**								
122	**A. GENERAL TAXES**								
123	Payroll related	408	0	-	-	-	-	-	-
124	PURTA, Real estate	408.16	43,311	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
125	Capital stock		0	-	-	-	-	-	-
126	Other	408	837	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
127	Subtotal - General Taxes		44,148						
128									
129	**B. GROSS RECEIPTS TAX**								
130	Gross Receipts tax		377,718	GRT_RevxT	Sec-Rev	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
131	Subtotal- Gross Receipts tax		377,718						
132									

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Wellsboro Electric Company
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 ×
133	**B. FEDERAL / STATE INCOME TAXES**								
134	State Income Tax Expense		(86,033)	StaTax	Sec-StaTax	PreStaTax	PreStaTax	PreStaTax	-
135	Federal Income Tax Expense		(53,690)	FedTax	Sec-FedTax	PreFedTax	PreFedTax	PreFedTax	-
136	Subtotal - Fed / State Inc Tax	409-411	(139,723)						
137	Total TAXES	408-411	282,143						
138									
139	**TOTAL EXPENSES**		5,377,211						
140									
141	**IV. OPERATING REVENUES at Present Rates**								
142	Distribution Revenue		6,401,996	DistBill_RR-PF	Sec-RetRRPF	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
143	Forfeited Discounts		31,122	Bill	-	-	-	-	Write-Offs
144	Rent For Electric Property		273,619	OH_Cond	PTF-Sec-Z	NCP-Prim	NCP-Sec	Avg-Cust-Sec	-
145	Other Electric Revenues		22,899	DistBill_RR-PF	Sec-RetRRPF	Dist_Rev	Dist_Rev	Dist_Rev	Dist_Rev
146	Total REVENUES		6,729,636						
147									
148	TOTAL EXPENSES		5,377,211						
149	**V. NET INCOME at Present Rates**		1,352,425						
150									
151	**SUMMARY REPORT**								
152	OPERATING REVENUES								
153	Utility Revenues	440-446	6,433,118						
154	Other Operating Revenues	450-456	296,518						
155	Total Operating Revenues		6,729,636						
156									
157	OPERATING EXPENSES								
158	Distribution / Transmission	580-599	1,602,629						
159	Customer Acctg & Service	901-919	1,093,791						
160	Admin & General	920-932	1,636,599						
161	Total Operating Expenses		4,333,019						
162									
163	Depreciation Expense	403	762,050						
164	Taxes Other Than Income	408	421,866						
165	INCOME BEFORE INCOME		1,212,702						
166	Income Taxes	409-411	(139,723)						
167	**NET INCOME**		1,352,425						
168									
169	**RATE BASE**		35,898,417						
170	Return on Rate Base		3.77%						
171									

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Allocator Assignments
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Wellsboro Electric Company
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 ×
172	**REVENUE REQUIREMENTS**								
173	Target Rate of Return								
174									
175	Rate Base								
176									
177	Operating expenses								
178	Uncollectibles expense		20,000	BILL	-	-	-	-	Write-Offs
179	Depreciation expense								
180	Regulatory Commission Expenses		153,393	Plant	Sec-Pt	PriD-Pt	SecD-Pt	SecC-Pt	Bill-Pt
181	General taxes / Other								
182	Subtotal- Operating Costs to recover								
183									
184	Target Return on Rate Base- After tax								
185									
186	Income taxes to recover								
187									
188	Subtotal- Rev Req before GRT								
189	GRT needed								
190	**TOTAL REVENUE REQUIREMENT**								
191									
192	Revenue at Present rates								
193	Revenue Excess (Deficiency)								
194									

Funcl **Wellsboro Electric Company**
Funct **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5B **Functionalization Factors**

0	Allocator Name	In Use	Total	Primary	Secondary	Billing	x
1	None		-				x
2		FALSE	0.00%	0.00%	0.00%	0.00%	x
3							x
4	Tran		1				x
5		TRUE	100.00%	0.00%	0.00%	0.00%	x
6							x
7	Prim		1	1			x
8		TRUE	100.00%	100.00%	0.00%	0.00%	x
9							x
10	Sec		1		1		x
11		TRUE	100.00%	0.00%	100.00%	0.00%	x
12							x
13	Bill		1			1	x
14		TRUE	100.00%	0.00%	0.00%	100.00%	x
15							x
16	OH_Cond		1	1	0	-	x
17		TRUE	100.00%	83.37%	16.63%	0.00%	x
18							x
19	UG_Cond		1	1	0	-	x
20		TRUE	100.00%	57.35%	42.65%	0.00%	x
21							x
22	Trans		1	-	1	-	x
23		TRUE	100.00%	0.00%	100.00%	0.00%	x
24							x
25	UG_Total		1,038,449	595,569	442,880	-	x
26		TRUE	100.00%	57.35%	42.65%	0.00%	x
27							x
28	OpExp_Dist		4,333,019	1,947,957	552,233	1,832,829	x
29		TRUE	100.00%	44.96%	12.74%	42.30%	x
30							x
31	DistBill_RR-PF		8,104,056	4,274,574	1,496,079	2,333,402	x
32		TRUE	100.00%	52.75%	18.46%	28.79%	x
33							x
34	GRT_RevxT		6,433,118	3,376,804	1,181,864	1,874,450	x
35		TRUE	100.00%	52.49%	18.37%	29.14%	x
36							x

Funcl **Wellsboro Electric Company**
Funct **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5B **Functionalization Factors**

0	Allocator Name	In Use	Total	Primary	Secondary	Billing	x
37	Labor		915,420	408,207	113,671	393,542	x
38		TRUE	100.00%	44.59%	12.42%	42.99%	x
39							x
40	D-Labor-Op		171,910	103,998	40,749	27,164	x
41		TRUE	100.00%	60.50%	23.70%	15.80%	x
42							x
43	D-Labor-Mnt		336,308	269,962	64,713	1,633	x
44		TRUE	100.00%	80.27%	19.24%	0.49%	x
45							x
46	Labor_Pt		2	1	0	1	x
47		TRUE	100.00%	53.06%	18.90%	28.05%	x
48							x
49	IntanPt		284,588	-	-	284,588	x
50		TRUE	100.00%	0.00%	0.00%	100.00%	x
51							x
52	TranPt		-	-	-	-	x
53		FALSE	0.00%	0.00%	0.00%	0.00%	x
54							x
55	OH_UG		26,142,155	18,719,219	7,422,936	-	x
56		TRUE	100.00%	71.61%	28.39%	0.00%	x
57							x
58	DistPt		34,485,748	22,890,353	10,034,297	1,561,098	x
59		TRUE	100.00%	66.38%	29.10%	4.53%	x
60							x
61	GenPtxL		117,901	52,575	14,640	50,686	x
62		TRUE	100.00%	44.59%	12.42%	42.99%	x
63							x
64	RateBase		25,857,280	15,778,363	6,311,053	3,767,865	x
65		TRUE	100.00%	61.02%	24.41%	14.57%	x
66							x
67	PreTax		35,348	288,998	171,564	(425,213)	x
68		TRUE	100.00%	817.57%	485.35%	-1202.93%	x
69							x
70	StaTax		460,561	288,998	171,564	-	x
71		TRUE	100.00%	62.75%	37.25%	0.00%	x
72							x
73	FedTax		546,595	342,983	203,612	-	x
74		TRUE	100.00%	62.75%	37.25%	0.00%	x
75							x
76	Plant		44,382,268	27,303,444	11,263,179	5,815,645	x
77		TRUE	100.00%	61.52%	25.38%	13.10%	x

Class **Wellsboro Electric Company**
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
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%	36.96%	0.00%	63.04%
14		TRUE	100.00%	36.96%	0.00%	63.04%
15						
16	OH-Sec-Z		100.00%	43.97%	0.00%	56.03%
17		TRUE	100.00%	43.97%	0.00%	56.03%
18						
19	UG-Sec-Z		100.00%	63.71%	0.00%	36.29%
20		TRUE	100.00%	63.71%	0.00%	36.29%
21						
22	Trans-Min		100.00%	22.45%	0.00%	77.55%
23		TRUE	100.00%	22.45%	0.00%	77.55%
24						
25	Sec_RB		6,311,053	1,862,647	-	4,448,406
26		TRUE	100.00%	29.51%	0.00%	70.49%
27						
28	Sec-Pt		11,263,179	3,083,725	-	8,179,454
29		TRUE	100.00%	27.38%	0.00%	72.62%
30						
31	Sec-RB		6,311,053	1,862,647	-	4,448,406
32		TRUE	100.00%	29.51%	0.00%	70.49%
33						
34	Sec-OH_UG		26,898,673	18,719,219	-	8,179,454
35		TRUE	100.00%	69.59%	0.00%	30.41%
36						

Class **Wellsboro Electric Company**
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		1,228,882	630,785	-	598,097
38		TRUE	100.00%	51.33%	0.00%	48.67%
39						
40	Sec-OpExp		552,233	259,415	-	292,817
41		TRUE	100.00%	46.98%	0.00%	53.02%
42						
43	Sec-DiPt		10,034,297	2,452,940	-	7,581,357
44		TRUE	100.00%	24.45%	0.00%	75.55%
45						
46	Sec-Lab		113,671	58,347	-	55,323
47		TRUE	100.00%	51.33%	0.00%	48.67%
48						
49	Sec-Rev		1,181,864	418,150	-	763,714
50		TRUE	100.00%	35.38%	0.00%	64.62%
51						
52	Sec-LabPt		200.00%	78.71%	0.00%	121.29%
53		TRUE	100.00%	39.35%	0.00%	60.65%
54						
55	Sec-PreTax		171,564	27,300	-	144,264
56		TRUE	100.00%	15.91%	0.00%	84.09%
57						
58	Sec-StaTax		171,564	27,300	-	144,264
59		TRUE	100.00%	15.91%	0.00%	84.09%
60						
61	Sec-FedTax		203,612	32,400	-	171,213
62		TRUE	100.00%	15.91%	0.00%	84.09%
63						
64	Sec-RetRRPF		1,496,079	529,321	-	966,758
65		TRUE	100.00%	35.38%	0.00%	64.62%
66						

AllocFct **Wellsboro Electric Company**
Class Al **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
1	None		-										
2		FALSE	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3													
4	MWh-Meter		105,861,774	44,812,773	397,781	4,732,166	6,256	29,056,715	7,216	26,746,293	-	-	102,572
5		TRUE	100.00%	42.33%	0.38%	4.47%	0.01%	27.45%	0.01%	25.27%	0.00%	0.00%	0.10%
6													
7	NCP-Prim		20036	9,206	123	846	9	5,356	18	4,411	13	41	12
8		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
9													
10	NCP-Sec		15,613	9,206	123	846	9	5,356	18	-	13	41	-
11		TRUE	100.00%	58.96%	0.79%	5.42%	0.06%	34.31%	0.12%	0.00%	0.09%	0.27%	0.00%
12													
13	NCP-Ltr		3,689	-	-	-	4	3,616	14	-	13	41	-
14		TRUE	100.00%	0.00%	0.00%	0.00%	0.12%	98.02%	0.37%	0.00%	0.36%	1.12%	0.00%
15													
16	AVG-CUST		6,538	5,159	29	938	1	392	1	13	-	-	4
17		TRUE	100.00%	78.91%	0.45%	14.35%	0.02%	6.00%	0.02%	0.20%	0.00%	0.00%	0.06%
18													
19	Services_Cost		5,345,508	3,952,747	22,346	718,786	766	627,903	1,602	21,357	-	-	-
20		TRUE	100.00%	73.95%	0.42%	13.45%	0.01%	11.75%	0.03%	0.40%	0.00%	0.00%	0.00%
21													
22	Avg-Cust-Sec		6,525	5,159	29	938	1	392	1		-	-	4
23		TRUE	100.00%	79.07%	0.45%	14.38%	0.02%	6.01%	0.02%	0.00%	0.00%	0.00%	0.06%
24													
25	Meters		6,538	5,159	29	938	1	392	1	13	-	-	4
26		TRUE	100.00%	78.91%	0.45%	14.35%	0.02%	6.00%	0.02%	0.20%	0.00%	0.00%	0.06%
27													
28	Meter_Cost		3,086,287	1,857,300	10,500	337,740	360	671,990	1,714	158,987	-	-	47,696
29		TRUE	100.00%	60.18%	0.34%	10.94%	0.01%	21.77%	0.06%	5.15%	0.00%	0.00%	1.55%
30													

AllocFct **Wellsboro Electric Company**
Class Al **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
31	Dist_Rev		6,401,996	3,370,741	24,594	498,637	676	1,522,475	1,028	880,020	13,496	81,371	8,957
32		TRUE	100.00%	52.65%	0.38%	7.79%	0.01%	23.78%	0.02%	13.75%	0.21%	1.27%	0.14%
33													
34	Total_Rev		13,072,503	6,981,957	53,402	834,441	1,630	3,223,216	1,585	1,857,933	19,106	81,371	17,863
35		TRUE	100.00%	53.41%	0.41%	6.38%	0.01%	24.66%	0.01%	14.21%	0.15%	0.62%	0.14%
36													
37	Supp_Rev		6,670,507	3,611,216	28,807	335,804	954	1,700,741	557	977,913	5,609	-	8,907
38		TRUE	100.00%	54.14%	0.43%	5.03%	0.01%	25.50%	0.01%	14.66%	0.08%	0.00%	0.13%
39													
40	CustDeposits		121,200	69,887	513	6,802	18	27,394	14	15,694	-	721	158
41		TRUE	100.00%	57.66%	0.42%	5.61%	0.01%	22.60%	0.01%	12.95%	0.00%	0.59%	0.13%
42													
43	Write-Offs		1	1	0	0	0	0	0	0	-	0	0
44		TRUE	100.00%	86.99%	0.64%	1.66%	0.00%	6.67%	0.00%	3.82%	0.00%	0.18%	0.04%
45													
46	StLgt-Lamps		2	-	-	-	-	-	-	-	1	1	-
47		TRUE	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%
48													
49	PriD-Lab		408,207	187,563	2,509	17,230	179	109,124	371	89,862	274	844	252
50		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
51													
52	PriD-DxPt		22,890,353	10,517,637	140,713	966,155	10,050	6,119,146	20,807	5,039,033	15,374	47,324	14,115
53		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
54													
55	PriD-Pt		27,303,444	12,545,359	167,841	1,152,422	11,987	7,298,872	24,818	6,010,522	18,338	56,447	16,837
56		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
57													
58	PriD-LabPt		200.00%	91.90%	1.23%	8.44%	0.09%	53.46%	0.18%	44.03%	0.13%	0.41%	0.12%
59		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
60													
61	PriD-OpExp		1,947,957	895,045	11,975	82,219	855	520,736	1,771	428,819	1,308	4,027	1,201
62		TRUE	100.00%	45.95%	0.61%	4.22%	0.04%	26.73%	0.09%	22.01%	0.07%	0.21%	0.06%
63													

AllocFct **Wellsboro Electric Company**
Class Al **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
64	SecD-Lab		58,347	33,912	454	3,115	33	20,548	70	-	53	162	-
65		TRUE	100.00%	58.12%	0.78%	5.34%	0.06%	35.22%	0.12%	0.00%	0.09%	0.28%	0.00%
66													
67	SecD-DxPt		2,452,940	1,000,820	13,390	91,936	1,849	1,322,937	4,801	-	4,219	12,988	-
68		TRUE	100.00%	40.80%	0.55%	3.75%	0.08%	53.93%	0.20%	0.00%	0.17%	0.53%	0.00%
69													
70	SecD-Pt		3,083,725	1,367,443	18,295	125,614	2,210	1,545,077	5,560	-	4,788	14,739	-
71		TRUE	100.00%	44.34%	0.59%	4.07%	0.07%	50.10%	0.18%	0.00%	0.16%	0.48%	0.00%
72													
73	SecD-UG		282,151	166,369	2,226	15,283	159	96,793	329	-	243	749	-
74		TRUE	100.00%	58.96%	0.79%	5.42%	0.06%	34.31%	0.12%	0.00%	0.09%	0.27%	0.00%
75													
76	SecD-LabPt		200.00%	102.47%	1.37%	9.41%	0.13%	85.32%	0.30%	0.00%	0.25%	0.76%	0.00%
77		TRUE	100.00%	51.23%	0.69%	4.71%	0.06%	42.66%	0.15%	0.00%	0.12%	0.38%	0.00%
78													
79	SecD-OpExp		259,415	147,756	1,977	13,573	152	94,620	325	-	248	764	-
80		TRUE	100.00%	56.96%	0.76%	5.23%	0.06%	36.47%	0.13%	0.00%	0.10%	0.29%	0.00%
81													
82	SecC-Lab		55,323	42,806	242	7,784	8	3,407	9	10	512	512	32
83		TRUE	100.00%	77.37%	0.44%	14.07%	0.01%	6.16%	0.02%	0.02%	0.93%	0.93%	0.06%
84													
85	SecC-DxPt		7,581,357	5,768,306	32,610	1,048,935	1,118	590,629	1,507	9,933	62,636	62,636	3,047
86		TRUE	100.00%	76.09%	0.43%	13.84%	0.01%	7.79%	0.02%	0.13%	0.83%	0.83%	0.04%
87													
88	SecC-Pt		8,179,454	6,231,082	35,227	1,133,089	1,208	627,464	1,601	10,042	68,176	68,176	3,390
89		TRUE	100.00%	76.18%	0.43%	13.85%	0.01%	7.67%	0.02%	0.12%	0.83%	0.83%	0.04%
90													
91	SecC-LTr		2,609,971	2,063,802	11,667	375,291	400	156,810	400	-	-	-	1,600
92		TRUE	100.00%	79.07%	0.45%	14.38%	0.02%	6.01%	0.02%	0.00%	0.00%	0.00%	0.06%
93													

AllocFct **Wellsboro Electric Company**
Class Al **Embedded Cost of Service Study (ECOSS)**
Fac **FPFTY Ending December 31, 2026**
E-5D **Class Allocation Factors**

0	Allocator Name	In Use	Total	RS	RSAE	NRS	NRH	CS	CSH	IS	MSL	POL	EX
94	SecC-LabPt		2	2	0	0	0	0	0	0	0	0	0
95		TRUE	100.00%	76.78%	0.43%	13.96%	0.01%	6.91%	0.02%	0.07%	0.88%	0.88%	0.05%
96													
97	SecC-OpExp		292,817	227,145	1,284	41,305	44	18,782	48	99	1,974	1,974	162
98		TRUE	100.00%	77.57%	0.44%	14.11%	0.02%	6.41%	0.02%	0.03%	0.67%	0.67%	0.06%
99													
100	Bill-Lab		393,542	303,276	1,715	55,149	59	29,726	76	2,725	-	-	817
101		TRUE	100.00%	77.06%	0.44%	14.01%	0.01%	7.55%	0.02%	0.69%	0.00%	0.00%	0.21%
102													
103	Bill-DxLab		29,004	17,719	100	3,222	3	6,092	16	1,424	-	-	427
104		TRUE	100.00%	61.09%	0.35%	11.11%	0.01%	21.00%	0.05%	4.91%	0.00%	0.00%	1.47%
105													
106	Bill-DxPt		1,561,098	1,036,797	5,861	188,536	201	257,921	658	54,710	-	-	16,413
107		TRUE	100.00%	66.41%	0.38%	12.08%	0.01%	16.52%	0.04%	3.50%	0.00%	0.00%	1.05%
108													
109	Bill-Pt		5,815,645	4,315,485	24,397	784,748	836	579,284	1,478	84,167	-	-	25,250
110		TRUE	100.00%	74.20%	0.42%	13.49%	0.01%	9.96%	0.03%	1.45%	0.00%	0.00%	0.43%
111													
112	Bill-LabPt		200.00%	151.27%	0.86%	27.51%	0.03%	17.51%	0.04%	2.14%	0.00%	0.00%	0.64%
113		TRUE	100.00%	75.63%	0.43%	13.75%	0.01%	8.76%	0.02%	1.07%	0.00%	0.00%	0.32%
114													
115	Bill-OpExp		1,832,829	1,389,229	8,255	245,508	306	153,788	417	30,854	663	855	2,954
116		TRUE	100.00%	75.80%	0.45%	13.40%	0.02%	8.39%	0.02%	1.68%	0.04%	0.05%	0.16%
117													
118	PreTax		35,348	(418,467)	(9,300)	(43,804)	(1,307)	282,002	(2,807)	156,475	5,900	64,957	1,699
119		TRUE	100.00%	(1183.8%)	(26.3%)	(123.9%)	(3.7%)	797.8%	(7.9%)	442.7%	16.7%	183.8%	4.8%
120													
121	PreStaTax		44,666,856	24,683,945	247,029	3,236,711	16,285	10,067,760	33,500	6,105,310	91,302	139,363	45,651
122		TRUE	100.00%	55.26%	0.55%	7.25%	0.04%	22.54%	0.07%	13.67%	0.20%	0.31%	0.10%
123													
124	PreFedTax		44,666,856	24,683,945	247,029	3,236,711	16,285	10,067,760	33,500	6,105,310	91,302	139,363	45,651
125		TRUE	100.00%	55.26%	0.55%	7.25%	0.04%	22.54%	0.07%	13.67%	0.20%	0.31%	0.10%
126													
127	Plant		44,666,856	24,683,945	247,029	3,236,711	16,285	10,067,760	33,500	6,105,310	91,302	139,363	45,651
128		TRUE	100.00%	55.26%	0.55%	7.25%	0.04%	22.54%	0.07%	13.67%	0.20%	0.31%	0.10%
129													
130	RateBase		25,857,280	14,330,403	143,611	1,883,819	9,415	5,706,466	19,138	3,491,939	111,717	138,165	22,606
131		TRUE	100.00%	55.42%	0.56%	7.29%	0.04%	22.07%	0.07%	13.50%	0.43%	0.53%	0.09%
132													

WP

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
INDEX TO WORKPAPERS

Line		DESCRIPTION	PERIOD
1	WP	Index To Workpapers	
2	WP_B1	Monthly Billing Units, Rates And Revenue	HY 2024- Present Rates
3	WP_B2	Historic Sales and Revenue	Historic Sales and Revenue
4	WP_B3	Historic Billing Units	Historic Billing Units
5	WP_B4	Sales Recap	Period Ending December 31, 2024
6	WP_B5	Total Operating Revenues	January 1, 2024 to December 31, 2024
7	WP_C1	Expenses By Account and By Type	Year 2013, HY 2024, FTY 2025 and FPFTY 2026
8	WP_C2	Expenses By Account	Year 2013, HY 2024, FTY 2025 and FPFTY 2026
9	WP_C3	Accumulated Deferred Income Taxes	Years 2024 through 2026

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Monthly Billing Units, Rates And Revenue
HY 2024- Present Rates

		Sch. 1- RS	Sch. 2- RSAE	Sch. 3- NRS	Sch. 3- NRH	Sch. 4- CS	Sch. 4- CSH	Sch. 5- IS	Sch. 6- MSL	Sch. 7- POL	Sch. 8- EU	Total
1												
2		**BILLING UNITS**										
3		**kWh Sales HY 2024**										
4	Jan-24	4,000,928	38,314	373,296	801	2,365,819	440	2,029,329	5,519	16,856	8,415	8,839,717
5	Feb-24	3,891,863	40,795	374,369	1,548	2,342,175	520	1,984,942	5,389	16,856	8,654	8,667,111
6	Mar-24	3,636,509	39,216	379,223	2,020	2,352,274	520	1,864,451	5,389	16,856	7,983	8,304,441
7	Apr-24	3,344,243	33,184	348,420	1,533	2,135,105	480	2,066,009	5,389	16,856	8,201	7,959,420
8	May-24	2,881,391	24,071	294,649	434	1,901,201	400	2,050,885	5,389	16,856	7,694	7,182,970
9	Jun-24	2,990,307	18,248	301,734	549	2,105,258	480	2,339,790	5,389	16,856	8,191	7,786,802
10	Jul-24	3,759,704	19,564	337,055	750	2,285,778	760	2,215,131	5,389	16,856	8,790	8,649,777
11	Aug-24	3,810,940	19,449	332,303	748	2,324,893	1,000	2,153,540	5,389	16,856	8,426	8,673,544
12	Sep-24	3,481,321	19,264	316,634	725	2,269,507	680	1,928,775	5,389	16,856	7,922	8,047,073
13	Oct-24	2,836,841	16,643	278,416	680	2,002,556	520	1,911,524	5,389	16,856	7,068	7,076,493
14	Nov-24	3,213,097	25,133	301,310	591	2,131,623	280	2,034,009	5,389	16,856	9,268	7,737,556
15	Dec-24	3,601,220	31,854	321,421	447	2,073,041	400	2,031,795	5,389	16,856	11,960	8,094,383
16		41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	24,610,180	64,798	202,270	102,572	97,019,287
17	Adj for POL	41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	24,610,180	64,798	202,270	102,572	97,019,287
18		**GSSR Sales HY 2024**										
19	Jan-24	4,000,928	38,314	373,296	801	2,365,819	440	1,679,575	5,519			8,464,692
20	Feb-24	3,891,863	40,795	374,369	1,548	2,342,175	520	1,541,833	5,389			8,198,492
21	Mar-24	3,636,509	39,216	379,223	2,020	2,352,274	520	1,430,263	5,389			7,845,414
22	Apr-24	3,344,243	33,184	348,420	1,533	2,135,105	480	1,628,350	5,389			7,496,704
23	May-24	2,881,391	24,071	294,649	434	1,901,201	400	1,588,305	5,389			6,695,840
24	Jun-24	2,990,307	18,248	301,734	549	2,105,258	480	1,852,581	5,389			7,274,546
25	Jul-24	3,759,704	19,564	337,055	750	2,285,778	760	1,742,150	5,389			8,151,150
26	Aug-24	3,810,940	19,449	332,303	748	2,324,893	1,000	1,670,147	5,389			8,164,869
27	Sep-24	3,481,321	19,264	316,634	725	2,269,507	680	1,478,126	5,389			7,571,646
28	Oct-24	2,836,841	16,643	278,416	680	2,002,556	520	1,501,093	5,389			6,642,138
29	Nov-24	3,213,097	25,133	301,310	591	2,131,623	280	1,586,405	5,389			7,263,828
30	Dec-24	3,601,220	31,854	321,421	447	2,073,041	400	1,661,555	5,389			7,695,327
31		41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	19,360,383	64,798	0	0	91,464,648

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Full Month Customers HY 2024												
Jan-24		5,124	31	901	2	379	1	13			4	6,455
Feb-24		5,122	31	901	2	381	1	13			4	6,455
Mar-24		5,123	31	903	2	381	1	13			4	6,458
Apr-24		5,125	30	904	1	382	1	13			4	6,460
May-24		5,127	30	910	1	379	1	13			4	6,465
Jun-24		5,131	30	909	1	379	1	13			4	6,468
Jul-24		5,138	30	911	1	380	1	13			4	6,478
Aug-24		5,136	29	912	1	380	1	13			4	6,476
Sep-24		5,135	29	911	1	381	1	13			4	6,475
Oct-24		5,139	29	910	1	382	1	13			4	6,479
Nov-24		5,129	29	910	1	384	1	13			4	6,471
Dec-24		5,127	29	911	1	385	1	13			4	6,471
Annual Bills		61,556	358	10,893	15	4,573	12	156	0	0	48	77,611
Average Monthly B		5,130	30	908	1	381	1	13	0	0	4	6,468

Monthly Billing Units- Public Lighting and Street Lighting HY 2024					
Rate 1	Mercury	7000 lumens	0	0	0
Rate 2	Mercury	20000 lumens	1	1	2
Rate 3	Sodium	9500 lumens	0	0	0
Rate 4	Sodium	16000 lumens	0	0	0
	LED	50 OH	148	425	573
	LED	50 UG	0	0	0
	LED	50 UG Col	0	0	0
	LED	70 OH	109	364	473
	LED	70 UG	0	0	0
	LED	140 OH	0	2	2
	LED	140 UG	0	0	0
			258	792	1,050

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		RATES AND CHARGES										
		Tariff Rates										
Customer Ch	Jan-J	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
	Jul-S	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
	Oct-I	$12.00	$12.00	$12.22	$12.22	$32.03	$45.81	$85.00				
Energy Block	Jan-J	$0.058640	$0.051270	$0.076300	$0.084690	$0.022680	$0.066280	$0.020780			$0.087320	
	Jul-S	$0.058640	$0.051270	$0.076300	$0.084690	$0.022680	$0.066280	$0.020780			$0.087320	
	Oct-I	$0.058640	$0.051270	$0.076300	$0.084690	$0.022680	$0.066280	$0.020780			$0.087320	
Energy Block	Jan-Jun							$0.001300				
	Jul-Sep							$0.001300				
	Oct-Dec							$0.001300				
Block 1 Demand								100				
Demand Bloc	Jan-Jun					$6.60		$10.00				
	Jul-Sep					$6.60		$10.00				
	Oct-Dec					$6.60		$10.00				
E-Factor Mar-Jun												
E-Factor Jul-Dec												
Block 1 Energy = Demand X								130				
CCSC Charg	Jan-J	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	
	Jul-D	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	$0.000000	
STAS Rate		0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%	0.00000%		

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89		**COMPUTATION OF REVENUE**										
90		**Customer Charge Revenue- Full Month Customers**										
91	Jan-24	$61,488	$372	$11,010	$24	$12,139	$46	$1,105	$0	$0	$0	$86,185
92	Feb-24	61,464	372	11,010	24	12,203	46	1,105				86,225
93	Mar-24	61,476	372	11,035	24	12,203	46	1,105				86,261
94	Apr-24	61,500	360	11,047	12	12,235	46	1,105				86,305
95	May-24	61,524	360	11,120	12	12,139	46	1,105				86,307
96	Jun-24	61,572	360	11,108	12	12,139	46	1,105				86,342
97	Jul-24	61,656	360	11,132	12	12,171	46	1,105				86,483
98	Aug-24	61,632	348	11,145	12	12,171	46	1,105				86,459
99	Sep-24	61,620	348	11,132	12	12,203	46	1,105				86,467
100	Oct-24	61,668	348	11,120	12	12,235	46	1,105				86,535
101	Nov-24	61,548	348	11,120	12	12,300	46	1,105				86,479
102	Dec-24	61,524	348	11,132	12	12,332	46	1,105				86,499
103		$738,672	$4,296	$133,112	$183	$146,473	$550	$13,260	$0	$0	$0	$1,036,547
104												
105		**Distribution kWh Revenue**										
106	Jan-24	$234,614	$1,964	$28,482	$68	$53,657	$29	$14,368	$1,131	$6,806	$735	$341,855
107	Feb-24	228,219	2,092	28,564	131	53,121	34	14,589	1,131	6,806	756	335,442
108	Mar-24	213,245	2,011	28,935	171	53,350	34	14,464	1,131	6,806	697	320,843
109	Apr-24	196,106	1,701	26,584	130	48,424	32	14,848	1,131	6,806	716	296,479
110	May-24	168,965	1,234	22,482	37	43,119	27	15,261	1,131	6,806	672	259,733
111	Jun-24	175,352	936	23,022	46	47,747	32	16,478	1,131	6,806	715	272,265
112	Jul-24	220,469	1,003	25,717	64	51,841	50	16,575	1,131	6,806	768	324,424
113	Aug-24	223,474	997	25,355	63	52,729	66	16,511	1,131	6,806	736	327,867
114	Sep-24	204,145	988	24,159	61	51,472	45	16,000	1,131	6,806	692	305,499
115	Oct-24	166,352	853	21,243	58	45,418	34	15,501	1,131	6,806	617	258,014
116	Nov-24	188,416	1,289	22,990	50	48,345	19	14,658	1,131	6,806	809	284,513
117	Dec-24	211,176	1,633	24,524	38	47,017	27	14,360	1,131	6,806	1,044	307,755
118		$2,430,532	$16,700	$302,059	$917	$596,240	$429	$183,612	$13,576	$81,667	$8,957	$3,634,689
119												
120		**Distribution Demand Revenue**										
121	Jan-24					$52,012		$46,319				$98,331
122	Feb-24					53,663		47,420				101,083
123	Mar-24					51,176		47,543				98,719
124	Apr-24					51,107		48,025				99,132
125	May-24					52,645		49,736				102,380
126	Jun-24					55,868		53,058				108,925
127	Jul-24					59,302		54,079				113,381
128	Aug-24					59,833		54,144				113,977
129	Sep-24					58,429		53,280				111,709
130	Oct-24					56,828		51,398				108,226
131	Nov-24					55,505		47,440				102,946
132	Dec-24					55,023		46,273				101,296
133		$0	$0	$0	$0	$661,390	$0	$598,716	$0	$0	$0	$1,260,106
134				*$0*		*$671,699*		*$598,716*				*$1,270,414*
135		**STAS Revenue- Distribution**										

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136	STAS Revenue											
137		(697)	(5)	(72)	(0)	(319)	(0)	(175)	(2)		0	(1,270)
138							**GSSR Revenue**					
139	GSSR Revenue	3,611,216	28,807	335,804	954	1,700,741	557	977,913	5,609		8,907	6,670,507
140												
141												
142							**Total Revenue**					
143	Revenue excluding	6,780,420	49,804	770,975	2,054	3,104,844	1,536	1,773,500	19,185	81,667	17,863	12,601,848
144	POL	53,230	413	14,909		13,115				(81,667)		0
145												
146	Total Revenue	6,833,650	50,217	785,884	2,054	3,117,958	1,536	1,773,500	19,185	0	17,863	12,601,848
147		6,834,759	50,237	784,194	2,066	3,125,447	1,536	1,771,907	19,067		17,863	12,607,075
148												12,607,075

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149		**BILLING UNITS- DETAIL**										
150		**Block 1 kWh Sales HY 2024**										
151	Jan-24	4,000,928	38,314	373,296	801	2,365,819	440	602,152	5,519	16,856	8,415	7,412,540
152	Feb-24	3,891,863	40,795	374,369	1,548	2,342,175	520	616,456	5,389	16,856	8,654	7,298,625
153	Mar-24	3,636,509	39,216	379,223	2,020	2,352,274	520	618,064	5,389	16,856	7,983	7,058,054
154	Apr-24	3,344,243	33,184	348,420	1,533	2,135,105	480	624,328	5,389	16,856	8,201	6,517,739
155	May-24	2,881,391	24,071	294,649	434	1,901,201	400	646,564	5,389	16,856	7,694	5,778,649
156	Jun-24	2,990,307	18,248	301,734	549	2,105,258	480	689,748	5,389	16,856	8,191	6,136,760
157	Jul-24	3,759,704	19,564	337,055	750	2,285,778	760	703,028	5,389	16,856	8,790	7,137,674
158	Aug-24	3,810,940	19,449	332,303	748	2,324,893	1,000	703,871	5,389	16,856	8,426	7,223,875
159	Sep-24	3,481,321	19,264	316,634	725	2,269,507	680	692,644	5,389	16,856	7,922	6,810,942
160	Oct-24	2,836,841	16,643	278,416	680	2,002,556	520	668,177	5,389	16,856	7,068	5,833,146
166	Nov-24	3,213,097	25,133	301,310	591	2,131,623	280	616,724	5,389	16,856	9,268	6,320,271
167	Dec-24	3,601,220	31,854	321,421	447	2,073,041	400	601,550	5,389	16,856	11,960	6,664,138
168		41,448,363	325,735	3,958,829	10,826	26,289,234	6,480	7,783,305	64,798	202,270	102,572	80,192,412
169												
170		**Block 2 kWh Sales HY 2024**										
171	Jan-24							1,427,177				1,427,177
172	Feb-24							1,368,486				1,368,486
173	Mar-24							1,246,387				1,246,387
174	Apr-24							1,441,681				1,441,681
175	May-24							1,404,321				1,404,321
176	Jun-24							1,650,043				1,650,043
177	Jul-24							1,512,103				1,512,103
178	Aug-24							1,449,669				1,449,669
179	Sep-24							1,236,131				1,236,131
180	Oct-24							1,243,347				1,243,347
181	Nov-24							1,417,285				1,417,285
182	Dec-24							1,430,245				1,430,245
183		0	0	0	0	0	0	16,826,875	0	0	0	16,826,875
184												97,019,287
185		**Block 1 kW Demand HY 2024**										
186	Jan-24				From Demand	7,881		4,632	From Demand file			12,513
187	Feb-24					8,131		4,742				12,873
188	Mar-24					7,754		4,754				12,508
189	Apr-24					7,744		4,803				12,546
190	May-24					7,976		4,974				12,950
191	Jun-24					8,465		5,306				13,771
192	Jul-24					8,985		5,408				14,393
193	Aug-24					9,066		5,414				14,480
194	Sep-24					8,853		5,328				14,181
195	Oct-24					8,610		5,140				13,750
196	Nov-24					8,410		4,744				13,154
197	Dec-24					8,337		4,627				12,964
198		0	0	0	0	100,211	0	59,872	0	0	0	160,082
199												

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	RCL						
	Total kWh	RS	NRS Tot kWh	Total CS kWh- TCL	Total IS kWh	TCP kWh	RCP kWh
Jan-24	4,000,928	4,011,825	376,362	2,368,626	2,029,329	698,575	1,330,754
Feb-24	3,891,863	3,902,760	377,435	2,344,982	1,984,942	695,233	1,289,709
Mar-24	3,636,509	3,647,406	382,289	2,355,081	1,864,451	664,603	1,199,848
Apr-24	3,344,243	3,355,140	351,486	2,137,912	2,066,009	713,890	1,352,119
May-24	2,881,391	2,892,288	297,715	1,904,008	2,050,885	735,645	1,315,240
Jun-24	2,990,307	3,001,204	304,800	2,108,065	2,339,790	863,541	1,476,249
Jul-24	3,759,704	3,770,601	340,121	2,288,585	2,215,131	939,350	1,275,781
Aug-24	3,810,940	3,821,837	335,369	2,327,700	2,153,540	894,347	1,259,193
Sep-24	3,481,321	3,492,218	319,700	2,272,314	1,928,775	772,826	1,155,949
Oct-24	2,836,841	2,847,738	281,482	2,005,363	1,911,524	719,113	1,192,411
Nov-24	3,213,097	3,223,994	304,376	2,134,430	2,034,009	704,465	1,329,544
Dec-24	3,601,220	3,612,117	324,487	2,075,848	2,031,795	639,875	1,391,920
	41,448,363	41,579,128	3,995,622	26,322,914	24,610,180	9,041,463	15,568,717

	Total kWh				
	RL	RFL	TL	TOTAL	RSAE
Jan-24	2,878,005	109,229	1,024,591	4,011,825	38,400
Feb-24	2,775,040	109,210	1,018,510	3,902,760	40,881
Mar-24	2,563,062	99,030	985,314	3,647,406	39,302
Apr-24	2,408,971	93,758	852,411	3,355,140	33,270
May-24	2,060,811	84,343	747,134	2,892,288	24,157
Jun-24	2,181,632	83,679	735,893	3,001,204	18,334
Jul-24	2,789,297	98,533	882,771	3,770,601	19,650
Aug-24	2,687,911	96,275	1,037,651	3,821,837	19,535
Sep-24	2,459,982	87,004	945,232	3,492,218	19,350
Oct-24	2,048,006	77,048	722,684	2,847,738	16,729
Nov-24	2,339,080	86,582	798,332	3,223,994	25,219
Dec-24	2,668,152	89,901	854,064	3,612,117	31,940
	29,859,949	1,114,592	10,604,587	41,579,128	326,767

MSL

	ML Monthly Lamps						
	MV175	SV100	LED50 OH	LED70 OH	Total		
Lamps			148.00	108.92	257		
Monthly kWh / Lamp			18	25			
Monthly kWh			2,664	2,723	5,387	64,643	Annual
Monthly Charge / Lamp	6.09	7.45	4.12	4.69			
Distribution Revenue	0	0	610	511	1,121	13,447	Annual

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				Actual	Actual	Actual	Actual	Actual
1	**KWh**							
2	Rate Class			2020	2021	2022	2023	2024
3	Residential	RS	TL	10,994,242	11,252,118	11,110,832	10,539,016	10,604,587
4	Residential	RS	RL	31,324,751	31,733,114	31,136,489	29,627,494	29,859,949
5	Residential	RS	RFL	1,482,991	1,282,060	1,213,436	1,142,592	1,114,592
6	Residential	RSAE	RSAE	448,709	428,550	407,590	360,384	326,767
7	Commercial	CS	TCL	26,250,627	26,911,703	27,823,411	26,651,913	26,322,914
8	Commercial	NRS	RCL	4,214,185	4,344,682	4,256,960	4,164,254	3,995,622
9	Commercial	NRH	3H	10,845	12,069	11,931	10,394	10,826
10	Commercial	CSH	4H	7,720	7,760	7,520	6,600	6,480
11	Industrial	IS	TCP	9,224,524	9,187,198	8,897,268	8,803,511	9,041,463
12	Industrial	IS	RCP	18,109,080	18,428,280	16,431,158	15,989,514	15,568,717
13	Public St. Lighting	MSL	MSL	203,547	119,398	71,086	68,077	64,798
14	Sales for Resale	EU	EU	86,672	89,564	90,549	94,767	102,572
15								
16	Adjusted Sales			102,357,893	103,796,496	101,458,230	97,458,516	97,019,287
17								
18	Schedule 1- RS			43,801,984	44,267,292	43,460,757	41,309,102	41,579,128
19	Schedule 2- RSAE			448,709	428,550	407,590	360,384	326,767
20	Schedule 3- NRS			4,214,185	4,344,682	4,256,960	4,164,254	3,995,622
21	Schedule 3- NRH			10,845	12,069	11,931	10,394	10,826
22	Schedule 4- CS			26,250,627	26,911,703	27,823,411	26,651,913	26,322,914
23	Schedule 4- CSH			7,720	7,760	7,520	6,600	6,480
24	Schedule 5- IS			27,333,604	27,615,478	25,328,426	24,793,025	24,610,180
25	Schedule 6- MSL			203,547	119,398	71,086	68,077	64,798
26	Schedule 7- POL							
27	Schedule 8- Resale			86,672	89,564	90,549	94,767	102,572
28				102,357,893	103,796,496	101,458,230	97,458,516	97,019,287
29	**Adjusted for POL**							

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Monthly Billing Units, Rates And Revenue
Historic Sales and Revenue

	KWh	Actual	Actual	Actual	Actual	Actual
	Rate Class	2020	2021	2022	2023	2024
30	Schedule 1- RS	43,801,984	44,267,292	43,460,757	41,309,102	41,579,128
31	Schedule 2- RSAE	448,709	428,550	407,590	360,384	326,767
32	Schedule 3- NRS	4,214,185	4,344,682	4,256,960	4,164,254	3,995,622
33	Schedule 3- NRH	10,845	12,069	11,931	10,394	10,826
34	Schedule 4- CS	26,250,627	26,911,703	27,823,411	26,651,913	26,322,914
35	Schedule 4- CSH	7,720	7,760	7,520	6,600	6,480
36	Schedule 5- IS	27,333,604	27,615,478	25,328,426	24,793,025	24,610,180
37	Schedule 6- MSL	203,547	119,398	71,086	68,077	64,798
38	Schedule 7- POL	-	-	-	-	-
39	Schedule 8- Resale	86,672	89,564	90,549	94,767	102,572
40		102,357,893	103,796,496	101,458,230	97,458,516	97,019,287
41						

	Customers	Actual	Actual	Actual	Actual	Actual	Average Change
	Rate Class	2020	2021	2022	2023	2024	2020-2024
44	Schedule 1- RS	5,083	5,089	5,099	5,117	5,130	11.69
45	Schedule 2- RSAE	35	35	34	32	30	(1.29)
46	Schedule 3- NRS	862	877	890	898	908	11.54
47	Schedule 3- NRH	2	2	2	2	1	(0.19)
48	Schedule 4- CS	365	365	369	375	381	4.04
49	Schedule 4- CSH	1	1	1	1	1	-
50	Schedule 5- IS	12	12	12	12	13	0.25
51	Schedule 6- MSL	2	2	2	2	2	-
52	Schedule 7- POL						-
53	Schedule 8- Resale	4	4	4	4	4	-
54		6,365	6,387	6,414	6,443	6,470	
55							
56		6,365	6,387	6,414	6,443	6,470	6,470

	Annual kWh Per Customer	Actual	Actual	Actual	Actual	Actual	Average	
	Rate Class	2020	2021	2022	2023	2024	2020-2024	
59	Schedule 1- RS	8,617	8,698	8,524	8,074	8,106	8,404	
60	Schedule 2- RSAE	12,820	12,244	11,872	11,175	10,953	11,813	
61	Schedule 3- NRS	4,891	4,957	4,783	4,640	4,402	4,734	
62	Schedule 3- NRH	5,423	6,035	5,966	5,197	8,661	6,256	
63	Schedule 4- CS	71,936	73,680	75,368	71,040	69,074	72,220	
64	Schedule 4- CSH	7,720	7,760	7,520	6,600	6,480	7,216	
65	Schedule 5- IS	2,277,800	2,301,290	2,110,702	2,037,783	1,893,091	2,124,133	
66	Schedule 6- MSL	101,774	59,699	35,543	34,039	32,399	33,219	
67	Schedule 7- POL							
68	Schedule 8- Resale	21,668	22,391	22,637	23,692	25,643	23,206	
69	AVERAGE	16,080	16,251	15,819	15,127	14,996	15,655	104,333,284

WP_B3

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line											
1	**Revenue Class 1 -- RURAL LIGHTING --RL-- 440 -- KWH**										
3	January	3,161,519	2,935,136	3,139,576	3,357,329	3,151,484	3,043,879	3,283,484	3,113,354	3,200,011	2,878,005
4	February	3,211,927	2,918,766	2,902,775	3,149,624	3,123,815	2,807,085	3,186,289	3,245,674	2,766,154	2,775,040
5	March	2,946,260	2,663,575	2,481,834	2,507,100	2,727,338	2,605,645	2,704,875	2,724,029	2,461,980	2,563,062
6	April	2,690,395	2,405,114	2,522,037	2,644,636	2,445,456	2,665,004	2,544,499	2,688,994	2,542,964	2,408,971
7	May	2,111,259	2,127,732	2,016,139	2,187,274	2,195,696	2,347,606	2,149,950	2,204,172	2,082,434	2,060,811
8	June	2,203,939	2,253,570	2,228,671	2,158,827	2,112,144	2,385,198	2,297,291	2,212,222	2,143,480	2,181,632
9	July	2,274,437	2,350,610	2,338,815	2,497,216	2,362,861	2,757,782	2,709,558	2,481,546	2,374,668	2,789,297
10	August	2,453,375	2,785,153	2,540,400	2,584,505	2,796,115	2,928,181	2,683,291	2,825,226	2,566,227	2,687,911
11	September	2,399,923	2,502,916	2,183,484	2,578,007	2,278,558	2,487,143	2,669,092	2,522,760	2,519,078	2,459,982
12	October	2,103,979	2,079,680	2,147,272	2,137,254	2,157,585	2,196,001	2,311,864	2,103,672	1,970,478	2,048,006
13	November	2,309,053	2,345,908	2,405,425	2,616,659	2,389,398	2,356,150	2,385,049	2,236,649	2,210,981	2,339,080
14	December	2,642,340	2,771,804	2,799,380	2,952,116	2,765,509	2,745,077	2,807,872	2,778,191	2,789,039	2,668,152
15		30,508,406	30,139,964	29,705,808	31,370,547	30,505,959	31,324,751	31,733,114	31,136,489	29,627,494	29,859,949
16											
17	**Revenue Class 5 -- TOWN LIGHTING --TL -- 440 -- KWH**										
18	January	1,107,471	1,041,669	1,066,256	1,159,362	1,075,855	1,050,980	1,186,861	1,087,977	1,207,074	1,024,591
19	February	1,163,775	1,046,673	1,040,921	1,184,832	1,164,467	1,030,794	1,086,561	1,188,065	995,972	1,018,510
20	March	1,100,269	951,353	855,472	914,609	947,416	915,263	1,005,541	1,007,878	886,045	985,314
21	April	988,837	862,263	1,000,365	945,674	950,265	885,828	984,327	978,015	930,988	852,411
22	May	751,298	750,145	696,125	804,674	711,427	876,033	710,715	782,788	722,491	747,134
23	June	761,071	747,600	748,802	760,684	738,607	774,005	782,660	748,620	685,189	735,893
24	July	843,265	807,314	782,598	843,482	730,247	826,533	891,307	853,427	781,561	882,771
25	August	905,963	956,980	943,248	884,537	1,080,876	1,173,193	1,009,622	1,034,591	984,797	1,037,651
26	September	824,268	1,017,021	810,505	985,395	834,824	995,167	1,072,871	948,215	885,248	945,232
27	October	802,203	756,136	737,861	805,708	718,295	730,149	798,424	791,649	747,172	722,684
28	November	788,333	777,102	783,517	865,493	787,969	838,607	779,969	806,370	755,156	798,332
29	December	838,272	921,351	953,825	954,051	937,238	897,690	943,260	883,237	957,323	854,064
30		10,875,025	10,635,607	10,419,495	11,108,501	10,677,486	10,994,242	11,252,118	11,110,832	10,539,016	10,604,587
31											
32	**Revenue Class 4 -- RURAL FARM LIGHTING --RFL-- 440 -- KWH**										
33	January	184,025	167,299	178,155	181,666	156,686	149,598	140,567	115,836	119,863	109,229
34	February	192,149	172,601	169,604	177,334	158,482	138,241	143,788	137,167	101,924	109,210
35	March	177,102	167,148	145,599	140,956	142,741	124,593	119,970	112,570	90,153	99,030
36	April	161,469	150,874	151,411	145,784	131,402	126,673	108,961	105,807	95,048	93,758
37	May	142,281	141,226	130,327	136,769	125,800	109,750	88,310	88,698	83,252	84,343
38	June	148,507	150,248	144,871	137,670	125,786	121,873	89,583	86,559	85,017	83,679
39	July	154,676	156,152	144,980	149,530	129,779	130,078	103,615	90,511	89,102	98,533
40	August	159,268	174,204	156,327	153,689	150,343	133,382	104,686	103,807	100,902	96,275
41	September	156,641	164,276	140,657	152,029	134,698	120,855	97,499	100,506	100,106	87,004
42	October	134,131	143,411	136,056	133,093	126,044	109,188	93,803	80,959	78,831	77,048
43	November	139,587	142,296	140,208	142,567	124,381	103,220	87,960	88,221	88,341	86,582
44	December	150,907	155,820	157,059	147,252	141,112	115,540	103,318	102,795	110,053	89,901
45		1,900,743	1,885,555	1,795,254	1,798,339	1,647,254	1,482,991	1,282,060	1,213,436	1,142,592	1,114,592
46											

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line											
1		**Revenue Class 1 -- RURAL LIGHTING --RL-- 440 -- KWH**									
47		**Revenue Class 2 -- RURAL COMMERCIAL POWER--RCP -- 442.01 -- KWH**									
48	January	1,760,220	1,963,860	1,633,620	1,371,120	1,725,840	1,690,860	1,508,160	1,401,600	1,497,595	1,330,754
49	February	1,726,980	1,954,680	1,828,500	1,603,656	1,560,600	1,498,080	1,565,040	1,236,120	1,449,254	1,289,709
50	March	1,634,520	2,204,460	1,738,500	1,465,504	1,472,100	1,507,920	1,540,500	1,471,320	1,309,458	1,199,848
51	April	1,835,280	1,943,400	1,860,420	1,565,940	1,574,520	1,685,100	1,741,320	1,463,280	1,391,404	1,352,119
52	May	1,933,980	1,950,000	1,814,520	1,678,860	1,763,160	1,242,540	1,493,940	1,398,780	1,336,606	1,315,240
53	June	1,996,560	1,994,040	1,994,040	1,767,780	1,548,960	1,301,100	1,636,500	1,396,740	1,426,037	1,476,249
54	July	2,055,960	1,838,940	1,754,760	1,711,860	1,734,900	1,661,160	1,737,900	1,296,540	1,289,359	1,275,781
55	August	1,885,980	1,962,660	1,836,720	1,733,520	1,726,320	1,555,740	1,600,680	1,433,760	1,469,258	1,259,193
56	September	1,863,120	2,002,860	1,619,700	1,376,100	1,449,960	1,555,320	1,411,560	1,357,920	1,207,566	1,155,949
57	October	1,909,500	1,778,460	1,581,000	1,387,560	1,454,820	1,358,340	1,357,260	1,175,580	1,163,562	1,192,411
58	November	1,777,860	1,749,840	1,444,200	1,283,820	1,531,320	1,473,120	1,348,920	1,358,160	1,152,854	1,329,544
59	December	1,790,220	1,748,100	1,334,928	1,445,220	1,509,720	1,579,800	1,486,500	1,441,358	1,296,561	1,391,920
60		22,170,180	23,091,300	20,440,908	18,390,940	19,052,220	18,109,080	18,428,280	16,431,158	15,989,514	15,568,717
61											
62		**Revenue Class 3 -- RURAL COMMERCIAL LIGHTING--RCL-- 442 -- KWH**									
63	January	454,244	394,224	425,486	433,834	403,841	414,577	422,748	410,015	419,661	376,362
64	February	476,844	441,730	416,972	440,874	443,586	407,453	427,854	455,252	388,697	377,435
65	March	449,108	417,123	380,715	393,329	404,479	388,460	395,576	392,746	375,856	382,289
66	April	448,698	403,217	398,615	413,367	417,636	372,917	405,699	415,534	389,775	351,486
67	May	330,895	329,662	304,773	339,684	326,891	293,808	305,812	317,078	304,862	297,715
68	June	341,781	340,824	330,672	332,836	315,745	303,214	318,330	303,453	307,735	304,800
69	July	356,154	351,714	345,214	354,436	330,606	341,038	354,418	325,623	315,194	340,121
70	August	393,436	397,191	376,535	356,788	403,089	369,571	365,108	353,681	346,972	335,369
71	September	345,311	377,082	320,313	357,171	335,755	336,173	354,153	338,543	337,127	319,700
72	October	321,864	319,091	304,561	314,522	318,533	302,795	312,641	300,177	290,167	281,482
73	November	323,648	330,428	319,427	349,931	328,253	333,072	314,385	297,836	312,575	304,376
74	December	352,371	371,762	367,609	384,296	384,092	351,107	367,958	347,022	375,633	324,487
75	TC	4,594,354	4,474,048	4,290,892	4,471,068	4,412,506	4,214,185	4,344,682	4,256,960	4,164,254	3,995,622
76											

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line											
1	**Revenue Class 1 -- RURAL LIGHTING --RL-- 440 -- KWH**										
77	**Revenue Class 6 -- TOWN COMMERCIAL POWER --TCP -- 442.01 -- KWH**										
78	January	1,701,880	1,852,620	727,280	787,940	788,043	773,476	696,501	699,164	691,334	698,575
79	February	1,756,000	1,774,800	727,400	732,081	752,783	699,207	690,371	675,658	644,161	695,233
80	March	1,599,460	1,886,760	696,640	749,959	718,559	707,962	686,382	673,360	632,122	664,603
81	April	1,599,960	1,676,480	764,340	799,909	699,196	697,919	704,901	660,693	673,135	713,890
82	May	1,833,600	1,748,460	750,480	756,471	806,907	687,793	710,716	719,965	691,214	735,645
83	June	1,931,880	1,907,700	896,020	871,950	821,053	818,324	829,985	840,786	800,200	863,541
84	July	1,889,360	1,963,240	944,560	905,070	972,636	953,553	918,672	892,202	862,536	939,350
85	August	1,906,140	1,793,800	954,400	968,287	942,863	894,980	898,791	918,521	924,601	894,347
86	September	1,987,820	1,719,040	841,540	858,384	832,837	817,330	864,010	834,907	835,283	772,826
87	October	1,926,700	1,070,740	824,100	815,437	779,387	759,716	806,048	672,450	721,456	719,113
88	November	1,740,340	799,900	729,920	731,626	755,617	700,167	657,049	656,835	667,792	704,465
89	December	1,691,120	775,500	752,363	752,410	773,655	714,097	723,772	652,727	659,677	639,875
90	TC	21,564,260	18,969,040	9,609,043	9,729,524	9,643,536	9,224,524	9,187,198	8,897,268	8,803,511	9,041,463
91											
92	**Revenue Class 7 -- TOWN COMMERCIAL LIGHTING -- TCL --442 -- KWH**										
93	January	2,521,053	2,327,347	2,521,517	2,532,921	2,503,929	2,408,661	2,343,715	2,402,873	2,561,604	2,368,626
94	February	2,617,925	2,377,544	2,530,811	2,679,357	2,621,862	2,417,080	2,391,324	2,613,728	2,358,165	2,344,982
95	March	2,460,840	2,252,862	2,190,274	2,192,021	2,319,703	2,214,704	2,210,154	2,231,882	2,153,322	2,355,081
96	April	2,386,201	2,221,045	2,389,658	2,319,301	2,248,644	2,116,593	2,244,717	2,308,679	2,251,674	2,137,912
97	May	2,121,754	2,051,801	2,020,998	2,135,284	2,007,788	1,823,700	1,860,821	1,993,016	1,960,657	1,904,008
98	June	2,303,789	2,264,560	2,254,726	2,214,001	2,170,127	1,870,660	2,109,960	2,160,503	2,070,781	2,108,065
99	July	2,320,066	2,340,983	2,308,740	2,424,726	2,165,801	2,218,217	2,328,523	2,544,960	2,144,124	2,288,585
100	August	2,460,835	2,654,681	2,649,972	2,538,411	2,711,557	2,572,413	2,482,890	2,549,734	2,380,908	2,327,700
101	September	2,335,691	2,653,053	2,286,069	2,582,990	2,312,090	2,337,646	2,519,022	2,396,487	2,266,112	2,272,314
102	October	2,219,728	2,182,010	2,250,965	2,209,054	2,177,376	2,056,659	2,164,737	2,137,824	2,010,947	2,005,363
103	November	2,124,762	2,365,179	2,223,503	2,364,928	2,130,658	2,144,907	2,111,992	2,232,724	2,164,321	2,134,430
104	December	2,119,019	2,335,679	2,274,114	2,229,952	2,207,496	2,069,387	2,143,848	2,251,001	2,329,298	2,075,848
105	TC	27,991,663	28,026,744	27,901,347	28,422,946	27,577,031	26,250,627	26,911,703	27,823,411	26,651,913	26,322,914
106											
107	**Revenue Class 9 -- PUBLIC MUNICIPAL STREET LIGHTING -- 444 -- KWH**										
108	January	18,333	17,853	17,728	19,828	19,826	19,342	14,669	6,210	5,782	5,519
109	February	18,283	17,803	17,728	19,828	19,826	19,182	13,016	6,203	5,782	5,389
110	March	18,283	17,778	17,728	19,828	19,826	18,794	12,434	6,203	5,782	5,389
111	April	18,283	17,778	19,828	19,828	19,826	17,130	12,008	5,996	5,782	5,389
112	May	18,258	17,778	19,828	19,896	19,826	17,130	12,008	5,841	5,782	5,389
113	June	18,278	17,753	19,828	19,896	19,826	17,130	10,567	5,841	5,600	5,389
114	July	18,253	17,753	19,828	19,826	19,826	16,936	9,997	5,841	5,600	5,389
115	August	18,203	17,753	19,828	19,826	19,826	16,659	8,429	5,841	5,600	5,389
116	September	18,178	17,753	19,828	19,826	19,747	15,862	7,503	5,789	5,600	5,389
117	October	18,433	17,753	19,828	19,826	19,657	15,282	6,347	5,757	5,589	5,389
118	November	18,028	17,728	19,828	19,826	19,612	15,050	6,210	5,782	5,589	5,389
119	December	17,953	17,728	19,828	19,826	19,567	15,050	6,210	5,782	5,589	5,389
120	TC	218,766	213,211	231,636	238,060	237,191	203,547	119,398	71,086	68,077	64,798
121											

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line											
1	**Revenue Class 1 -- RURAL LIGHTING --RL-- 440 -- KWH**										
122	**Revenue Class 8 -- SALES FOR RESALES -- 447 -- REVENUE**										
123	January		10,011	7,476	13,065	9,851	9,862	7,369	10,440	8,248	7,615	8,415
124	February		12,177	11,762	10,010	7,485	8,172	7,710	8,981	9,937	7,077	8,654
125	March		9,589	9,803	9,083	7,802	7,588	6,733	7,141	7,352	6,723	7,983
126	April		9,068	8,717	9,570	10,213	6,872	5,585	6,809	7,566	6,495	8,201
127	May		8,059	5,431	7,090	7,312	5,707	6,117	6,206	6,348	7,051	7,694
128	June		8,695	10,512	7,767	7,988	7,642	6,237	6,874	6,948	6,542	8,191
129	July		8,247	9,053	7,594	8,159	7,107	7,298	7,397	7,737	8,956	8,790
130	August		9,053	7,856	7,270	6,845	7,498	7,722	6,194	6,945	8,295	8,426
131	September		8,274	9,259	6,431	7,659	7,533	7,802	7,081	6,806	9,159	7,922
132	October		8,790	8,174	8,790	8,422	5,970	6,443	5,820	6,379	6,486	7,068
133	November		10,382	10,168	7,388	8,613	7,865	7,927	7,381	7,215	8,192	9,268
134	December		13,128	16,806	12,946	17,974	11,419	9,729	9,240	9,068	12,176	11,960
135			115,473	115,017	107,004	108,323	93,235	86,672	89,564	90,549	94,767	102,572
136												
137	**Revenue Class 11 -- 3H SCH-HEAT -- RCL -- 442 -- KWH**											
138	January		3,091	1,055	3,273	3,696	1,310	1,550	1,248	863	1,630	801
139	February		4,048	1,827	3,392	2,595	2,361	1,846	1,601	2,316	1,272	1,548
140	March		4,124	2,415	2,545	782	1,493	1,621	1,812	1,494	1,164	2,020
141	April		2,051	1,447	3,033	1,020	1,169	706	770	1,160	1,061	1,533
142	May		907	1,299	766	678	493	503	315	592	535	434
143	June		736	607	1,058	981	641	345	462	731	376	549
144	July		685	640	941	1,076	784	679	835	995	818	750
145	August		831	783	1,064	1,131	1,014	972	908	1,068	1,140	748
146	September		832	856	821	1,192	903	980	1,212	881	833	725
147	October		633	1,049	864	977	859	796	1,085	738	598	680
148	November		728	808	838	857	632	465	810	521	419	591
149	December		830	2,098	1,968	1,045	963	382	1,011	572	548	447
150		TC	19,496	14,884	20,563	16,030	12,622	10,845	12,069	11,931	10,394	10,826
151												
152	**Revenue Class 12 -- 4H CSH-HEAT -- TCL -- 442 -- KWH**											
153	January		4,880	1,040	640	480	680	520	560	520	600	440
154	February		4,400	640	720	680	480	560	560	600	480	520
155	March		4,240	680	440	520	520	480	560	480	400	520
156	April		3,160	760	720	640	600	560	520	520	560	480
157	May		1,040	480	480	560	480	360	320	440	400	400
158	June		680	680	600	920	640	480	480	440	440	480
159	July		840	840	1,040	1,240	760	920	880	960	640	760
160	August		1,200	1,160	1,120	1,360	1,600	1,480	1,040	1,240	960	1,000
161	September		840	1,480	880	1,720	1,040	1,160	1,520	1,160	800	680
162	October		840	720	680	720	640	520	560	520	560	520
163	November		920	440	400	400	440	320	400	280	320	280
164	December		1,400	600	520	520	480	360	360	360	440	400
165		TC	24,440	9,520	8,240	9,760	8,360	7,720	7,760	7,520	6,600	6,480

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line											
1	**Revenue Class 1 -- RURAL LIGHTING --RL-- 440 -- KWH**										
166											
167	**Revenue Class 13 -- 2-RSAE -- ALL ELECTRIC -- RL/TL --440 -- KWH**										
168	January	80,994	61,892	71,130	69,473	59,790	56,346	54,348	50,304	53,596	38,400
169	February	91,191	69,959	66,215	64,920	65,842	54,434	54,236	60,310	46,549	40,881
170	March	87,925	63,023	51,407	47,276	53,891	50,216	46,753	49,731	41,043	39,302
171	April	70,268	50,197	54,197	49,821	47,608	44,186	40,036	44,380	40,036	33,270
172	May	41,405	41,550	31,774	38,695	30,951	40,178	28,818	29,501	25,632	24,157
173	June	31,803	32,017	31,047	25,344	24,854	29,068	26,171	19,791	20,698	18,334
174	July	30,755	28,971	26,731	26,364	23,455	25,345	25,511	21,285	18,961	19,650
175	August	30,434	31,678	28,873	26,701	29,544	28,128	26,685	23,193	20,284	19,535
176	September	29,774	30,516	26,781	27,767	25,190	24,864	27,153	21,828	19,649	19,350
177	October	32,097	28,738	26,306	25,912	25,321	23,805	24,887	21,403	16,831	16,729
178	November	42,967	37,944	36,618	40,600	34,267	31,724	31,164	27,088	22,535	25,219
179	December	51,279	55,094	54,279	54,550	50,495	40,415	42,788	38,776	34,570	31,940
180		620,892	531,579	505,358	497,423	471,208	448,709	428,550	407,590	360,384	326,767
181											
182		**2015 ACTUAL**	**2016 ACTUAL**	**2017 ACTUAL**	**2018 ACTUAL**						
183	January	11,007,721	10,771,471	9,797,726	9,927,500	9,897,146	9,617,158	9,663,301	9,296,964	9,766,365	8,839,717
184	February	11,275,699	10,788,785	9,715,048	10,063,266	9,922,276	9,081,672	9,569,621	9,631,030	8,765,487	8,667,111
185	March	10,491,720	10,636,980	8,570,237	8,439,686	8,815,654	8,542,391	8,731,698	8,679,045	7,964,048	8,304,441
186	April	10,213,670	9,741,292	9,174,194	8,916,133	8,543,194	8,618,201	8,794,567	8,680,624	8,328,922	7,959,420
187	May	9,294,736	9,165,564	7,793,300	8,106,157	7,995,126	7,445,518	7,367,931	7,547,219	7,220,916	7,182,970
188	June	9,747,719	9,720,111	8,658,102	8,298,877	7,886,025	7,627,634	8,108,863	7,782,634	7,552,095	7,786,802
189	July	9,952,698	9,866,210	8,675,801	8,942,985	8,478,762	8,939,539	9,088,613	8,521,627	7,891,519	8,649,777
190	August	10,224,718	10,783,899	9,515,757	9,275,600	9,870,645	9,682,421	9,188,324	9,257,607	8,809,944	8,673,544
191	September	9,970,672	10,496,112	8,257,009	8,948,240	8,233,135	8,700,302	9,032,676	8,535,802	8,186,561	8,047,073
192	October	9,478,898	8,385,962	8,038,283	7,858,485	7,784,487	7,559,694	7,883,476	7,297,108	7,012,677	7,076,493
193	November	9,276,608	8,577,741	8,111,272	8,425,320	8,110,412	8,004,729	7,731,289	7,717,681	7,389,075	7,737,556
194	December	9,668,839	9,172,342	8,728,819	8,959,212	8,801,746	8,538,634	8,636,137	8,510,889	8,570,907	8,094,383
195	TC	120,603,698	118,106,469	105,035,548	106,161,461	104,338,608	102,357,893	103,796,496	101,458,230	97,458,516	97,019,287

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line							
1							
3	January	3,519	3,518	3,524	3,533	3,552	3,562
4	February	3,519	3,521	3,525	3,532	3,548	3,561
5	March	3,519	3,523	3,527	3,532	3,549	3,561
6	April	3,519	3,524	3,523	3,533	3,549	3,563
7	May	3,514	3,522	3,528	3,535	3,558	3,566
8	June	3,520	3,527	3,530	3,535	3,555	3,569
9	July	3,520	3,529	3,529	3,533	3,555	3,576
10	August	3,519	3,535	3,533	3,535	3,558	3,575
11	September	3,518	3,530	3,531	3,542	3,556	3,574
12	October	3,522	3,530	3,530	3,547	3,557	3,578
13	November	3,521	3,524	3,531	3,548	3,560	3,568
14	December	3,520	3,526	3,535	3,552	3,562	3,566
15		42,230	42,309	42,346	42,457	42,659	42,819
16							
17							
18	January	1,475	1,467	1,474	1,475	1,480	1,482
19	February	1,475	1,467	1,473	1,475	1,480	1,481
20	March	1,474	1,466	1,472	1,476	1,480	1,482
21	April	1,470	1,467	1,474	1,476	1,480	1,483
22	May	1,469	1,468	1,474	1,476	1,479	1,483
23	June	1,468	1,467	1,474	1,477	1,478	1,484
24	July	1,467	1,468	1,476	1,477	1,478	1,484
25	August	1,466	1,467	1,477	1,477	1,479	1,483
26	September	1,465	1,472	1,477	1,478	1,478	1,483
27	October	1,467	1,471	1,476	1,478	1,478	1,483
28	November	1,467	1,471	1,476	1,478	1,479	1,483
29	December	1,468	1,474	1,474	1,479	1,481	1,483
30		17,631	17,625	17,697	17,722	17,750	17,794
31							
32	**Re**						
33	January	91	90	87	84	84	80
34	February	91	90	87	84	84	80
35	March	91	89	87	84	84	80
36	April	91	89	87	84	83	79
37	May	91	89	86	84	82	78
38	June	91	89	85	84	82	78
39	July	91	89	85	84	82	78
40	August	90	88	85	84	82	78
41	September	90	87	85	84	82	78
42	October	90	87	85	84	82	78
43	November	90	87	85	84	82	78
44	December	90	87	85	84	80	78
45		1,087	1,061	1,029	1,008	989	943
46							

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line								
1								
47		**Re**						
48	January		6	6	6	6	6	7
49	February		6	6	6	6	6	7
50	March		6	6	6	6	6	7
51	April		6	6	6	6	6	7
52	May		6	6	6	6	6	7
53	June		6	6	6	6	6	7
54	July		6	6	6	6	6	7
55	August		5	6	6	6	6	7
56	September		6	6	6	6	6	7
57	October		6	6	6	6	6	7
58	November		6	6	6	6	7	7
59	December		6	6	6	6	7	7
60			71	72	72	72	74	84
61								
62		**Re**						
63	January		840	855	874	885	893	901
64	February		841	854	875	886	895	901
65	March		843	853	877	887	897	903
66	April		845	855	876	887	897	904
67	May		844	858	876	889	896	910
68	June		844	860	876	891	897	909
69	July		844	866	877	884	893	911
70	August		846	862	875	894	900	912
71	September		846	867	876	895	900	911
72	October		848	867	876	895	901	910
73	November		848	869	879	894	900	910
74	December		850	873	881	894	901	911
75		TC	10,139	10,339	10,518	10,681	10,770	10,893
76								

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line								
1								
77		**Re**						
78	January		6	6	6	6	6	6
79	February		6	6	6	6	6	6
80	March		6	6	6	6	6	6
81	April		6	6	6	6	6	6
82	May		6	6	6	6	6	6
83	June		6	6	6	6	6	6
84	July		6	6	6	6	6	6
85	August		6	6	6	6	6	6
86	September		6	6	6	6	6	6
87	October		6	6	6	6	6	6
88	November		6	6	6	6	6	6
89	December		6	6	6	6	6	6
90		TC	72	72	72	72	72	72
91								
92		**Re**						
93	January		359	363	365	365	370	379
94	February		359	364	364	366	371	381
95	March		358	364	364	368	371	381
96	April		362	363	363	368	373	382
97	May		360	363	365	368	373	379
98	June		360	366	365	370	375	379
99	July		360	366	367	376	381	380
100	August		360	370	367	370	377	380
101	September		358	365	366	369	377	381
102	October		361	365	366	370	376	382
103	November		363	365	365	370	379	384
104	December		362	365	366	370	379	385
105		TC	4,322	4,379	4,383	4,430	4,502	4,573
106								
107		**Re**						
108	January		2	2	2	2	2	2
109	February		2	2	2	2	2	2
110	March		2	2	2	2	2	2
111	April		2	2	2	2	2	2
112	May		2	2	2	2	2	2
113	June		2	2	2	2	2	2
114	July		2	2	2	2	2	2
115	August		2	2	2	2	2	2
116	September		2	2	2	2	2	2
117	October		2	2	2	2	2	2
118	November		2	2	2	2	2	2
119	December		2	2	2	2	2	2
120		TC	24	24	24	24	24	24
121								

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line							
1							
122							
123	January	4	4	4	4	4	4
124	February	4	4	4	4	4	4
125	March	4	4	4	4	4	4
126	April	4	4	4	4	4	4
127	May	4	4	4	4	4	4
128	June	4	4	4	4	4	4
129	July	4	4	4	4	4	4
130	August	4	4	4	4	4	4
131	September	4	4	4	4	4	4
132	October	4	4	4	4	4	4
133	November	4	4	4	4	4	4
134	December	4	4	4	4	4	4
135		48	48	48	48	48	48
136							
137	**Re**						
138	January	2	2	2	2	2	2
139	February	2	2	2	2	2	2
140	March	2	2	2	2	2	2
141	April	2	2	2	2	2	1
142	May	2	2	2	2	2	1
143	June	2	2	2	2	2	1
144	July	2	2	2	2	2	1
145	August	2	2	2	2	2	1
146	September	2	2	2	2	2	1
147	October	2	2	2	2	2	1
148	November	2	2	2	2	2	1
149	December	2	2	2	2	2	1
150	TC	24	24	24	24	24	15
151							
152	**Re**						
153	January	1	1	1	1	1	1
154	February	1	1	1	1	1	1
155	March	1	1	1	1	1	1
156	April	1	1	1	1	1	1
157	May	1	1	1	1	1	1
158	June	1	1	1	1	1	1
159	July	1	1	1	1	1	1
160	August	1	1	1	1	1	1
161	September	1	1	1	1	1	1
162	October	1	1	1	1	1	1
163	November	1	1	1	1	1	1
164	December	1	1	1	1	1	1
165	TC	12	12	12	12	12	12

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Historic Billing Units

Line								
1								
166								
167								
168	January		37	35	35	35	33	31
169	February		37	35	35	35	33	31
170	March		37	35	35	35	33	31
171	April		36	35	35	35	33	30
172	May		36	35	35	35	33	30
173	June		36	35	35	35	33	30
174	July		36	35	35	35	33	30
175	August		36	35	35	34	32	29
176	September		35	35	35	34	31	29
177	October		35	35	35	33	31	29
178	November		35	35	35	33	31	29
179	December		35	35	35	33	31	29
180			431	420	420	412	387	358
181								
182								
183	January		6,342	6,349	6,380	6,398	6,433	6,457
184	February		6,343	6,352	6,380	6,399	6,432	6,457
185	March		6,343	6,351	6,383	6,403	6,435	6,460
186	April		6,344	6,354	6,379	6,404	6,436	6,462
187	May		6,335	6,356	6,385	6,408	6,442	6,467
188	June		6,340	6,365	6,386	6,413	6,441	6,470
189	July		6,339	6,374	6,390	6,410	6,443	6,480
190	August		6,337	6,378	6,393	6,415	6,449	6,478
191	September		6,333	6,377	6,391	6,423	6,445	6,477
192	October		6,344	6,376	6,389	6,428	6,446	6,481
193	November		6,345	6,372	6,392	6,428	6,453	6,473
194	December		6,346	6,381	6,397	6,433	6,456	6,473
195		TC	76,091	76,385	76,645	76,962	77,311	77,635

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Sales Recap
Period Ending December 31, 2024

Line	SC	Customer Class	Type	January	February	March	April	May	June	July	August	September	October	November	December	Totals
1	1	1-RL	D	214,817	208,780	196,332	187,288	166,871	174,064	209,730	203,802	190,504	166,278	183,403	202,569	2,304,439
2	1	1-RL-STAS	S	(49)	(47)	(44)	(42)	(37)	(36)	(44)	(43)	(40)	(34)	(38)	(46)	(499)
3	1	1-RL-GEN	G	265,322	255,828	236,288	222,082	189,986	177,430	226,852	218,606	200,069	166,563	190,236	243,734	2,592,996
4	1	1-RFL	D	7,622	7,621	7,024	6,715	6,151	6,100	6,978	6,839	6,295	5,706	6,270	6,465	79,786
5	1	1-RFL-STAS	S	(2)	(2)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(18)
6	1	1-RFL-GEN	G	10,070	10,068	9,130	8,643	7,776	6,805	8,014	7,830	7,076	6,266	7,042	8,212	96,931
7	1	1-TL	D	78,197	77,838	75,883	68,084	61,909	61,273	69,907	78,991	73,564	60,511	64,943	68,218	839,318
8	1	1-TL-STAS	S	(18)	(18)	(17)	(15)	(14)	(12)	(15)	(17)	(15)	(12)	(13)	(15)	(181)
9	1	1-TL-GEN	G	94,457	93,896	90,836	78,584	68,878	59,850	71,796	84,392	76,876	58,776	64,928	78,019	921,288
10	2	2-RSAE - RL/TL	D	2,371	2,498	2,417	2,108	1,632	1,330	1,397	1,384	1,370	1,236	1,671	2,016	21,430
11	2	2-RSAE - RL/TL - ST/	S	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(5)
12	2	2-RSAE - RL/TL - GE	G	3,540	3,769	3,623	3,067	2,227	1,491	1,598	1,589	1,574	1,361	2,051	2,918	28,807
13	3	3-RCL	D	40,591	40,672	41,060	38,716	34,724	35,285	37,933	37,534	36,412	33,490	35,221	36,750	448,390
14	3	3-RCL-STAS	S	(7)	(7)	(7)	(6)	(5)	(5)	(6)	(6)	(5)	(5)	(5)	(6)	(72)
15	3	3-RCL-GEN	G	33,488	33,632	34,103	31,305	26,419	23,853	26,761	26,375	25,065	22,077	23,925	28,801	335,804
16	3H	3H-Sch Heat - RCL	D	92	156	196	154	49	59	76	76	74	70	62	50	1,112
17	3H	3H-Sch Heat - RCL -	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
18	3H	3H-Sch Heat - RCL -	G	74	143	186	141	40	45	61	61	59	55	48	41	954
19	4	4-TCL	D	120,732	121,897	119,458	113,857	109,999	117,659	124,818	126,185	122,958	115,185	116,954	115,003	1,424,706
20	4	4-TCL - STAS	S	(29)	(29)	(28)	(26)	(24)	(25)	(27)	(28)	(27)	(25)	(26)	(27)	(319)
21	4	4-TCL - GEN	G	159,476	158,058	156,153	139,557	123,851	125,035	140,085	145,484	142,473	127,518	135,353	147,699	1,700,741
22	4H	4H-CSH Heat - TCL	D	75	80	80	78	72	78	96	112	91	80	64	72	979
23	4H	4H-CSH Heat - TCL -	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
24	4H	4H-CSH Heat - TCL -	G	41	48	48	44	37	39	62	81	55	42	23	37	557
25	5	5-RCP	D	42,207	42,747	41,958	42,411	43,628	45,376	46,185	46,333	45,882	43,897	42,211	42,475	525,311
26	5	5-RCP - STAS	S	(7)	(7)	(7)	(7)	(7)	(8)	(9)	(8)	(8)	(8)	(7)	(7)	(91)
27	5	5-RCP - GEN	G	33,632	34,457	26,853	29,187	29,967	34,155	40,118	36,587	29,644	31,879	30,146	31,061	387,686
28	5	5-TCP	D	19,414	20,194	20,997	21,498	22,355	25,088	25,389	25,258	24,365	24,006	20,915	19,204	268,684
29	5	5-TCP - STAS	S	(6)	(6)	(6)	(6)	(6)	(8)	(9)	(8)	(7)	(7)	(7)	(7)	(84)
30	5	5-TCP -GEN	G	44,143	42,863	39,229	43,466	43,700	55,006	68,794	59,909	48,669	49,432	45,845	49,172	590,226
31	6	6-ML - Public Street I	D	1,127	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,458
32	6	6-ML PSL - STAS	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(2)
33	6	6-ML PSL - GEN	G	508	496	496	496	496	437	437	437	437	437	437	491	5,609
34																
35	8	8-EU - Sales for Resa	D	735	756	697	716	672	715	768	736	692	617	809	1,044	8,957
36	8	8-EU - Sales for Resa	G	776	798	736	756	709	666	715	685	644	575	754	1,093	8,907
37		Totals Sales Revenue		1,173,389	1,158,300	1,104,792	1,039,970	943,176	952,865	1,109,579	1,110,294	1,035,863	917,086	974,336	1,086,155	12,605,806
38																
39		Distribution		527,981	524,361	507,223	482,745	449,184	468,149	524,398	528,370	503,327	452,197	473,647	494,987	5,936,569
40		STAS		(118)	(117)	(112)	(105)	(95)	(96)	(111)	(112)	(104)	(92)	(99)	(110)	(1,270)
41		Generation		645,526	634,056	597,681	557,330	494,086	484,812	585,293	582,035	532,641	464,981	500,788	591,278	6,670,507
42		Total Sales Revenue		1,173,389	1,158,300	1,104,792	1,039,970	943,176	952,865	1,109,579	1,110,294	1,035,863	917,086	974,336	1,086,155	12,605,806
43																12,607,075

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Sales Recap
Period Ending December 31, 2024

Line	SC	Customer Class / kWh Generation	Type	January	February	March	April	May	June	July	August	September	October	November	December	Totals
44				January	February	March	April	May	June	July	August	September	October	November	December	Totals
45		Residential		4,050,225	3,943,641	3,686,708	3,388,410	2,916,445	3,019,538	3,790,251	3,841,372	3,511,568	2,864,467	3,249,213	3,644,057	41,905,895
46		Commercial - Small	RCL	377,163	378,983	384,309	353,019	298,149	305,349	340,871	336,117	320,425	282,162	304,967	324,934	4,006,448
47		Commercial - Small	TCL	2,369,066	2,345,502	2,355,601	2,138,392	1,904,408	2,108,545	2,289,345	2,328,700	2,272,994	2,005,883	2,134,710	2,076,248	26,329,394
48		Commercial - Large		2,029,329	1,984,942	1,864,451	2,066,009	2,050,885	2,339,790	2,215,131	2,153,540	1,928,775	1,911,524	2,034,009	2,031,795	24,610,180
49		ML - Public Street Lights		5,519	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389	5,389	64,798
50		Sales for Resale		8,415	8,654	7,983	8,201	7,694	8,191	8,790	8,426	7,922	7,068	9,268	11,960	102,572
51																-
52																-
53		**Total KWH**		8,839,717	8,667,111	8,304,441	7,959,420	7,182,970	7,786,802	8,649,777	8,673,544	8,047,073	7,076,493	7,737,556	8,094,383	97,019,287
54																
55		Source: Bill-Totals-Tabs		1st Qtr Total KWh			2nd Qtr Total KWh			3rd Qtr Total KWh			4th Qtr Total KWh			
56						25,811,269			22,929,192			25,370,394			22,908,432	
57																
58	1			670,418	653,965	615,430	571,338	501,520	485,473	593,215	600,399	554,326	464,054	516,769	607,155	6,834,061
59	2			5,910	6,266	6,040	5,174	3,859	2,821	2,995	2,972	2,944	2,596	3,722	4,933	50,232
60	3			74,072	74,297	75,157	70,015	61,138	59,133	64,688	63,903	61,472	55,562	59,141	65,546	784,122
61	3H			166	298	382	296	89	103	137	136	133	125	110	91	2,066
62	4			280,179	279,927	275,582	253,388	233,827	242,669	264,876	271,641	265,404	242,678	252,282	262,676	3,125,128
63	4H			116	128	128	122	109	117	158	193	146	123	87	109	1,536
64	5			139,382	140,248	129,024	136,548	139,637	159,609	180,468	168,070	148,545	149,199	139,104	141,898	1,771,732
65	6			1,635	1,617	1,617	1,617	1,617	1,558	1,558	1,558	1,558	1,558	1,558	1,612	19,065
66	8			1,511	1,553	1,433	1,472	1,381	1,381	1,482	1,421	1,336	1,192	1,563	2,137	17,863
67				1,173,389	1,158,300	1,104,792	1,039,970	943,176	952,865	1,109,579	1,110,294	1,035,863	917,086	974,336	1,086,155	12,605,806
68																
69	1		D	300,637	294,239	279,239	262,087	234,932	241,437	286,614	289,632	270,362	232,496	254,617	277,252	3,223,543
70	1		S	(68)	(67)	(63)	(59)	(51)	(49)	(60)	(61)	(56)	(47)	(53)	(62)	(697)
71	1		G	369,849	359,792	336,253	309,310	266,639	244,086	306,661	310,828	284,021	231,605	262,205	329,965	3,611,216
72				670,418	653,965	615,430	571,338	501,520	485,473	593,215	600,399	554,326	464,054	516,769	607,155	6,834,061
73																
74	5		D	61,621	62,942	62,955	63,909	65,983	70,465	71,574	71,591	70,247	67,903	63,127	61,679	793,994
75	5		S	(13)	(14)	(13)	(14)	(14)	(16)	(18)	(17)	(15)	(15)	(14)	(14)	(175)
76	5		G	77,775	77,320	66,081	72,653	73,668	89,160	108,912	96,495	78,313	81,311	75,991	80,233	977,913
77				139,382	140,248	129,024	136,548	139,637	159,609	180,468	168,070	148,545	149,199	139,104	141,898	1,771,732
78																

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Sales Recap
Period Ending December 31, 2024

Line	SC	Customer Class	Type	January	February	March	April	May	June	July	August	September	October	November	December	Totals
79		Residential	D	300,637	294,239	279,239	262,087	234,932	241,437	286,614	289,632	270,362	232,496	254,617	277,252	3,223,543
80		RSAE	D	2,371	2,498	2,417	2,108	1,632	1,330	1,397	1,384	1,370	1,236	1,671	2,016	21,430
81		NRS	D	40,591	40,672	41,060	38,716	34,724	35,285	37,933	37,534	36,412	33,490	35,221	36,750	448,390
82		NRH	D	92	156	196	154	49	59	76	76	74	70	62	50	1,112
83		CS	D	120,732	121,897	119,458	113,857	109,999	117,659	124,818	126,185	122,958	115,185	116,954	115,003	1,424,706
84		CSH	D	75	80	80	78	72	78	96	112	91	80	64	72	979
85		IS	D	61,621	62,942	62,955	63,909	65,983	70,465	71,574	71,591	70,247	67,903	63,127	61,679	793,994
86		ML	D	1,127	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	1,121	13,458
87		EU	D	735	756	697	716	672	715	768	736	692	617	809	1,044	8,957
88				527,981	524,361	507,223	482,745	449,184	468,149	524,398	528,370	503,327	452,197	473,647	494,987	5,936,569
89																
90		Residential	G	369,849	359,792	336,253	309,310	266,639	244,086	306,661	310,828	284,021	231,605	262,205	329,965	3,611,216
91		RSAE	G	3,540	3,769	3,623	3,067	2,227	1,491	1,598	1,589	1,574	1,361	2,051	2,918	28,807
92		NRS	G	33,488	33,632	34,103	31,305	26,419	23,853	26,761	26,375	25,065	22,077	23,925	28,801	335,804
93		NRH	G	74	143	186	141	40	45	61	61	59	55	48	41	954
94		CS	G	159,476	158,058	156,153	139,557	123,851	125,035	140,085	145,484	142,473	127,518	135,353	147,699	1,700,741
95		CSH	G	41	48	48	44	37	39	62	81	55	42	23	37	557
96		IS	G	77,775	77,320	66,081	72,653	73,668	89,160	108,912	96,495	78,313	81,311	75,991	80,233	977,913
97		ML	G	508	496	496	496	496	437	437	437	437	437	437	491	5,609
98		EU	G	776	798	736	756	709	666	715	685	644	575	754	1,093	8,907
99				645,526	634,056	597,681	557,330	494,086	484,812	585,293	582,035	532,641	464,981	500,788	591,278	6,670,507
100																
101		Residential	S	(68)	(67)	(63)	(59)	(51)	(49)	(60)	(61)	(56)	(47)	(53)	(62)	(697)
102		RSAE	S	(1)	(1)	(1)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(1)	(5)
103		NRS	S	(7)	(7)	(7)	(6)	(5)	(5)	(6)	(6)	(5)	(5)	(5)	(6)	(72)
104		NRH	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
105		CS	S	(29)	(29)	(28)	(26)	(24)	(25)	(27)	(28)	(27)	(25)	(26)	(27)	(319)
106		CSH	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
107		IS	S	(13)	(14)	(13)	(14)	(14)	(16)	(18)	(17)	(15)	(15)	(14)	(14)	(175)
108		ML	S	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(2)
109		EU	S													
110				(118)	(117)	(112)	(105)	(95)	(96)	(111)	(112)	(104)	(92)	(99)	(110)	(1,270)

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Total Operating Revenues
January 1, 2024 to December 31, 2024

Line	Month	MWh Sales	Net Revenue	STAS	Unbilled Revenue	Allocation E Factor	Sub Total Revenues	#450 Forfeited Discounts	#454 Rent from Electric Property	#456 Other Electric Revenues	#495 GSSR over/under Recovery	#495.10 Over/under Collection Unbilled	Total Revenues
1	January	8,839.717	$ 1,173,507	$ (118)	$ -	$ 15,970	$ 1,189,359	$ 2,481	$ 22,181	$ 298	$ (29,097)	$ -	$ 1,185,223
2	February	8,667.111	$ 1,158,417	$ (117)	$ -	$ 15,683	$ 1,173,983	$ 3,353	$ 19,279	$ 1,733	$ (102,278)	$ -	$ 1,096,071
3	March	8,304.441	$ 1,104,904	$ (112)	$ -	$ 14,947	$ 1,119,739	$ 3,073	$ 19,279	$ 517	$ (83,267)	$ -	$ 1,059,341
4	April	7,959.420	$ 1,040,075	$ (105)	$ -	$ 13,712	$ 1,053,682	$ 2,403	$ 20,179	$ 457	$ (47,009)	$ -	$ 1,029,714
5	May	7,182.970	$ 943,271	$ (95)	$ -	$ 11,730	$ 954,906	$ 2,254	$ 18,379	$ 986	$ 76,892	$ -	$ 1,053,417
6	June	7,786.802	$ 952,961	$ (96)	$ -	$ 13,666	$ 966,531	$ 1,849	$ 19,279	$ 3,558	$ 46,914	$ -	$ 1,038,132
7	July	8,649.777	$ 1,109,690	$ (111)	$ -	$ 16,387	$ 1,125,966	$ 2,623	$ 19,279	$ 1,884	$ 24,092	$ -	$ 1,173,843
8	August	8,673.544	$ 1,110,405	$ (112)	$ -	$ 16,680	$ 1,126,974	$ 2,247	$ 20,629	$ 603	$ (28,160)	$ -	$ 1,122,293
9	September	8,047.073	$ 1,035,968	$ (104)	$ -	$ 15,378	$ 1,051,241	$ 1,757	$ 19,279	$ 1,697	$ (12,393)	$ -	$ 1,061,581
10	October	7,076.493	$ 917,178	$ (92)	$ -	$ 13,201	$ 930,287	$ 2,849	$ 19,279	$ 698	$ 50,228	$ -	$ 1,003,342
11	November	7,737.566	$ 974,434	$ (99)	$ -	$ 14,621	$ 988,957	$ 1,983	$ 19,879	$ 5,349	$ 37,136	$ -	$ 1,053,305
12	December	8,094.383	$ 1,086,265	$ (110)	$ 183,735	$ (13,787)	$ 1,256,103	$ 1,987	$ 49,811	$ 5,119	$ 58,629	$ (89,521)	$ 1,282,129
13	Totals	97,019.297	$ 12,607,075	$ (1,270)	$ 183,735	$ 148,188	$ 12,937,729	$ 28,860	$ 266,738	$ 22,899	$ (8,313)	$ (89,521)	$ 13,158,391

Account		
440.0	Residential	7,041,516
440.3	Residential STAS	(702)
442.0	Commercial	4,014,195
442.01	Industrial	1,846,014
442.3	Commercial STAS	(391)
442.31	Industrial STAS	(175)
444.0	Public Street & Highway	19,204
444.3	Public Street & Highway STAS	(2)
447.0	Sales for Resale	18,070
450.0	Forfieted Discounts	28,860
454.0	Rent from Electric Property	266,738
456.0	Other Electric Revenue	22,796
456.1	Other Electric Revenue-STAS	-
456.2	Investment Charge EU	103
495.0	GSSR Over/Under Collections	(8,313)
495.1	Over/Under Collection Unbilled	(89,521)
		13,158,391

$ -

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
1	PPower-Power Purchases			8,108,800	6,587,193	7,834,837	9,111,330
2	Total Power Purchased			8,108,800	6,587,193	7,834,837	9,111,330
3							
4	580.01-Oper.Superv. Eng-Labor	580	Labor	-	4,043		-
5	580.02-Oper.Superv. Eng-OH	580	OH	-	4,078		-
6	580.03-Oper.Superv. Eng-Transp	580	Trans/Mat				-
7	582.01-Station Exp-Labor	582	Labor				-
8	582.02-Station Exp-OH	582	Trans/Mat	-	-		-
9	583.01-OH Line Exp-Labor	583	Labor	(2,379)	(1,766)	3,980	4,098
10	583.02-OH Line Exp-OH	583	OH	3,064	2,535	1,814	1,922
11	583.05-OH Line Exp-Misc	583	Trans/Mat				-
12	585.01-Street/Signal Light-Labor	585	Labor	-	127	178	182
13	585.02-Street/Signal Light-OH	585	OH	675	19	81	85
14	585.04-Street/Signal Light-Matl	585	Trans/Mat				-
15	586.01-Meter Exp-Labor	586	Labor	19,146	21,287	26,220	26,981
16	586.02-Meter Exp-OH	586	OH	14,498	15,697	11,725	12,422
17	586.03-Meter Exp-Transp	586	Trans/Mat				-
18	586.05-Meter Exp-Misc	586	Other	-	-	500	500
19	587.01-Cust Install Exp-Labor	587	Labor	-	109	178	182
20	587.02-Cust Install Exp-OH	587	OH	-	98	81	85
21	587.04-Cust Install Exp-Matl	587	Trans/Mat				-
22	588.00 Misc Distr Exps	588	Other	1,084	(1,389)	6,800	6,800
23	588.01 Labor - Misc Distr Expens	588	Labor	37,840	29,489	61,875	64,014
24	588.02 OH - Misc Distr Exp	588	OH	48,793	40,264	62,211	62,486
25	588.03-Misc Distr Exp-Transp	588	Trans/Mat				-
26	588.11 Labor - Genl Type Mtg - C	588	Labor	7,872	11,084	8,467	8,766
27	588.12 OH - Genl Type Mtg	588	OH	5,099	8,757	9,349	9,351
28	588.13-Misc Dist Exp-Genl Mtg T	588	Trans/Mat				-
29	588.20-Misc Dist Exp-Outside Tra	588	Other	7,534	9,606	15,000	15,000
30	588.21-Misc Dist Exp-Outside Tra	588	Labor	5,846	10,141	11,506	11,846
31	588.22-Misc Dist Exp-Outside Tra	588	OH	1,559	2,482	5,245	5,556
32	588.23-Misc Dist Exp-Outside Tra	588	Trans/Mat	-	699		-
33	588.31 Labor - On Call - Standby	588	Labor	12,639	12,129	14,799	14,651
34	588.32-Misc Dist Exp-On Call Sta	588	OH	3,575	3,097	6,746	6,873
35	588.40 Safety Mtgs & Training	588	Other	4,268	6,339		-
36	588.41 Labor - Safety Mtgs & Tra	588	Labor	22,120	28,265	39,910	41,188
37	588.42 OH - Safety Mtgs & Tra	588	OH	12,442	12,981	38,515	39,156
38	588.90 Misc Dist-Staking Dept-Tc	588	Other				-
39	589.00-Distr rents	589	Other	30,717	32,950	35,300	35,300
40						-	-
41	**Total operations**			236,392	253,121	360,478	367,446

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
42							-
43	590.01-Maint, Supv & Eng-Labor	590	Labor	37,403	41,204	41,076	42,663
44	590.02-Maint, Supv & Eng-OH	590	OH	48,308	56,671	59,695	59,121
45	590.03-Maint, Supv & Eng-Transp	590	Trans/Mat				-
46	591.01-Maint of Structures-Labor	591	Labor	792	-		-
47	591.02-Maint of Structures-OH	591	Trans/Mat	1,056	-		-
48	592.01-Maint of Station Equip-Lal	592	Labor	678	1,255	1,869	1,924
49	592.02-Maint of Station Equip-OH	592	OH	1,863	1,621	2,702	126,752
50	592.03-Maint of Station Equip-Tra	592	Trans/Mat				-
51	592.04- Matl/Supp Inv-Maint Sta	592	Other				(110,119)
52	592.11- Substation Inspect In-hou	592	Labor	3,156	334		-
53	592.00-Substation Insp-In House-	592	Other				-
54	593.00 Maint OH Lines	593	Other				-
55	593.01 Labor - OH Line Maintena	593	Labor	140,138	175,692	202,337	208,333
56	593.02 OH - OH Line Mainten	593	OH	126,049	129,933	101,742	107,224
57	593.03-Maint of OH Lines-Transp	593	Trans/Mat				-
58	593.04 Matl/Supp Inv-Maint Ove	593	Trans/Mat	767	-		-
59	593.10 Maint OH Lines - Brush C	593	Other	407,770	444,468	480,457	480,457
60	593.11 OH Line-Tree Trim-In-H	593	Labor	17,691	15,547	16,743	17,240
61	593.12-Tree Trim-In House-Trans	593	Trans/Mat			7,633	8,087
62	593.13-Tree Trimming-In House-(	593	Labor				-
63	593.21-Overhead Line Inspection	593	Trans/Mat	38,954	6,362	24,679	25,411
64	593.22-OH Line Insp-Line Crew-C	593	OH	8,264	1,470	11,251	11,920
65	593.30 Maint Of OH-Working Off	593	Other				-
66	593.31 Labor - Maint Lines - Worl	593	Labor	355	-		-
67	593.32 OH - Maint Lines - Work C	593	OH	(355)	-		-
68	593.40 Maint Of OH Lines - Meals	593	Other	919	359	1,500	1,500
69	593.50-Maint O/H Line-Major Stor	593	Other	27,765	31,980		-
70	593.51 Labor - Maint Lines - Majo	593	Labor	30,707	26,331	53,377	54,367
71	593.52 OH Lines- Major	593	Other	6,092	4,524	15,216	16,120
72	593.60 Maint Lines-Major Storm-I	593	Labor				-
73	593.80 Maint O/H - Testing-Tools	593	Other	24,438	26,984	40,500	40,500
74	593.90 Maint-Special Equip-Repa	593	Other				-
75	593.91-Special Equip Insp-Labor	593	Labor	7,214	6,137	9,367	9,646
76	593.92-Special Equipment Inspec	593	Trans/Mat			4,270	4,524

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
77	594.01-Maint of UG Lines-Labor	594	Labor	1,751	4,369	4,353	4,483
78	594.02-Maint of UG Lines-OH	594	OH	1,588	2,645	1,984	2,102
79	594.03-Maint of UG Lines-Transp	594	Trans/Mat				-
80	594.04-Maint of UG Lines-Matl	594	Trans/Mat				-
81	594.05-Maint UG Lines- Misc	594	Other			-	-
82	594.11- UG Inspect In-hours	594	Labor	1,847	113	150	156
83	594.12- UG Inspect OH	594	OH			69	73
84	594.90- Maint UG Lines PA ON	594	Other	23,250	23,079	33,500	33,500
85	595.01-Maint of Line Xfrnrs-Labor	595	Labor	1,742	3,059	3,347	3,447
86	595.02-Maint of Line Xfrnrs-OH	595	OH	949	1,358	1,526	1,617
87	595.03-Maint of Line Xfrnrs-Trans	595	Trans/Mat				-
88	595.05-Maint Line Xfrnrs-Misc	595	Other				-
89	595.80-Maint of Line Xfrnrs-Disp	595	Trans/Mat	2,987	10,115	3,000	3,000
90	596.01-Maint of Street Lights-Lab	596	Labor	1,700	962	623	641
91	596.02-Maint of Street Lights-OH	596	OH	1,291	650	284	301
92	596.04-Maint of Street Lights-Mat	596	Trans/Mat				-
93	597.00-Maint of Meters	597	Labor	30,912	25,037		-
94	597.01-Maint of Meters-Labor	597	Labor	32,568	31,514	34,412	35,432
95	597.02-Maint of Meters-OH	597	OH	9,842	7,010	15,688	16,620
96	597.03-Maint of Meters-Transp	597	Trans/Mat				-
97	597.04-Maint of Meters-Matl	597	Trans/Mat	(529)	8		-
98	597.05-Maint of Meters-Misc	597	Trans/Mat				-
99	597.41-Maintenance of Meters-T\	597	Labor			623	641
100	597.42-Maintenance of Meters-T\	597	OH			27,484	27,501
101	597.44-Maint TWACS Meters	597	Other	2,674	937	-	-
102							-
103	**Total Maint**			1,042,595	1,081,729	1,201,459	1,235,182
104							
105	**Total Distr Exp**			1,278,988	1,334,849	1,561,937	1,602,629
106				-	-		

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
107	**CustS ACCOUNTING & COLLECTING Exp**						-
108	902.01-Meter Reading Exp-Labor	902	Labor	10,767	12,359	10,936	11,261
109	902.02-Meter Reading Exp-OH	902	OH	9,042	9,416	4,986	5,283
110	902.03-Meter Reading Exp-Trans	902	Trans/Mat				-
111	903.00-Cust Rec & Coll Exp	903	Other	5,411	6,868	5,000	5,000
112	903.01-Cust Rec & Collect Exp-L	903	Labor	201,641	203,082	215,355	230,436
113	903.02-Cust Rec & Collect Exp-O	903	OH	260,964	276,153	310,965	317,430
114	903.03-Cust Rec & Collect Exp-T	903	Trans/Mat				-
115	903.20-Cust Rec Exp-Seminars-M	903	Other			500	500
116	903.30-Cust Rec Exp-Postage	903	Other	40,256	43,390	43,375	43,375
117	903.40-Cust Coll-Credit Check	903	Other	858	801	900	900
118	903.45-Cust Coll-EGS Monthly S	903	Other	3,260	4,252	3,600	3,600
119	903.50-Cust Rec Exp-Billing Supp	903	Other	496	1,153	3,200	3,200
120	903.60-Cust Rec Exp-NISC Comp	903	Other	128,903	135,388	163,600	163,600
121	903.81-Cust Rec Exp-Collect-Lab	903	Labor	69,880	70,302	75,899	81,136
122	903.82-Cust Rec Exp-Collecting-(	903	OH	88,320	92,349	107,690	109,963
123	903.83-Cust Rec Exp-Collect-Tra	903	Trans/Mat				-
124	903.90-Cust Rec Exp-Delinq	903	Other			500	500
125	903.91-Cust Rec Exp-Delinq-Lab	903	Labor	36,011	36,526	39,266	41,544
126	903.92-Cust Rec Exp-Delinq-OH	903	OH	36,950	37,371	45,181	46,326
127	903.05-Cust Rec Exp-Delinq-Misc	903	Other				-
128	904.00-Uncollectable Accounts	904	Other	-	-	20,000	20,000
129						-	-
130	**Total Cust accounting & collecting**			892,757	929,410	1,050,953	1,084,054
131						**0**	
132	**SALES PROMOTION Exp**						-
133	908.00-Cust Assist-Exp	908	Other	295	-	1,000	1,000
134	908.51-Cust Assist-Energy Audit-	908	Labor	1,735	180	156	161
135	908.52-Cust Assist-Energy Audit-	908	OH			71	76
136	908.05-Cust Assist-Energy Audit-	908	Other				-
137	909.00-Cust Service Info-Misc	909	Other	314	800	16,000	6,000
138	913.00-Advertising Exp	913	Other	1,738	2,191	2,500	2,500
139						-	-
140	**Total Sales Promotion Exp**			4,082	3,171	19,727	9,737
141							-

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
142	**ADMINISTRATIVE & Genl Exp**						-
143	920.00-A&G Salaries	920	Labor	22,250	11,954	9,000	9,000
144	920.01-A&G Salaries-Labor	920	Labor	258,765	292,156	325,262	352,797
145	920.02-A&G Salaries-OH	920	OH	351,031	402,852	468,335	484,732
146	920.03-A&G Salaries-Transp	920	Trans/Mat				-
147	920.40-A&G-President-CEO	920	Labor	5,377	6,176	12,000	12,000
148	920.50-A&G-V-P Fin Adminis	920	Labor	8,392	26,510	17,600	15,000
149	920.60-A&G-V-P Eng Oper	920	Labor	2,059	3,188	15,000	15,000
150	920.70-A&G- Staff	920	Labor	4,766	15,065	22,700	22,700
151	921.00-Off Supp & Exp	921	Other	9,054	12,730	11,540	11,540
152	921.10-Off Supp & Exp-Utilities	921	Other	4,803	5,835	6,060	6,060
153	921.40-Off Exp-Subs/Membershi	921	Other	4,042	5,186	3,400	3,400
154	921.50-Off Exp-Off Supp	921	Other	6,413	8,823	23,260	23,260
155	921.60-Off Exp-WECO Telephon	921	Other	31,375	47,437	49,500	49,500
156	921.70-Off Exp-Dispatch Telepho	921	Other	79,441	89,963	90,800	90,800
157	921.90-Off Exp-Misc	921	Other	9,938	8,780	20,060	20,060
158	921.99-Off Exp-Working Capital C	921	Other	(83,141)	(65,853)	(81,613)	(94,910)
159	923.00-Outside Svc Empl	923	Other	26,301	24,421	29,325	29,325
160	923.10-Outside Svc Empl-Auditor	923	Other	31,951	34,886	34,000	34,000
161	923.20-Outside Svc Empl-Engine	923	Other	75	610	5,000	5,000
162	923.30-Outside Svc Empl-Attorne	923	Other	21,703	16,158	25,000	25,000
163	923.90-Outside Services Employe	923	Other	7,859	61,040	61,200	61,200
164	924.00-Property Insurance	924	Other	51,268	53,098	61,410	61,410
165	925.00-Injuries & Damages	925	Other				-
166	926.11-Employee Pen Ben-Healtl	926	OH	-	-		-
167	926.20-Empl Pen Ben-Postret He	926	OH				-
168	926.70-Employee Pen Ben-Life Ir	926	OH				-
169	926.99-Employee Pen Ben-SERF	926	OH				-
170	928.00-Regulatory Commission E	928	Other	32,144	42,985	43,000	43,000
171	928.01-Rate Case Exp	928	Other	36,222	-		110,393
172	930.00-Directors Exp	930	Other	101,167	83,257	95,851	106,681
173	930.11-Misc Gen Exp-GPS Map I	930	Other	-	-		-
174	930.20-Misc Gen Exp-GPS Map-I	930	Labor	3,074	-	3,100	3,100
175	930.21-Misc Gen Exp-GPS Map-(	930	Other				-
176	930.22-Misc Gen Exp-GPS Mapp	930	OH				-
177	930.24-Misc Gen Exp-GPS Mapp	930	Other				-
178	930.25-Misc Gen Exp-Covid Expe	930	Other	-	-		-
179	930.30-Misc Gen Exp- Misc	930	Other	1,113	1,147	800	800

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	Annuals Totals, Detailed by Type 2023	2024	2025	2026
180	931.00-Rents	931	Other	2,442	3,611	2,200	2,200
181	932.00-Maint of Genl Property	932	Other	48,827	40,021	86,976	86,976
182	932.01-Maint of Genl Property-La	932	Labor	46,719	9,859	10,814	11,135
183	932.02-Maint of Genl Property-Ol	932	OH			4,930	5,223
184	932.10-Maint of Genl Property-Of	932	Other	11,518	6,205	11,000	11,000
185	932.11-Maint Genl Prop-Off Bldg-	932	Labor	3,217	-		-
186	932.12-Maint Genl Prop-Off Bldg-	932	OH				-
187	932.20-Maint Genl-Communicatic	932	Other	-	-	500	500
188	932.21-Maint Genl-Comm Equip-I	932	Labor				-
189	932.22-Maint Genl-Comm Equip-(	932	OH				-
190	932.30-Maint Gen Property-Plant	932	Other	422	12,688	12,550	12,550
191	932.31-Maint Gen Prop-Plant Bld	932	Labor	630	1,505	1,564	1,611
192	932.32-Maint Gen Prop-Plant Bld	932	OH			713	756
193	932.41-Maint Gen Prop-Apt Hous	932	Labor				-
194	932.42-Maint Gen Prop-Apt Hous	932	OH				-
195	932.70-Maint Gen Office Equip	932	Other	1,248	1,908	3,800	3,800
196	932.05-Maint Genl Property- Misc	932	Other	-	-	-	-
197						1,486,637	1,636,599
198	**Total Administrative & Genl Exp**			1,142,464	1,264,200	1,486,637	1,636,599
199	Detail, adjusted for WC Claim						0
200	**Total Operating Exp**			3,318,291	3,531,630	4,119,254	4,333,019
201	From OM			*3,318,291*	*3,531,630*	*4,119,254*	*4,332,745*
202	Adjustments				*='C:\Users\hgorm\Documen*	*='C:\Users\hgorm\Documents Laptop\CTE-25\WEL-25\WEL-2*	
203	Working Capital claim			83,141	65,853	81,613	94,910
204	Rate case Exp			-	-		
205				3,401,431	3,597,484	4,200,867	4,427,928
206	From OM						
207	From C1-1			-	1,294,042		
208	Differrence			3,401,431	2,303,442		
209							
210							
211	Labor		Labor	1,087,018	1,135,323	1,294,042	1,357,763
212	OH		OH	1,033,810	1,109,508	1,301,063	1,460,956
213	Trans/Mat		Trans/Ma	43,235	17,184	39,582	41,022
214	Other		Other	1,154,228	1,269,615	1,484,567	1,473,278
215	WC		WC	-	-	-	-
216				3,318,291	3,531,630	4,119,254	4,333,019

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
1	PPower-Power Purchases								
2	Total Power Purchased								
3									
4	580.01-Oper.Superv. Eng-Labor	580	Labor						
5	580.02-Oper.Superv. Eng-OH	580	OH						
6	580.03-Oper.Superv. Eng-Transp	580	Trans/Mat						
7	582.01-Station Exp-Labor	582	Labor						
8	582.02-Station Exp-OH	582	Trans/Mat						
9	583.01-OH Line Exp-Labor	583	Labor					2,937	1,043
10	583.02-OH Line Exp-OH	583	OH					1,814	
11	583.05-OH Line Exp-Misc	583	Trans/Mat						
12	585.01-Street/Signal Light-Labor	585	Labor					131	47
13	585.02-Street/Signal Light-OH	585	OH					81	
14	585.04-Street/Signal Light-Matl	585	Trans/Mat						
15	586.01-Meter Exp-Labor	586	Labor	500			-	18,979	6,741
16	586.02-Meter Exp-OH	586	OH				-	11,725	
17	586.03-Meter Exp-Transp	586	Trans/Mat						
18	586.05-Meter Exp-Misc	586	Other	500					
19	587.01-Cust Install Exp-Labor	587	Labor				-	131	47
20	587.02-Cust Install Exp-OH	587	OH				-	81	
21	587.04-Cust Install Exp-Matl	587	Trans/Mat						
22	588.00 Misc Distr Exps	588	Other	6,800					
23	588.01 Labor - Misc Distr Expens	588	Labor				34,092	20,501	7,282
24	588.02 OH - Misc Distr Exp	588	OH				49,545	12,666	
25	588.03-Misc Distr Exp-Transp	588	Trans/Mat						
26	588.11 Labor - Genl Type Mtg - C	588	Labor				5,503	2,187	777
27	588.12 OH - Genl Type Mtg	588	OH				7,997	1,352	
28	588.13-Misc Dist Exp-Genl Mtg T	588	Trans/Mat						
29	588.20-Misc Dist Exp-Outside Tra	588	Other	15,000					
30	588.21-Misc Dist Exp-Outside Tra	588	Labor				-	8,490	3,016
31	588.22-Misc Dist Exp-Outside Tra	588	OH				-	5,245	
32	588.23-Misc Dist Exp-Outside Tra	588	Trans/Mat						
33	588.31 Labor - On Call - Standby	588	Labor					10,920	3,879
34	588.32-Misc Dist Exp-On Call Sta	588	OH					6,746	
35	588.40 Safety Mtgs & Training	588	Other						
36	588.41 Labor - Safety Mtgs & Tra	588	Labor				10,698	21,556	7,656
37	588.42 OH - Safety Mtgs & Tra	588	OH	9,650			15,547	13,318	
38	588.90 Misc Dist-Staking Dept-Tc	588	Other						
39	589.00-Distr rents	589	Other	35,300					
40									
41	**Total operations**			67,750	-	-	123,381	138,860	30,487

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
42									
43	590.01-Maint, Supv & Eng-Labor	590	Labor				41,076		
44	590.02-Maint, Supv & Eng-OH	590	OH				59,695		
45	590.03-Maint, Supv & Eng-Transp	590	Trans/Mat						
46	591.01-Maint of Structures-Labor	591	Labor						
47	591.02-Maint of Structures-OH	591	Trans/Mat						
48	592.01-Maint of Station Equip-Lal	592	Labor					1,379	490
49	592.02-Maint of Station Equip-OH	592	OH	1,850				852	
50	592.03-Maint of Station Equip-Tra	592	Trans/Mat						
51	592.04- Matl/Supp Inv-Maint Sta	592	Other						
52	592.11- Substation Inspect In-hou	592	Labor						
53	592.00-Substation Insp-In House-	592	Other						
54	593.00 Maint OH Lines	593	Other						
55	593.01 Labor - OH Line Maintena	593	Labor					149,305	53,032
56	593.02 OH - OH Line Mainten	593	OH	9,500				92,242	
57	593.03-Maint of OH Lines-Transp	593	Trans/Mat						
58	593.04 Matl/Supp Inv-Maint Ove	593	Trans/Mat						
59	593.10 Maint OH Lines - Brush C	593	Other	480,457					
60	593.11 OH Line-Tree Trim-In-H	593	Labor					12,355	4,388
61	593.12-Tree Trim-In House-Trans	593	Trans/Mat					7,633	
62	593.13-Tree Trimming-In House-(	593	Labor						
63	593.21-Overhead Line Inspection	593	Trans/Mat				-	18,211	6,468
64	593.22-OH Line Insp-Line Crew-C	593	OH				-	11,251	
65	593.30 Maint Of OH-Working Off	593	Other						
66	593.31 Labor - Maint Lines - Worl	593	Labor						
67	593.32 OH - Maint Lines - Work (	593	OH						
68	593.40 Maint Of OH Lines - Meal	593	Other	1,500					
69	593.50-Maint O/H Line-Major Sto	593	Other						
70	593.51 Labor - Maint Lines - Majo	593	Labor	20,000			-	24,629	8,748
71	593.52 OH Lines- Major	593	Other				-	15,216	
72	593.60 Maint Lines-Major Storm-I	593	Labor						
73	593.80 Maint O/H - Testing-Tools	593	Other	40,500					
74	593.90 Maint-Special Equip-Repa	593	Other						
75	593.91-Special Equip Insp-Labor	593	Labor					6,912	2,455
76	593.92-Special Equipment Inspec	593	Trans/Mat					4,270	

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Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
77	594.01-Maint of UG Lines-Labor	594	Labor				-	3,212	1,141
78	594.02-Maint of UG Lines-OH	594	OH				-	1,984	
79	594.03-Maint of UG Lines-Transp	594	Trans/Mat						
80	594.04-Maint of UG Lines-Matl	594	Trans/Mat						
81	594.05-Maint UG Lines- Misc	594	Other						
82	594.11- UG Inspect In-hours	594	Labor					111	39
83	594.12- UG Inspect OH	594	OH					69	
84	594.90- Maint UG Lines PA ON	594	Other	33,500					
85	595.01-Maint of Line Xfrnrs-Labor	595	Labor					2,470	877
86	595.02-Maint of Line Xfrnrs-OH	595	OH					1,526	
87	595.03-Maint of Line Xfrnrs-Trans	595	Trans/Mat						
88	595.05-Maint Line Xfrnrs-Misc	595	Other						
89	595.80-Maint of Line Xfrnrs-Disp	595	Trans/Mat	3,000					
90	596.01-Maint of Street Lights-Lab	596	Labor					460	163
91	596.02-Maint of Street Lights-OH	596	OH					284	
92	596.04-Maint of Street Lights-Mat	596	Trans/Mat						
93	597.00-Maint of Meters	597	Labor						
94	597.01-Maint of Meters-Labor	597	Labor					25,393	9,019
95	597.02-Maint of Meters-OH	597	OH					15,688	
96	597.03-Maint of Meters-Transp	597	Trans/Mat						
97	597.04-Maint of Meters-Matl	597	Trans/Mat						
98	597.05-Maint of Meters-Misc	597	Trans/Mat						
99	597.41-Maintenance of Meters-T\	597	Labor					460	163
100	597.42-Maintenance of Meters-T\	597	OH	27,200				284	
101	597.44-Maint TWACS Meters	597	Other						
102									
103	**Total Maint**			617,507	-	-	100,771	396,196	86,985
104									
105	**Total Distr Exp**			685,257	-	-	224,153	535,056	117,471
106									

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Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
107	**CustS ACCOUNTING & COLLECTING Exp**								
108	902.01-Meter Reading Exp-Labor	902	Labor					8,070	2,866
109	902.02-Meter Reading Exp-OH	902	OH					4,986	
110	902.03-Meter Reading Exp-Trans	902	Trans/Mat						
111	903.00-Cust Rec & Coll Exp	903	Other			5,000			
112	903.01-Cust Rec & Collect Exp-La	903	Labor				213,345	1,483	527
113	903.02-Cust Rec & Collect Exp-O	903	OH				310,049	916	
114	903.03-Cust Rec & Collect Exp-Tr	903	Trans/Mat						
115	903.20-Cust Rec Exp-Seminars-M	903	Other		500				
116	903.30-Cust Rec Exp-Postage	903	Other		43,375				
117	903.40-Cust Coll-Credit Check	903	Other		900				
118	903.45-Cust Coll-EGS Monthly Sv	903	Other		3,600				
119	903.50-Cust Rec Exp-Billing Supp	903	Other		3,200				
120	903.60-Cust Rec Exp-NISC Comp	903	Other	8,500	155,100				
121	903.81-Cust Rec Exp-Collect-Lab	903	Labor				73,281	1,932	686
122	903.82-Cust Rec Exp-Collecting-(	903	OH				106,497	1,193	
123	903.83-Cust Rec Exp-Collect-Tra	903	Trans/Mat						
124	903.90-Cust Rec Exp-Delinq	903	Other		500				
125	903.91-Cust Rec Exp-Delinq-Labo	903	Labor				27,351	8,792	3,123
126	903.92-Cust Rec Exp-Delinq-OH	903	OH				39,749	5,432	
127	903.05-Cust Rec Exp-Delinq-Misc	903	Other						
128	904.00-Uncollectable Accounts	904	Other		20,000				
129									
130	**Total Cust accounting & collecting**			8,500	227,175	5,000	770,272	32,804	7,202
131									
132	**SALES PROMOTION Exp**								
133	908.00-Cust Assist-Exp	908	Other		1,000				
134	908.51-Cust Assist-Energy Audit-	908	Labor					115	41
135	908.52-Cust Assist-Energy Audit-	908	OH					71	
136	908.05-Cust Assist-Energy Audit-	908	Other						
137	909.00-Cust Service Info-Misc	909	Other		16,000				
138	913.00-Advertising Exp	913	Other		2,500				
139									
140	**Total Sales Promotion Exp**			-	19,500	-	-	186	41
141									

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
142	**ADMINISTRATIVE & Genl Exp**								
143	920.00-A&G Salaries	920	Labor			9,000			
144	920.01-A&G Salaries-Labor	920	Labor				322,262		3,000
145	920.02-A&G Salaries-OH	920	OH				468,335		
146	920.03-A&G Salaries-Transp	920	Trans/Mat						
147	920.40-A&G-President-CEO	920	Labor	12,000					
148	920.50-A&G-V-P Fin Adminis	920	Labor			17,600			
149	920.60-A&G-V-P Eng Oper	920	Labor	15,000					
150	920.70-A&G- Staff	920	Labor		22,700				
151	921.00-Off Supp & Exp	921	Other		5,540	6,000			
152	921.10-Off Supp & Exp-Utilities	921	Other			6,060			
153	921.40-Off Exp-Subs/Membershi	921	Other		3,400				
154	921.50-Off Exp-Off Supp	921	Other		23,260				
155	921.60-Off Exp-WECO Telephon	921	Other	-		49,500			
156	921.70-Off Exp-Dispatch Telepho	921	Other	86,000		4,800			
157	921.90-Off Exp-Misc	921	Other		17,700	2,360			
158	921.99-Off Exp-Working Capital (	921	Other			(81,613)			
159	923.00-Outside Svc Empl	923	Other		3,925	25,400			
160	923.10-Outside Svc Empl-Auditor	923	Other			34,000			
161	923.20-Outside Svc Empl-Engine	923	Other	5,000					
162	923.30-Outside Svc Empl-Attorne	923	Other			25,000			
163	923.90-Outside Services Employ	923	Other			61,200			
164	924.00-Property Insurance	924	Other			61,410			
165	925.00-Injuries & Damages	925	Other						
166	926.11-Employee Pen Ben-Healt	926	OH						
167	926.20-Empl Pen Ben-Postret He	926	OH						
168	926.70-Employee Pen Ben-Life In	926	OH						
169	926.99-Employee Pen Ben-SERP	926	OH						
170	928.00-Regulatory Commission E	928	Other			43,000			
171	928.01-Rate Case Exp	928	Other						
172	930.00-Directors Exp	930	Other			95,851			
173	930.11-Misc Gen Exp-GPS Map I	930	Other						
174	930.20-Misc Gen Exp-GPS Map-I	930	Labor	3,100					
175	930.21-Misc Gen Exp-GPS Map-(	930	Other						
176	930.22-Misc Gen Exp-GPS Mapp	930	OH						
177	930.24-Misc Gen Exp-GPS Mapp	930	Other						
178	930.25-Misc Gen Exp-Covid Expe	930	Other						
179	930.30-Misc Gen Exp- Misc	930	Other	800					

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2025	Office 2025	Admin & Misc 2025	C&T Payroll 2025	Union Payroll 2025	Transportation 2025
180	931.00-Rents	931	Other		2,200				
181	932.00-Maint of Genl Property	932	Other	11,500		75,476			
182	932.01-Maint of Genl Property-La	932	Labor					7,980	2,834
183	932.02-Maint of Genl Property-Ol	932	OH					4,930	
184	932.10-Maint of Genl Property-Of	932	Other	11,000					
185	932.11-Maint Genl Prop-Off Bldg-	932	Labor						
186	932.12-Maint Genl Prop-Off Bldg-	932	OH						
187	932.20-Maint Genl-Communicatic	932	Other	500					
188	932.21-Maint Genl-Comm Equip-I	932	Labor						
189	932.22-Maint Genl-Comm Equip-(	932	OH						
190	932.30-Maint Gen Property-Plant	932	Other	12,550			-		
191	932.31-Maint Gen Prop-Plant Bld	932	Labor					1,154	410
192	932.32-Maint Gen Prop-Plant Bld	932	OH					713	
193	932.41-Maint Gen Prop-Apt Hous	932	Labor						
194	932.42-Maint Gen Prop-Apt Hous	932	OH						
195	932.70-Maint Gen Office Equip	932	Other		3,800				
196	932.05-Maint Genl Property- Misc	932	Other						
197				157,450	82,525	435,044	790,597	14,777	6,244
198	**Total Administrative & Genl Exp**			157,450	82,525	435,044	790,597	14,777	6,244
199	Detail, adjusted for WC Claim								
200	**Total Operating Exp**			851,207	329,200	440,044	1,785,022	582,823	130,959
201	From OM								
202	Adjustments			*'5 Support\[WEL25 OpBudget2025.xlsx]Assumptions-Breakdown-All'!I357*					
203	Working Capital claim								
204	Rate case Exp								
205				851,207	329,200	440,044	1,785,022	582,823	130,959
206	From OM								
207	From C1-1								
208	Differrence								
209									
210									
211	Labor		Labor	50,600	22,700	26,600	727,608	342,044	124,490
212	OH		OH	48,200	-	-	1,057,414	195,449	-
213	Trans/Mat		Trans/Ma	3,000	-	-	-	30,114	6,468
214	Other		Other	749,407	306,500	413,444	-	15,216	-
215	WC		WC	-	-	-	-	-	-
216				851,207	329,200	440,044	1,785,022	582,823	130,959

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
1	PPower-Power Purchases									8,108,800	6,587,193	7,834,837	9,111,330
2	Total Power Purchased									8,108,800	6,587,193	7,834,837	9,111,330
3													
4	580.01-Oper.Superv. Eng-Labor	580	Labor										
5	580.02-Oper.Superv. Eng-OH	580	OH										
6	580.03-Oper.Superv. Eng-Transp	580	Trans/Mat							-	8,121	-	-
7	582.01-Station Exp-Labor	582	Labor										
8	582.02-Station Exp-OH	582	Trans/Mat							-	-	-	-
9	583.01-OH Line Exp-Labor	583	Labor					3,054	1,044				
10	583.02-OH Line Exp-OH	583	OH					1,922					
11	583.05-OH Line Exp-Misc	583	Trans/Mat							686	770	5,794	6,020
12	585.01-Street/Signal Light-Labor	585	Labor					136	46				
13	585.02-Street/Signal Light-OH	585	OH					85					
14	585.04-Street/Signal Light-Matl	585	Trans/Mat							675	146	259	267
15	586.01-Meter Exp-Labor	586	Labor	500			-	19,737	6,744				
16	586.02-Meter Exp-OH	586	OH				-	12,422					
17	586.03-Meter Exp-Transp	586	Trans/Mat										
18	586.05-Meter Exp-Misc	586	Other	500						33,644	36,983	38,445	39,903
19	587.01-Cust Install Exp-Labor	587	Labor				-	136	46				
20	587.02-Cust Install Exp-OH	587	OH				-	85					
21	587.04-Cust Install Exp-Matl	587	Trans/Mat							-	206	259	267
22	588.00 Misc Distr Exps	588	Other	6,800									
23	588.01 Labor - Misc Distr Expens	588	Labor				35,409	21,320	7,285				
24	588.02 OH - Misc Distr Exp	588	OH				49,068	13,418					
25	588.03-Misc Distr Exp-Transp	588	Trans/Mat										
26	588.11 Labor - Genl Type Mtg - C	588	Labor				5,715	2,274	777				
27	588.12 OH - Genl Type Mtg	588	OH				7,920	1,431					
28	588.13-Misc Dist Exp-Genl Mtg T	588	Trans/Mat										
29	588.20-Misc Dist Exp-Outside Tra	588	Other	15,000									
30	588.21-Misc Dist Exp-Outside Tra	588	Labor				-	8,829	3,017				
31	588.22-Misc Dist Exp-Outside Tra	588	OH				-	5,556					
32	588.23-Misc Dist Exp-Outside Tra	588	Trans/Mat										
33	588.31 Labor - On Call - Standby	588	Labor					10,920	3,731				
34	588.32-Misc Dist Exp-On Call Sta	588	OH					6,873					
35	588.40 Safety Mtgs & Training	588	Other										
36	588.41 Labor - Safety Mtgs & Tra	588	Labor				11,111	22,417	7,660				
37	588.42 OH - Safety Mtgs & Tra	588	OH	9,650			15,397	14,109					
38	588.90 Misc Dist-Staking Dept-Tc	588	Other							170,671	173,944	280,422	285,688
39	589.00-Distr rents	589	Other	35,300						30,717	32,950	35,300	35,300
40													
41	**Total operations**			67,750	-	-	124,621	144,724	30,352	236,392	253,121	360,478	367,446

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
42													
43	590.01-Maint, Supv & Eng-Labor	590	Labor				42,663						
44	590.02-Maint, Supv & Eng-OH	590	OH				59,121						
45	590.03-Maint, Supv & Eng-Transp	590	Trans/Mat							85,710	97,875	100,771	101,784
46	591.01-Maint of Structures-Labor	591	Labor										
47	591.02-Maint of Structures-OH	591	Trans/Mat							1,848	-	-	-
48	592.01-Maint of Station Equip-Lal	592	Labor					1,434	490				
49	592.02-Maint of Station Equip-OH	592	OH	125,850				902					
50	592.03-Maint of Station Equip-Tra	592	Trans/Mat										
51	592.04- Matl/Supp Inv-Maint Sta	592	Other	(110,119)									
52	592.11- Substation Inspect In-hou	592	Labor										
53	592.00-Substation Insp-In House-	592	Other							5,697	3,210	4,571	18,557
54	593.00 Maint OH Lines	593	Other										
55	593.01 Labor - OH Line Maintena	593	Labor					155,274	53,059				
56	593.02 OH - OH Line Mainten	593	OH	9,500				97,724					
57	593.03-Maint of OH Lines-Transp	593	Trans/Mat										
58	593.04 Matl/Supp Inv-Maint Ove	593	Trans/Mat										
59	593.10 Maint OH Lines - Brush C	593	Other	480,457									
60	593.11 OH Line-Tree Trim-In-H	593	Labor					12,849	4,391				
61	593.12-Tree Trim-In House-Trans	593	Trans/Mat					8,087					
62	593.13-Tree Trimming-In House-(	593	Labor										
63	593.21-Overhead Line Inspection	593	Trans/Mat				-	18,939	6,472				
64	593.22-OH Line Insp-Line Crew-C	593	OH				-	11,920					
65	593.30 Maint Of OH-Working Off	593	Other										
66	593.31 Labor - Maint Lines - Wor	593	Labor										
67	593.32 OH - Maint Lines - Work (	593	OH										
68	593.40 Maint Of OH Lines - Meal	593	Other	1,500									
69	593.50-Maint O/H Line-Major Sto	593	Other										
70	593.51 Labor - Maint Lines - Majo	593	Labor	20,000			-	25,614	8,753				
71	593.52 OH Lines- Major	593	Other				-	16,120					
72	593.60 Maint Lines-Major Storm-I	593	Labor										
73	593.80 Maint O/H - Testing-Tools	593	Other	40,500									
74	593.90 Maint-Special Equip-Repa	593	Other										
75	593.91-Special Equip Insp-Labor	593	Labor					7,189	2,457				
76	593.92-Special Equipment Inspec	593	Trans/Mat					4,524		836,769	869,788	969,072	985,327

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
77	594.01-Maint of UG Lines-Labor	594	Labor				-	3,341	1,142				
78	594.02-Maint of UG Lines-OH	594	OH				-	2,102					
79	594.03-Maint of UG Lines-Transp	594	Trans/Mat										
80	594.04-Maint of UG Lines-Matl	594	Trans/Mat										
81	594.05-Maint UG Lines- Misc	594	Other										
82	594.11- UG Inspect In-hours	594	Labor					116	40				
83	594.12- UG Inspect OH	594	OH					73					
84	594.90- Maint UG Lines PA ON	594	Other	33,500						28,436	30,206	40,056	40,313
85	595.01-Maint of Line Xfrnrs-Labor	595	Labor					2,569	878				
86	595.02-Maint of Line Xfrnrs-OH	595	OH					1,617					
87	595.03-Maint of Line Xfrnrs-Trans	595	Trans/Mat										
88	595.05-Maint Line Xfrnrs-Misc	595	Other										
89	595.80-Maint of Line Xfrnrs-Disp	595	Trans/Mat	3,000						5,677	14,532	7,873	8,064
90	596.01-Maint of Street Lights-Lab	596	Labor					478	163				
91	596.02-Maint of Street Lights-OH	596	OH					301					
92	596.04-Maint of Street Lights-Mat	596	Trans/Mat							2,991	1,612	907	942
93	597.00-Maint of Meters	597	Labor										
94	597.01-Maint of Meters-Labor	597	Labor					26,408	9,024				
95	597.02-Maint of Meters-OH	597	OH					16,620					
96	597.03-Maint of Meters-Transp	597	Trans/Mat										
97	597.04-Maint of Meters-Matl	597	Trans/Mat										
98	597.05-Maint of Meters-Misc	597	Trans/Mat										
99	597.41-Maintenance of Meters-T\	597	Labor					478	163				
100	597.42-Maintenance of Meters-T\	597	OH	27,200				301					
101	597.44-Maint TWACS Meters	597	Other							75,467	64,505	78,208	80,194
102													
103	**Total Maint**			631,388	-	-	101,784	414,980	87,030	1,042,595	1,081,729	1,201,459	1,235,182
104													
105	**Total Distr Exp**			699,138	-	-	226,405	559,704	117,381	1,278,988	1,334,849	1,561,937	1,602,629
106													

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Rate Case with Fully Projected Future Test Year 2026
Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
107	**CustS ACCOUNTING & COLLECTING Exp**												
108	902.01-Meter Reading Exp-Labor	902	Labor					8,393	2,868				
109	902.02-Meter Reading Exp-OH	902	OH					5,283					
110	902.03-Meter Reading Exp-Trans	902	Trans/Mat							19,808	21,775	15,922	16,544
111	903.00-Cust Rec & Coll Exp	903	Other			5,000							
112	903.01-Cust Rec & Collect Exp-L	903	Labor				228,366	1,543	527				
113	903.02-Cust Rec & Collect Exp-O	903	OH				316,458	972					
114	903.03-Cust Rec & Collect Exp-T	903	Trans/Mat										
115	903.20-Cust Rec Exp-Seminars-M	903	Other		500								
116	903.30-Cust Rec Exp-Postage	903	Other		43,375								
117	903.40-Cust Coll-Credit Check	903	Other		900								
118	903.45-Cust Coll-EGS Monthly S	903	Other		3,600								
119	903.50-Cust Rec Exp-Billing Supp	903	Other		3,200								
120	903.60-Cust Rec Exp-NISC Comp	903	Other	8,500	155,100								
121	903.81-Cust Rec Exp-Collect-Lab	903	Labor				78,440	2,009	686				
122	903.82-Cust Rec Exp-Collecting-(	903	OH				108,698	1,265					
123	903.83-Cust Rec Exp-Collect-Tra	903	Trans/Mat										
124	903.90-Cust Rec Exp-Delinq	903	Other		500								
125	903.91-Cust Rec Exp-Delinq-Lab	903	Labor				29,277	9,143	3,124				
126	903.92-Cust Rec Exp-Delinq-OH	903	OH				40,571	5,755					
127	903.05-Cust Rec Exp-Delinq-Misc	903	Other							872,949	907,634	1,015,031	1,047,510
128	904.00-Uncollectable Accounts	904	Other		20,000					-	-	20,000	20,000
129													
130	**Total Cust accounting & collecting**			8,500	227,175	5,000	801,810	34,363	7,206	892,757	929,410	1,050,953	1,084,054
131													
132	**SALES PROMOTION Exp**												
133	908.00-Cust Assist-Exp	908	Other		1,000								
134	908.51-Cust Assist-Energy Audit-	908	Labor					120	41				
135	908.52-Cust Assist-Energy Audit-	908	OH					76					
136	908.05-Cust Assist-Energy Audit-	908	Other							2,030	180	1,227	1,237
137	909.00-Cust Service Info-Misc	909	Other		6,000					314	800	16,000	6,000
138	913.00-Advertising Exp	913	Other		2,500					1,738	2,191	2,500	2,500
139													
140	**Total Sales Promotion Exp**			-	9,500	-	-	196	41	4,082	3,171	19,727	9,737
141													

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Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
142	**ADMINISTRATIVE & Genl Exp**												
143	920.00-A&G Salaries	920	Labor			9,000							
144	920.01-A&G Salaries-Labor	920	Labor				349,797		3,000				
145	920.02-A&G Salaries-OH	920	OH				484,732						
146	920.03-A&G Salaries-Transp	920	Trans/Mat										
147	920.40-A&G-President-CEO	920	Labor	12,000									
148	920.50-A&G-V-P Fin Adminis	920	Labor			15,000							
149	920.60-A&G-V-P Eng Oper	920	Labor	15,000									
150	920.70-A&G- Staff	920	Labor		22,700					652,639	757,901	869,897	911,229
151	921.00-Off Supp & Exp	921	Other		5,540	6,000							
152	921.10-Off Supp & Exp-Utilities	921	Other			6,060							
153	921.40-Off Exp-Subs/Membershi	921	Other		3,400								
154	921.50-Off Exp-Off Supp	921	Other		23,260								
155	921.60-Off Exp-WECO Telephon	921	Other	-		49,500							
156	921.70-Off Exp-Dispatch Telepho	921	Other	86,000		4,800							
157	921.90-Off Exp-Misc	921	Other		17,700	2,360							
158	921.99-Off Exp-Working Capital (	921	Other			(94,910)				61,925	112,900	123,007	109,710
159	923.00-Outside Svc Empl	923	Other		3,925	25,400							
160	923.10-Outside Svc Empl-Auditor	923	Other			34,000							
161	923.20-Outside Svc Empl-Engine	923	Other	5,000									
162	923.30-Outside Svc Empl-Attorne	923	Other			25,000							
163	923.90-Outside Services Employe	923	Other			61,200				87,889	137,115	154,525	154,525
164	924.00-Property Insurance	924	Other			61,410				51,268	53,098	61,410	61,410
165	925.00-Injuries & Damages	925	Other							-	-	-	-
166	926.11-Employee Pen Ben-Healt	926	OH										
167	926.20-Empl Pen Ben-Postret He	926	OH										
168	926.70-Employee Pen Ben-Life Ir	926	OH										
169	926.99-Employee Pen Ben-SERF	926	OH							-	-	-	-
170	928.00-Regulatory Commission E	928	Other			43,000							
171	928.01-Rate Case Exp	928	Other			110,393				68,366	42,985	43,000	153,393
172	930.00-Directors Exp	930	Other			106,681							
173	930.11-Misc Gen Exp-GPS Map I	930	Other										
174	930.20-Misc Gen Exp-GPS Map-I	930	Labor	3,100									
175	930.21-Misc Gen Exp-GPS Map-(	930	Other										
176	930.22-Misc Gen Exp-GPS Mapp	930	OH										
177	930.24-Misc Gen Exp-GPS Mapp	930	Other										
178	930.25-Misc Gen Exp-Covid Expe	930	Other										
179	930.30-Misc Gen Exp- Misc	930	Other	800						105,355	84,404	99,751	110,581

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Expenses By Account and By Type
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Account	#	Type	E&O 2026	Office 2026	Admin & Misc 2026	C&T Payroll 2026	Union Payroll 2026	Transportation 2026	Annual Totals, By Account 2023	2024	2025	2026
180	931.00-Rents	931	Other		2,200					2,442	3,611	2,200	2,200
181	932.00-Maint of Genl Property	932	Other	11,500		75,476							
182	932.01-Maint of Genl Property-La	932	Labor					8,299	2,836				
183	932.02-Maint of Genl Property-Ol	932	OH					5,223					
184	932.10-Maint of Genl Property-Of	932	Other	11,000									
185	932.11-Maint Genl Prop-Off Bldg-	932	Labor										
186	932.12-Maint Genl Prop-Off Bldg-	932	OH										
187	932.20-Maint Genl-Communicatic	932	Other	500									
188	932.21-Maint Genl-Comm Equip-I	932	Labor										
189	932.22-Maint Genl-Comm Equip-(	932	OH										
190	932.30-Maint Gen Property-Plant	932	Other	12,550			-						
191	932.31-Maint Gen Prop-Plant Bld	932	Labor					1,201	410				
192	932.32-Maint Gen Prop-Plant Bld	932	OH					756					
193	932.41-Maint Gen Prop-Apt Hous	932	Labor										
194	932.42-Maint Gen Prop-Apt Hous	932	OH										
195	932.70-Maint Gen Office Equip	932	Other		3,800								
196	932.05-Maint Genl Property- Misc	932	Other							112,580	72,186	132,847	133,551
197				157,450	82,525	540,370	834,529	15,479	6,246				
198	**Total Administrative & Genl Exp**			157,450	82,525	540,370	834,529	15,479	6,246	1,142,464	1,264,200	1,486,637	1,636,599
199	Detail, adjusted for WC Claim												
200	**Total Operating Exp**			865,088	319,200	545,370	1,862,744	609,742	130,875	3,318,291	3,531,630	4,119,254	4,333,019
201	From OM									0	0	0	0
202	Adjustments												
203	Working Capital claim												
204	Rate case Exp												
205				865,088	319,200	545,370	1,862,744	609,742	130,875				
206	From OM												
207	From C1-1												
208	Differrence												
209													
210													
211	Labor		Labor	50,600	22,700	24,000	780,779	355,281	124,403				
212	OH		OH	172,200	-	-	1,081,965	206,791	-				
213	Trans/Mat		Trans/Ma	3,000	-	-	-	31,550	6,472				
214	Other		Other	639,288	296,500	521,370	-	16,120	-				
215	WC		WC	-	-	-	-	-	-				
216				865,088	319,200	545,370	1,862,744	609,742	130,875				

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Acct.	Account Description	Labor 12/31/23	Labor 12/31/24	Labor 12/31/25	Labor 12/31/26	OH 12/31/23	OH 12/31/24	OH 12/31/25	OH 12/31/26
1		Other Power Supply Expenses:								
2	555	Power Purchased	$0	$0	$0	$0	$0	$0	$0	$0
3		*Total Other Power Supply Expenses*	0	0	0	0	0	0	0	0
4										
5		Distribution Expenses								
6	580	Operations Supv & Eng	0	4,043	0	0	0	4,078	0	0
7	582	Station Expense	0	0	0	0	0	0	0	0
8	583	Overhead Line Expense	(2,379)	(1,766)	3,980	4,098	3,064	2,535	1,814	1,922
9	585	Street Lighting Expense	0	127	178	182	675	19	81	85
10	586	Meter Expense	19,146	21,287	26,220	26,981	14,498	15,697	11,725	12,422
11	587	Customer Installation Expense	0	109	178	182	0	98	81	85
12	588	Miscellaneous Distribution Expense	86,318	91,107	136,556	140,466	71,468	67,581	122,066	123,422
13	589	Rents	0	0	0	0	0	0	0	0
14		*Total Operation*	103,085	114,906	167,111	171,910	89,705	90,009	135,767	137,936
15										
16	590	Maint Supv & Eng	37,403	41,204	41,076	42,663	48,308	56,671	59,695	59,121
17	591	Maintenance of Structures	792	0	0	0	0	0	0	0
18	592	Maintenance of Station Equipment	3,834	1,589	1,869	1,924	1,863	1,621	2,702	126,752
19	593	Maintenance of Overhead Lines	196,105	223,708	281,824	289,584	133,958	131,403	112,993	119,144
20	594	Maintenance of Underground Lines	3,598	4,482	4,503	4,638	1,588	2,645	2,053	2,175
21	595	Maintain Line Transformers	1,742	3,059	3,347	3,447	949	1,358	1,526	1,617
22	596	Maint. Street Light & Signal Expense	1,700	962	623	641	1,291	650	284	301
23	597	Maintenance of Misc. Distribution Pla	63,480	56,551	35,036	36,073	9,842	7,010	43,172	44,121
24		*Total Maintenance*	308,653	331,556	368,279	378,972	197,799	201,357	222,425	353,231
25		*Total Distribution Expenses*	411,738	446,462	535,390	550,882	287,504	291,366	358,192	491,167
26										
27		Customer Accounting & Collection Expenses:								
28	902	Meter Reading Expense	10,767	12,359	10,936	11,261	9,042	9,416	4,986	5,283
29	903	Customer Records & Collection Exp	307,531	309,910	330,520	353,116	386,234	405,873	463,836	473,719
30	904	Uncollectible Accounts	0	0	0	0	0	0	0	0
31		*Total Customer Accounting & Collecti*	318,298	322,269	341,456	364,377	395,275	415,289	468,822	479,002
32										
33	908	Cust Assist-Energy Audit-Misc	1,735	180	156	161	0	0	71	76
34	909	Cust Service Info-Misc	0	0	0	0	0	0	0	0
35	913	Advertising Exp	0	0	0	0	0	0	0	0
36	908-913	Safety and Communications	1,735	180	156	161	0	0	71	76
37										

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Acct.	Account Description	Labor 12/31/23	Labor 12/31/24	Labor 12/31/25	Labor 12/31/26	OH 12/31/23	OH 12/31/24	OH 12/31/25	OH 12/31/26
38		Administrative & General Expenses:								
39	920	Administrative & General Salaries	301,608	355,049	401,562	426,497	351,031	402,852	468,335	484,732
40	921	Office Supplies & Expenses	0	0	0	0	0	0	0	0
41	923	Outside Services Employed	0	0	0	0	0	0	0	0
42	924	Property Insurance	0	0	0	0	0	0	0	0
43	926	Employee Pensions & Benefits	0	0	0	0	0	0	0	0
44	928	Regulatory commission expenses	0	0	0	0	0	0	0	0
45	930	Miscellaneous General Expense	3,074	0	3,100	3,100	0	0	0	0
46	931	Rents	0	0	0	0	0	0	0	0
47	932	Maintenance of general plant	50,565	11,364	12,378	12,746	0	0	5,643	5,979
48		*Total Administrative & General Expen*	355,248	366,413	417,040	442,344	351,031	402,852	473,978	490,711
49										
50		**Total Operating & Maintenance Ex**	**$1,087,018**	**$1,135,323**	**$1,294,042**	**$1,357,763**	**$1,033,810**	**$1,109,508**	**$1,301,063**	**$1,460,956**

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Acct.	Account Description	Trans/Mat 12/31/23	Trans/Mat 12/31/24	Trans/Mat 12/31/25	Trans/Mat 12/31/26	Other 12/31/23	Other 12/31/24	Other 12/31/25	Other 12/31/26	Total 12/31/23	Total 12/31/24	Total 12/31/25	Total 12/31/26
1		Other Power Supply Expenses:												
2	555	Power Purchased	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
3		*Total Other Power Supply Expenses*	0	0	0	0	0	0	0	0	0	0	0	0
4														
5		Distribution Expenses												
6	580	Operations Supv & Eng	0	0	0	0	0	0	0	0	0	8,121	0	0
7	582	Station Expense	0	0	0	0	0	0	0	0	0	0	0	0
8	583	Overhead Line Expense	0	0	0	0	0	0	0	0	686	770	5,794	6,020
9	585	Street Lighting Expense	0	0	0	0	0	0	0	0	675	146	259	267
10	586	Meter Expense	0	0	0	0	0	0	500	500	33,644	36,983	38,445	39,903
11	587	Customer Installation Expense	0	0	0	0	0	0	0	0	0	206	259	267
12	588	Miscellaneous Distribution Expense	0	699	0	0	12,886	14,556	21,800	21,800	170,671	173,944	280,422	285,688
13	589	Rents	0	0	0	0	30,717	32,950	35,300	35,300	30,717	32,950	35,300	35,300
14		*Total Operation*	0	699	0	0	43,603	47,507	57,600	57,600	236,392	253,121	360,478	367,446
15														
16	590	Maint Supv & Eng	0	0	0	0	0	0	0	0	85,710	97,875	100,771	101,784
17	591	Maintenance of Structures	1,056	0	0	0	0	0	0	0	1,848	0	0	0
18	592	Maintenance of Station Equipment	0	0	0	0	0	0	0	(110,119)	5,697	3,210	4,571	18,557
19	593	Maintenance of Overhead Lines	39,721	6,362	36,582	38,022	466,984	508,315	537,673	538,577	836,769	869,788	969,072	985,327
20	594	Maintenance of Underground Lines	0	0	0	0	23,250	23,079	33,500	33,500	28,436	30,206	40,056	40,313
21	595	Maintain Line Transformers	2,987	10,115	3,000	3,000	0	0	0	0	5,677	14,532	7,873	8,064
22	596	Maint. Street Light & Signal Expense	0	0	0	0	0	0	0	0	2,991	1,612	907	942
23	597	Maintenance of Misc. Distribution Pla	(529)	8	0	0	2,674	937	0	0	75,467	64,505	78,208	80,194
24		*Total Maintenance*	43,235	16,485	39,582	41,022	492,908	532,331	571,173	461,958	1,042,595	1,081,729	1,201,459	1,235,182
25		*Total Distribution Expenses*	43,235	17,184	39,582	41,022	536,511	579,837	628,773	519,558	1,278,988	1,334,849	1,561,937	1,602,629
26														
27		Customer Accounting & Collection Expenses:												
28	902	Meter Reading Expense	0	0	0	0	0	0	0	0	19,808	21,775	15,922	16,544
29	903	Customer Records & Collection Exp	0	0	0	0	179,184	191,852	220,675	220,675	872,949	907,634	1,015,031	1,047,510
30	904	Uncollectible Accounts	0	0	0	0	0	0	20,000	20,000	0	0	20,000	20,000
31		*Total Customer Accounting & Collecti*	0	0	0	0	179,184	191,852	240,675	240,675	892,757	929,410	1,050,953	1,084,054
32														
33	908	Cust Assist-Energy Audit-Misc	0	0	0	0	295	0	1,000	1,000	2,030	180	1,227	1,237
34	909	Cust Service Info-Misc	0	0	0	0	314	800	16,000	6,000	314	800	16,000	6,000
35	913	Advertising Exp	0	0	0	0	1,738	2,191	2,500	2,500	1,738	2,191	2,500	2,500
36	908-91	Safety and Communications	0	0	0	0	2,347	2,991	19,500	9,500	4,082	3,171	19,727	9,737
37														

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Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Expenses By Account
Year 2013, HY 2024, FTY 2025 and FPFTY 2026

Line	Acct.	Account Description	Trans/Mat 12/31/23	Trans/Mat 12/31/24	Trans/Mat 12/31/25	Trans/Mat 12/31/26	Other 12/31/23	Other 12/31/24	Other 12/31/25	Other 12/31/26	Total 12/31/23	Total 12/31/24	Total 12/31/25	Total 12/31/26
38	Administrative & General Expenses:													
39	920	Administrative & General Salaries	0	0	0	0	0	0	0	0	652,639	757,901	869,897	911,229
40	921	Office Supplies & Expenses	0	0	0	0	61,925	112,900	123,007	109,710	61,925	112,900	123,007	109,710
41	923	Outside Services Employed	0	0	0	0	87,889	137,115	154,525	154,525	87,889	137,115	154,525	154,525
42	924	Property Insurance	0	0	0	0	51,268	53,098	61,410	61,410	51,268	53,098	61,410	61,410
43	926	Employee Pensions & Benefits	0	0	0	0	0	0	0	0	0	0	0	0
44	928	Regulatory commission expenses	0	0	0	0	68,366	42,985	43,000	153,393	68,366	42,985	43,000	153,393
45	930	Miscellaneous General Expense	0	0	0	0	102,281	84,404	96,651	107,481	105,355	84,404	99,751	110,581
46	931	Rents	0	0	0	0	2,442	3,611	2,200	2,200	2,442	3,611	2,200	2,200
47	932	Maintenance of general plant	0	0	0	0	62,014	60,822	114,826	114,826	112,580	72,186	132,847	133,551
48		*Total Administrative & General Expen*	0	0	0	0	436,186	494,935	595,619	703,545	1,142,464	1,264,200	1,486,637	1,636,599
49														
50		**Total Operating & Maintenance Ex**	**$43,235**	**$17,184**	**$39,582**	**$41,022**	**$1,154,228**	**$1,269,615**	**$1,484,567**	**$1,473,278**	**$3,318,291**	**$3,531,630**	**$4,119,254**	**$4,333,019**
											3,318,291	3,531,630	4,119,254	4,333,019

WP_C3

Wellsboro Electric Company
Rate Case with Fully Projected Future Test Year 2026
Workpaper 2 to Schedule C
Accumulated Deferred Income Taxes
Years 2024 through 2026

Line	WECO	2024	2025	2026
1				
2	Book	15,226,786	17,226,319	19,321,064
3				
4	Federal Tax - MACRS	26,171,198	28,090,123	30,042,650
5				
6	Federal Tax - SL	26,630,508	28,182,113	29,858,231
7				
8	PA Tax	20,882,587	23,059,206	25,254,821
9				
10	Federal Tax Depr Exp - MACRS	1,979,408	1,918,925	1,952,528
11				
12	Federal Tax Depr Exp - SL	1,598,164	1,551,605	1,676,119
13				
14	PA Tax Depr Exp	2,466,799	2,176,619	2,195,614
15				
16				
17				
18				
19				
20				

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

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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).

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[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]

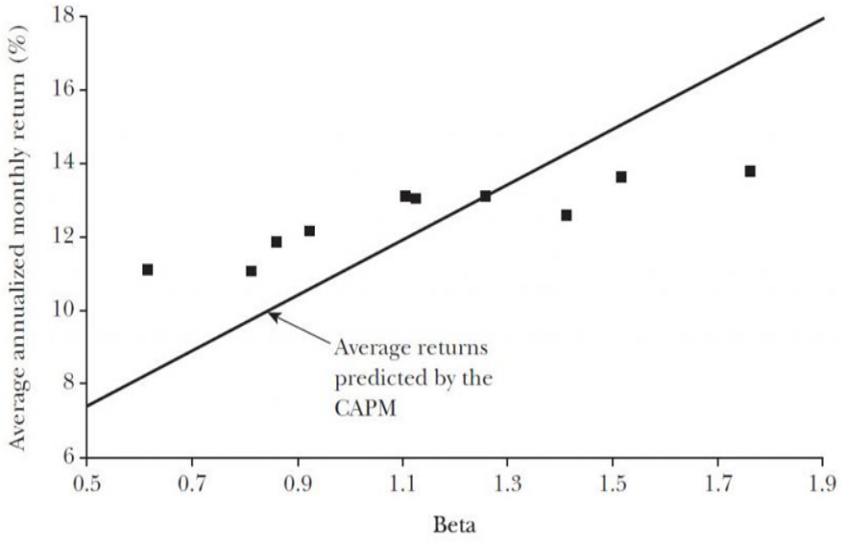
The ECAPM reflects this empirical reality. Fama and French clearly state regarding their Figure 2, below, that "[t]he returns on the low beta portfolios are too high, and the returns on the high beta portfolios are too low."[26]

[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:

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[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]

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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. Performance Factor Adjustment

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.

scottmadden
MANAGEMENT CONSULTANTS

Appendix A - Resume and Testimony Listing of:
Dylan W. D'Ascendis, CRRA, CVA
Partner

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

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

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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

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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
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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	
			(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						5 YEAR AVERAGE
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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
High:	58.2	64.8	82.0	93.6	100.8	115.2	121.1	105.3	123.0	125.3	152.6	147.7						
Low:	44.2	50.8	60.0	72.5	76.5	89.2	77.9	84.6	97.7	101.0	110.5	136.2						

LEGENDS
35.50 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2028 2029 2030

% 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

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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

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	60
Earnings Predictability	100

(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.

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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

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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*	Revenues per sh [A] *21.45*
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*	"Cash Flow" per sh *6.05*
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*	Earnings per sh [B] *3.90*
.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*	Div'ds Decl'd per sh [C■] *2.20*
.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*	Cap'l Spending per sh *6.50*
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*	Book Value per sh [D] *27.00*
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*	Common Shs Outst'g [E] *105.00*
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	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio *17.0*
.99	.95	1.05	1.07	.90	.62	.84	1.12	1.13	.84	1.29	.91	.95	.98	.98	.77			Relative P/E Ratio *.95*
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%			Avg Ann'l Div'd Yield *3.4%*
2734.0	1880.9	2268.6	2915.1	2592.0	1953.7	2156.6	2906.0	1963.0	1796.5	*1850*	*1925*	Revenues ($mill) [A] *2250*
153.7	138.1	149.4	240.5	175.0	196.2	207.7	240.3	264.7	290.8	*315*	*330*	Net Profit ($mill) *410*
26.3%	15.5%	17.2%	--	--	--	10.3%	22.0%	15.9%	23.0%	*21.5%*	*22.0%*	Income Tax Rate *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%*	Net Profit Margin *18.2%*
43.2%	47.7%	44.6%	45.4%	49.8%	55.1%	57.0%	57.8%	58.2%	56.7%	*56.5%*	*56.0%*	Long-Term Debt Ratio *55.0%*
56.8%	52.3%	55.4%	54.6%	50.2%	44.9%	43.0%	42.2%	41.8%	43.3%	*43.5%*	*44.0%*	Common Equity Ratio *45.0%*
1950.6	2230.1	2233.7	2599.6	3088.9	4104.2	3793.0	4302.6	4758.8	5079.9	*5350*	*5550*	Total Capital ($mill) *6300*
2128.3	2407.7	2609.7	2651.0	3041.2	3983.0	4213.5	4649.9	5022.1	5403.2	*5750*	*6000*	Net Plant ($mill) *6800*
8.6%	6.9%	7.7%	10.1%	6.4%	5.6%	6.5%	6.8%	5.5%	5.7%	*6.0%*	*6.0%*	Return on Total Cap'l *6.5%*
13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	12.7%	13.2%	13.3%	13.2%	*13.5%*	*13.5%*	Return on Shr. Equity *14.5%*
13.9%	11.8%	12.1%	16.9%	11.3%	10.6%	12.7%	13.2%	13.3%	13.2%	*13.5%*	*13.5%*	Return on Com Equity *14.5%*
7.0%	4.8%	5.0%	10.2%	4.6%	4.3%	5.6%	6.2%	5.7%	5.7%	*5.5%*	*5.0%*	Retained to Com Eq *6.5%*
50%	60%	59%	40%	59%	60%	56%	53%	58%	58%	*58%*	*61%*	All Div'ds to Net Prof *56%*

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

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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%*

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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*

(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)

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	25
Earnings Predictability	70

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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

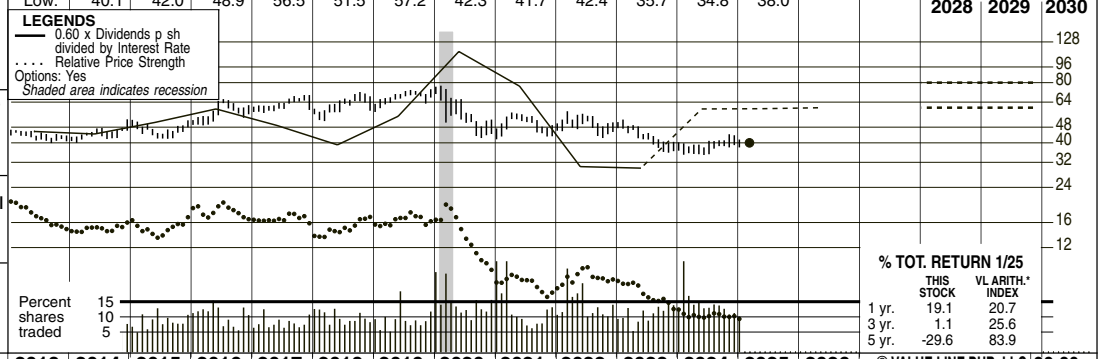
	Price	Gain	Ann'l Total Return
High	80	(+100%)	*22%*
Low	60	(+50%)	*14%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	131	132	119
to Sell	105	104	118
Hld's(000)	28777	29331	37328

	52.6	52.3	66.2	69.5	71.8	74.1	77.3	56.8	57.6	52.4	44.3	41.5
High:	40.1	42.0	48.9	56.5	51.5	57.2	42.3	41.7	42.4	35.7	34.8	38.0
Low:												

LEGENDS
0.60 x Dividends p sh divided by Interest Rate
Relative Price Strength
Options: Yes
Shaded area indicates recession



% 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
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

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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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues per sh	29.62	27.30	29.43	31.08	31.32	28.78	33.72	46.58	41.95	*36.65*	*38.95*	*41.25*
"Cash Flow" per sh	4.82	5.43	5.96	6.32	6.96	7.36	7.71	8.13	9.04	*9.75*	*11.00*	*12.15*
Earnings per sh [A]	2.24	2.65	3.02	3.25	3.51	3.68	3.85	4.08	4.14	*3.85*	*4.25*	*4.50*
Div'ds Decl'd per sh [B]■	1.20	1.40	1.68	1.84	2.00	2.16	2.32	2.48	2.60	2.64	*2.68*	*2.72*
Cap'l Spending per sh	5.63	5.91	6.81	7.50	7.91	8.87	9.23	11.01	11.79	*12.10*	*12.30*	*12.45*
Book Value per sh	35.24	36.12	37.47	38.86	40.35	42.01	43.81	46.69	48.91	*51.75*	*55.95*	*59.25*
Common Shs Outst'g [C]	52.26	52.28	52.31	52.57	52.77	53.17	53.63	55.35	56.55	*56.50*	*56.50*	*56.50*
Avg Ann'l P/E Ratio	19.8	22.7	23.5	23.1	25.3	21.7	18.9	19.9	18.0	*17.3*		
Relative P/E Ratio	1.00	1.19	1.18	1.25	1.35	1.11	1.02	1.15	1.01	*.96*		
Avg Ann'l Div'd Yield	2.7%	2.3%	2.4%	2.5%	2.3%	2.7%	3.2%	3.1%	3.5%	4.0%		
Revenues ($mill)	1547.7	1427.2	1539.6	1633.7	1652.7	1530.3	1808.6	2578.0	2372.0	*2070*	*2200*	*2330*
Net Profit ($mill)	119.0	140.1	159.9	172.2	186.7	196.4	206.4	221.7	231.2	*220*	*240*	*255*
Income Tax Rate	38.0%	37.8%	36.4%	23.7%	18.7%	17.5%	16.3%	17.3%	14.9%	*16.5%*	*17.0%*	*17.5%*
Net Profit Margin	7.7%	9.8%	10.4%	10.5%	11.3%	12.8%	11.4%	8.6%	9.7%	*10.6%*	*10.9%*	*10.9%*
Long-Term Debt Ratio	39.5%	38.7%	37.8%	38.6%	37.7%	41.5%	61.1%	50.7%	43.8%	*46.0%*	*45.0%*	*45.0%*
Common Equity Ratio	60.5%	61.3%	62.2%	61.4%	62.3%	58.5%	38.9%	49.3%	56.2%	*54.0%*	*55.0%*	*55.0%*
Total Capital ($mill)	3042.9	3080.7	3153.5	3328.1	3415.5	3815.7	6032.9	5246.2	4926.3	*5415*	*5750*	*6085*
Net Plant ($mill)	3511.9	3731.6	4007.6	4283.7	4565.2	4867.1	5190.8	5628.8	6135.2	*6650*	*7025*	*7400*
Return on Total Cap'l	4.7%	5.2%	5.8%	5.9%	6.4%	6.0%	3.9%	5.0%	5.9%	*5.5%*	*5.5%*	*5.5%*
Return on Shr. Equity	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	8.6%	8.4%	*7.5%*	*7.5%*	*7.5%*
Return on Com Equity	6.5%	7.4%	8.2%	8.4%	8.8%	8.8%	8.8%	8.6%	8.4%	*7.5%*	*7.5%*	*7.5%*
Retained to Com Eq	3.1%	3.5%	3.7%	3.7%	3.8%	3.7%	3.5%	3.4%	3.2%	*2.5%*	*3.0%*	*3.0%*
All Div'ds to Net Prof	53%	52%	55%	56%	56%	58%	60%	60%	62%	*68%*	*63%*	*60%*

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

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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
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						

Target Price Range 2028 | 2029 | 2030

% 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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	© VALUE LINE PUB. LLC	28-30
	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*
	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*
	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*
	.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*
	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*
	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*
	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*
	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*
	.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*
	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%*
							2463.6	2460.5	2548.8	2880.0	3119.9	3298.9	3680.5	4960.0	5434.0	*5150*	*5400*	*5750*	Revenues ($mill)	*6300*
							138.3	152.0	173.8	182.3	213.9	232.3	200.8	d203.3	150.9	*200*	*265*	*290*	Net Profit ($mill)	*365*
							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%*
							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%*
							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%*
							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%*
							3143.5	3213.5	3613.3	4359.3	4806.4	5407.2	7069.5	7462.1	7919.9	*8200*	*8800*	*9000*	Total Capital ($mill)	*10000*
							3891.1	4132.0	4523.7	5093.2	5685.2	6176.1	7594.0	7024.5	7518.2	*8100*	*8700*	*9275*	Net Plant ($mill)	*10450*
							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%*
							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%*
							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%*
							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%*
							54%	55%	53%	55%	54%	54%	69%	NMF	116%	*89%*	*70%*	*62%*	All Div'ds to Net Prof	*62%*

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*

Company's Financial Strength	A
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	5

(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.

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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%)

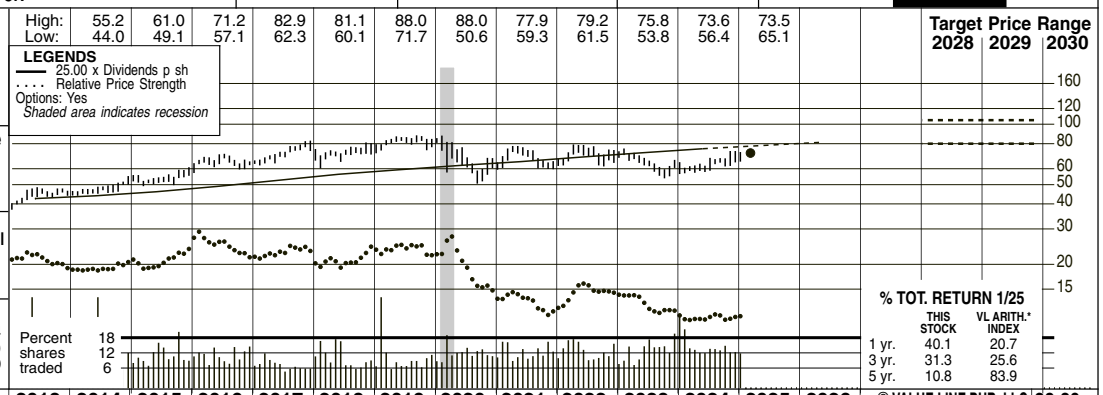
2028-30 PROJECTIONS

	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	*Bold figures are Value Line estimates*	
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%*



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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*

Cal-endar	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

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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

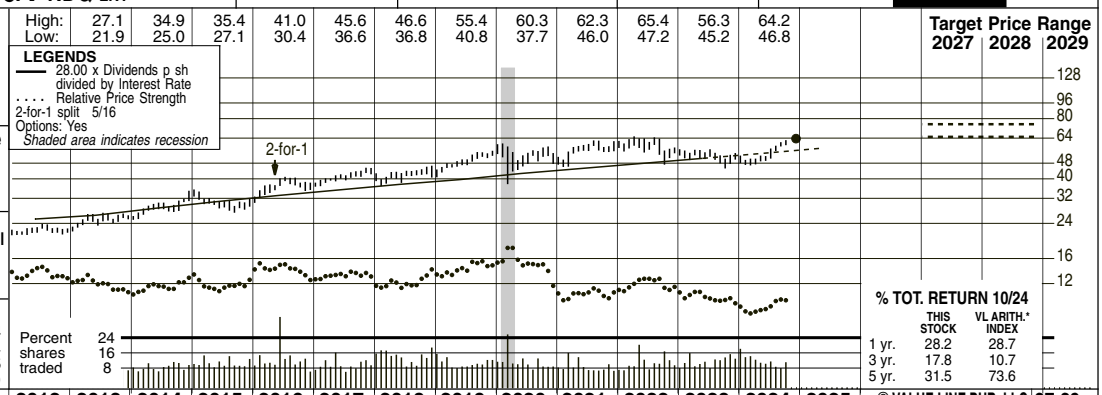
Low-High	Midpoint (% to Mid)
$46-$73	$60 (-5%)

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

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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

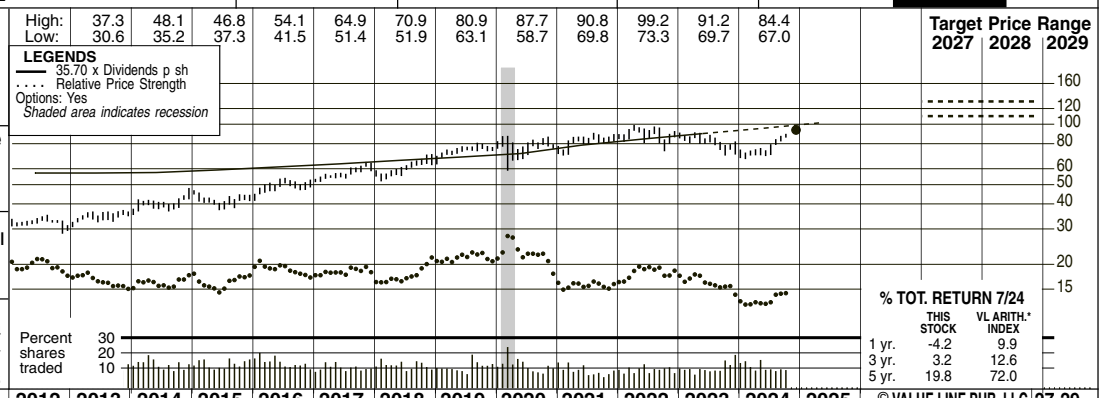
Low-High	Midpoint (% to Mid)
$61-$95	$78 (-5%)

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

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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*

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	70
Earnings Predictability	90

(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.

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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%*

Calendar	QUARTERLY REVENUES ($ mill.) 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*

Calendar	EARNINGS PER SHARE [A] 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*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ 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

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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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
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

Target Price Range 2027 2028 2029

% 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

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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

	2027	2028	2029
Target Price Range			

	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:	72.6	92.0	90.3	82.1	87.9	90.8	122.1	135.5	115.0	126.8	111.9	156.9								
Low:	60.2	60.4	61.3	65.4	69.6	71.9	83.2	75.2	85.8	94.9	87.1	96.1								
Revenues per sh	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*
"Cash Flow" per sh	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*
Earnings per sh A	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*
Div'd Decl'd per sh B ■ †	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*
Cap'l Spending per sh	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*
Book Value per sh C	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*
Common Shs Outst'g D	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*
Avg Ann'l P/E Ratio	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*
Relative P/E Ratio	1.00	.80	.74	.57	.71	.74	.68	.63	.57	.75	.75	.88	.79	.81	1.22	.51			Relative P/E Ratio	*1.00*
Avg Ann'l Div'd Yield	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%*
Revenues ($mill)							12495	11513	10846	11074	11009	10879	10114	11743	13764	12147	*12300*	*13100*	Revenues ($mill)	*16070*
Net Profit ($mill)							1060.0	1061.2	1249.8	950.7	1092.1	1258.2	1406.7	1402.8	1103.2	2356.5	*980*	*1520*	Net Profit ($mill)	*1850*
Income Tax Rate							37.8%	2.2%	11.3%	1.8%	--	--	--	16.1%	16.1%	16.1%	*20.0%*	*23.0%*	Income Tax Rate	*23.0%*
AFUDC % to Net Profit							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%*
Long-Term Debt Ratio							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%*
Common Equity Ratio							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%*
Total Capital ($mill)							22842	22714	22777	22528	24602	27557	32386	36733	36810	37851	*39995*	*42400*	Total Capital ($mill)	*50555*
Net Plant ($mill)							28723	27824	27921	29664	31974	35183	38853	42244	42477	43834	*46465*	*49255*	Net Plant ($mill)	*58660*
Return on Total Cap'l							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%*
Return on Shr. Equity							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%*
Return on Com Equity E							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%*
Retained to Com Eq							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%*
All Div'ds to Net Prof							58%	58%	50%	68%	61%	58%	55%	57%	78%	40%	*102%*	*70%*	All Div'ds to Net Prof	*65%*

% TOT. RETURN 10/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	69.6	28.7
3 yr.	70.0	10.7
5 yr.	53.6	73.6

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%*

QUARTERLY REVENUES ($ mill.)

Calendar	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*

EARNINGS PER SHARE A

Calendar	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*

QUARTERLY DIVIDENDS PAID B ■ †

Calendar	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*

Company's Financial Strength	A+
Stock's Price Stability	90
Price Growth Persistence	45
Earnings Predictability	70

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(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.

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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

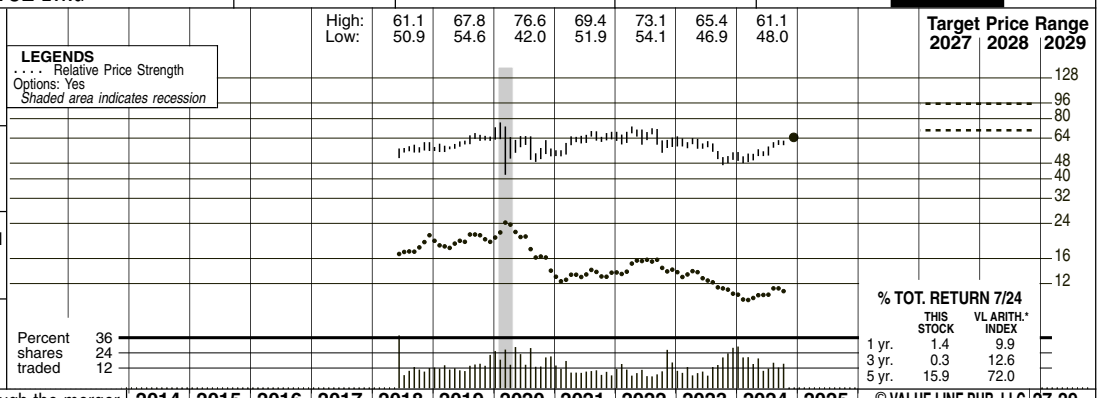
Low-High	Midpoint (% to Mid)
$45-$74	$60 (-10%)

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
	- -	- -	- -	- -	16.75	22.71	21.66	24.36	25.49	23.98	*25.20*	*26.10*	Revenues per sh	*29.55*
	- -	- -	- -	- -	4.89	7.18	7.06	8.18	7.34	8.33	*8.20*	*8.55*	"Cash Flow" per sh	*9.35*
	- -	- -	- -	- -	2.50	2.79	2.72	3.83	3.26	3.17	*3.85*	*4.05*	Earnings per sh [A]	*4.75*
	- -	- -	- -	- -	1.74	1.93	2.05	2.18	2.33	2.48	*2.61*	*2.74*	Div'd Decl'd per sh [B] ■	*3.05*
	- -	- -	- -	- -	4.19	5.34	6.88	8.60	9.41	9.23	*9.25*	*9.30*	Cap'l Spending per sh	*9.50*
	- -	- -	- -	- -	39.28	37.82	38.50	40.32	41.86	42.06	*44.10*	*45.65*	Book Value per sh [C]	*47.50*
	- -	- -	- -	- -	255.33	226.64	226.84	229.30	229.90	229.73	*230.00*	*230.00*	Common Shs Outst'g [D]	*230.00*
	- -	- -	- -	- -	22.7	21.8	21.7	16.2	19.9	18.0	*Bold figures are Value Line estimates*		Avg Ann'l P/E Ratio	*17.5*
	- -	- -	- -	- -	1.23	1.16	1.11	.88	1.15	1.01			Relative P/E Ratio	*.95*
	- -	- -	- -	- -	3.1%	3.2%	3.5%	3.5%	4.0%	5.1%			Avg Ann'l Div'd Yield	*3.7%*
	- -	- -	- -	- -	4275.9	5147.8	4913.4	5586.7	5859.1	5508.2	*5800*	*6000*	Revenues ($mill)	*6800*
	- -	- -	- -	- -	535.8	669.9	618.3	879.7	752.7	731.3	*885*	*930*	Net Profit ($mill)	*1090*
	- -	- -	- -	- -	9.8%	12.6%	14.1%	11.7%	5.8%	2.1%	*4.5%*	*6.5%*	Income Tax Rate	*9.0%*
	- -	- -	- -	- -	2.5%	2.5%	5.5%	5.0%	5.1%	5.4%	*6.0%*	*6.0%*	AFUDC % to Net Profit	*5.0%*
	- -	- -	- -	- -	40.0%	50.6%	51.3%	50.1%	50.0%	51.5%	*51.5%*	*52.0%*	Long-Term Debt Ratio	*53.5%*
	- -	- -	- -	- -	60.0%	49.4%	48.7%	49.9%	48.0%	48.0%	*48.5%*	*48.0%*	Common Equity Ratio	*46.5%*
	- -	- -	- -	- -	16716	17337	17924	18542	19668	20019	*21250*	*22500*	Total Capital ($mill)	*23400*
	- -	- -	- -	- -	18952	19346	20106	21150	22277	23729	*24200*	*25300*	Net Plant ($mill)	*26300*
	- -	- -	- -	- -	4.0%	4.8%	4.5%	5.7%	6.9%	6.4%	*5.5%*	*5.5%*	Return on Total Cap'l	*6.0%*
	- -	- -	- -	- -	5.3%	7.8%	7.1%	9.5%	8.1%	7.6%	*9.0%*	*9.0%*	Return on Shr. Equity	*10.0%*
	- -	- -	- -	- -	5.3%	7.8%	7.1%	9.5%	8.1%	7.6%	*9.0%*	*9.0%*	Return on Com Equity [E]	*10.0%*
	- -	- -	- -	- -	.6%	2.4%	1.8%	4.1%	3.1%	2.5%	*3.0%*	*3.0%*	Retained to Com Eq	*3.5%*
	- -	- -	- -	- -	89%	69%	75%	57%	73%	69%	*68%*	*68%*	All Div'ds to Net Prof	*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

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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

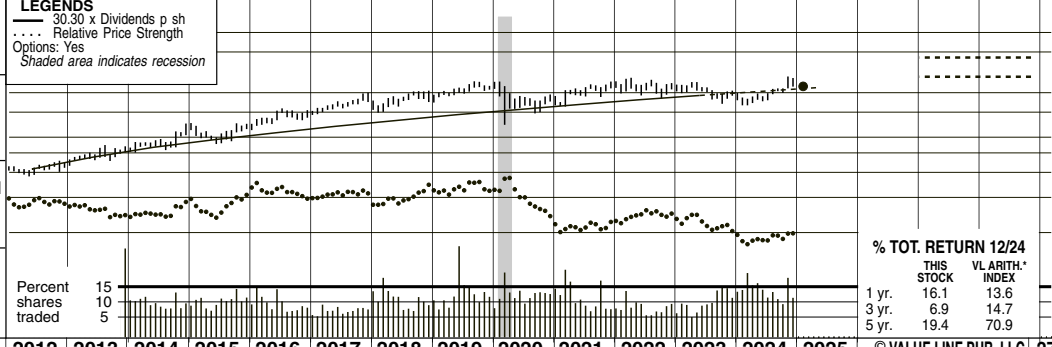
	Price	Gain	Ann'l Total Return
High	150	(+40%)	*11%*
Low	120	(+10%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	165	191	226
to Sell	200	170	166
Hld's(000)	46315	46039	51027

	54.7	70.1	70.5	83.4	100.0	102.4	114.0	113.6	113.8	118.9	113.0	120.4
High:	43.1	50.2	55.4	65.0	77.5	79.6	89.3	69.1	85.3	93.5	88.1	86.4
Low:												

LEGENDS
30.30 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession



% TOT. RETURN 12/24

	THIS STOCK	VL ARITH.* INDEX
1 yr.	16.1	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

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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

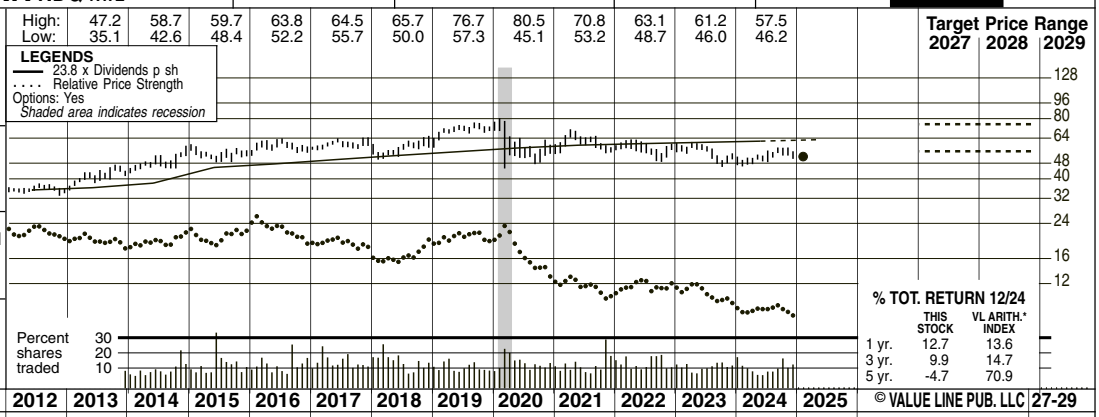
Low-High	Midpoint (% to Mid)
$41-$63	$52 (-5%)

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



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%*

Calendar	QUARTERLY REVENUES ($ mill.) 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*

Calendar	EARNINGS PER SHARE A 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*

Calendar	QUARTERLY DIVIDENDS PAID B ■ † 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

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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

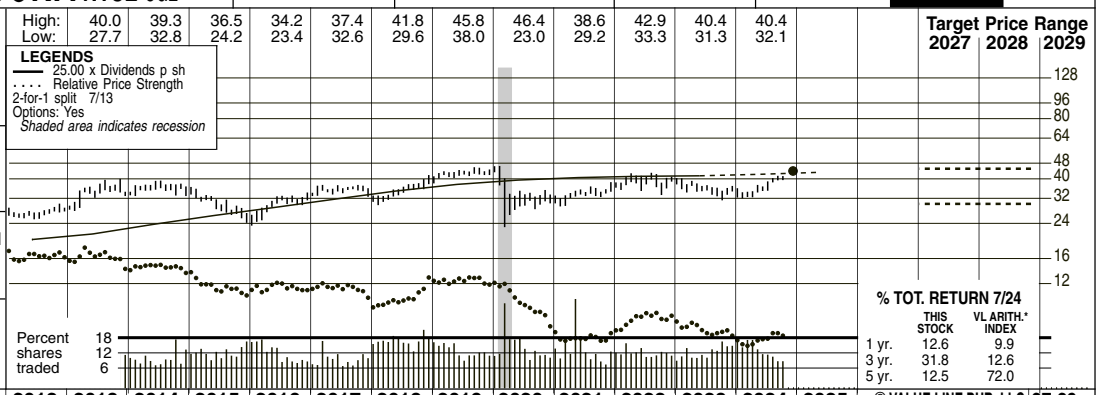
Low-High	Midpoint (% to Mid)
$28-$45	$37 (-10%)

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
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	

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.

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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

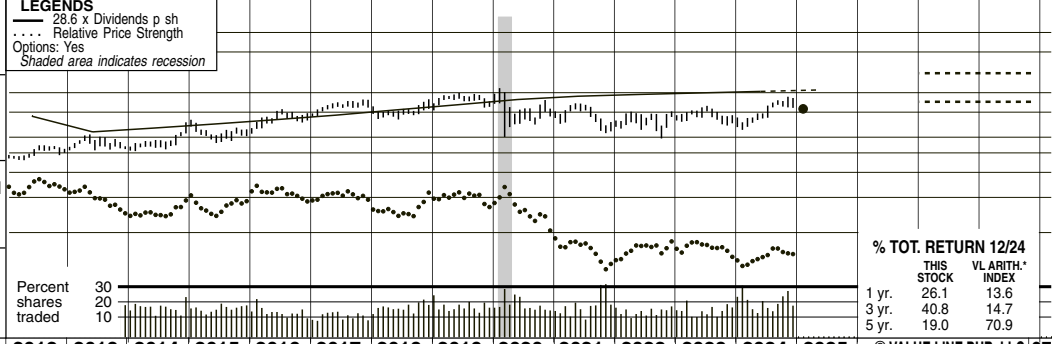
	Price	Gain	Ann'l Total Return
High	125	(+50%)	*14%*
Low	90	(+10%)	*6%*

Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	234	245	274
to Sell	268	225	226
Hld's(000)	110427	114098	123296

	61.9	71.1	73.3	82.8	92.5	92.6	99.8	105.5	88.5	80.6	86.0	95.4
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



% 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%*

Calendar	QUARTERLY REVENUES ($ mill.) 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***

Calendar	EARNINGS PER SHARE [A] 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***

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ 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

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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
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						

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

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
	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
	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
	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]
	.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] ■ †
	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
	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]
	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]
	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
	.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
	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
							1900.0	1898.0	1923.0	2009.0	1991.0	2123.0	2145.0	2396.0	2647.0	2923.0	*3330*	*3600*	Revenues ($mill)
							175.0	172.0	193.0	204.0	212.0	214.0	247.0	244.0	245.0	233.0	*320*	*350*	Net Profit ($mill)
							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
							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
							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
							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
							4037.0	4329.0	4544.0	4842.0	4684.0	5323.0	5628.0	6265.0	6459.0	7513.0	*8300*	*8900*	Total Capital ($mill)
							5679.0	6012.0	6434.0	6741.0	6887.0	7161.0	7539.0	8005.0	8465.0	9546.0	*10350*	*11000*	Net Plant ($mill)
							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
							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
							9.2%	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]
							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
							50%	56%	57%	58%	59%	63%	57%	61%	64%	77%	*64%*	*64%*	All Div'ds to Net Prof

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

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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

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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

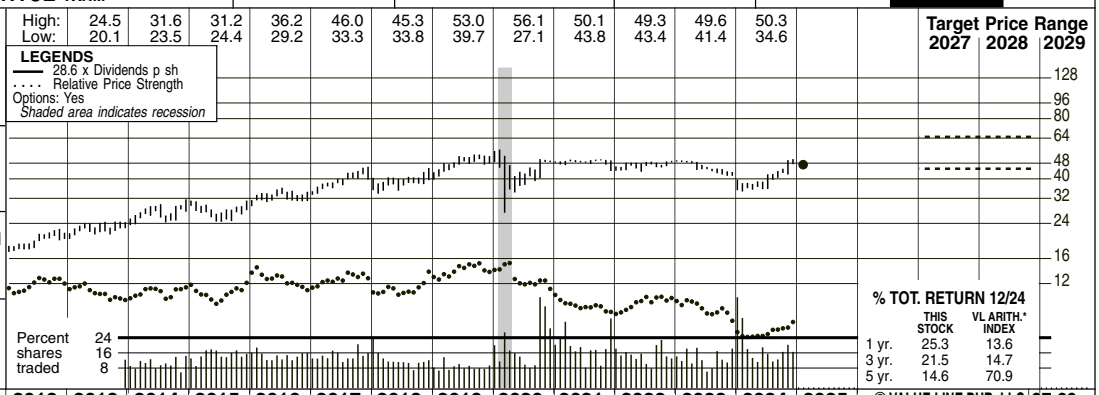
Low-High	Midpoint (% to Mid)
$33-$49	$41 (-5%)

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

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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%*

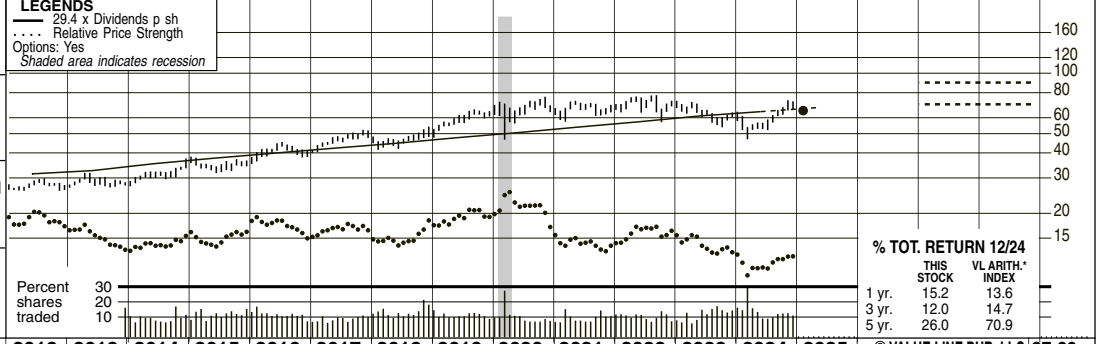
Institutional Decisions

	1Q2024	2Q2024	3Q2024
to Buy	433	467	518
to Sell	502	414	408
Hld's(000)	437447	437414	503378

	31.8	37.6	38.3	45.4	52.2	54.1	66.1	76.4	72.9	77.7	73.0	73.4
High:												
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

LEGENDS
29.4 x Dividends p sh
Relative Price Strength
Options: Yes
Shaded area indicates recession

Target Price Range 2027 2028 2029



Percent shares traded 30 20 10

% 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

2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	© VALUE LINE PUB. LLC	27-29
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*	Revenues per sh	*31.10*
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*	"Cash Flow" per sh	*10.95*
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*	Earnings per sh [A]	*4.55*
.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*	Div'd Decl'd per sh [B] ■ †	*2.74*
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*	Cap'l Spending per sh	*13.00*
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*	Book Value per sh [C]	*41.90*
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*	Common Shs Outst'g [D]	*595.00*
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*		Avg Ann'l P/E Ratio	*17.5*
.82	.85	.90	.89	.94	.84	.81	.83	.97	1.02	1.02	1.19	1.23	1.22	1.28	1.06	*.93*		Relative P/E Ratio	*.95*
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%		Avg Ann'l Div'd Yield	*3.4%*
11686	11024	11107	11404	11537	11529	11526	13431	15310	14206	*14120*	*15700*	Revenues ($mill)	*18500*
1021.3	1063.6	1123.4	1171.0	1261.0	1372.0	1473.0	1597.0	1736.0	1851.0	*1995*	*2200*	Net Profit ($mill)	*2700*
33.9%	35.8%	34.1%	30.7%	12.6%	8.5%	--	--	--	--	*NMF*	*NMF*	Income Tax Rate	*NMF*
12.5%	7.7%	7.8%	9.4%	12.4%	8.3%	10.7%	6.2%	5.9%	7.7%	*10.0%*	*9.0%*	AFUDC % to Net Profit	*9.0%*
53.0%	54.1%	56.3%	55.9%	56.4%	56.8%	57.4%	58.2%	57.8%	58.6%	*58.0%*	*61.0%*	Long-Term Debt Ratio	*61.0%*
47.0%	45.9%	43.7%	44.1%	43.6%	43.2%	42.6%	41.8%	42.2%	41.4%	*42.0%*	*39.0%*	Common Equity Ratio	*39.0%*
21714	23092	25216	25975	28025	30646	34220	37391	39488	42529	*47100*	*53200*	Total Capital ($mill)	*64225*
28757	31206	32842	34329	36944	39483	42950	45457	48253	51642	*56225*	*62450*	Net Plant ($mill)	*74050*
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 Total Cap'l	*5.5%*
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 Shr. Equity	*11.0%*
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]	*11.0%*
4.5%	4.3%	4.0%	3.9%	4.3%	4.4%	4.2%	4.2%	4.3%	4.3%	*4.0%*	*4.0%*	Retained to Com Eq	*4.5%*
55%	57%	61%	62%	58%	58%	58%	59%	58%	59%	*62%*	*60%*	All Div'ds to Net Prof	*60%*

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

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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.

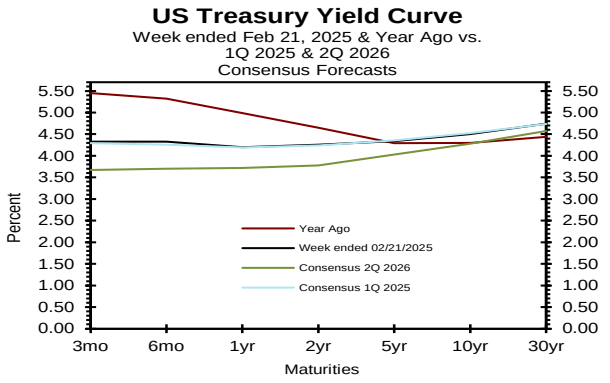
Sources of Information:

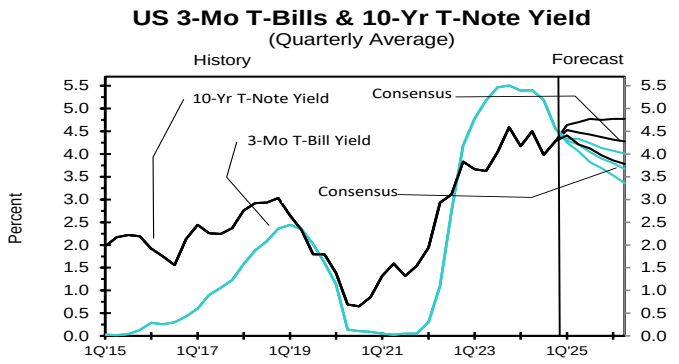
Kroll Cost of Capital Navigator
Industrial Manual and Mergent Bond Record Monthly Update.
Value Line Summary and Index
Blue Chip Financial Forecasts, November 27, 2024 and February 28, 2025
S&P Capital IQ
Bloomberg Professional Services

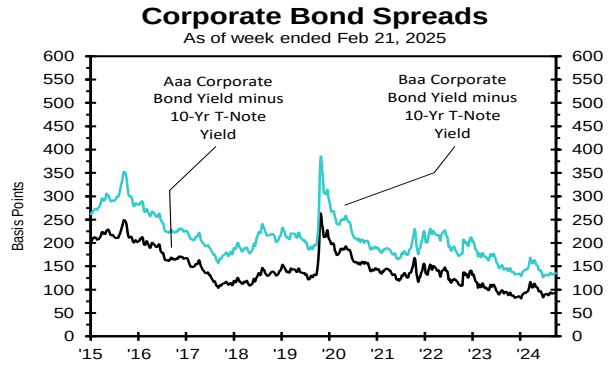
Consensus Forecasts of U.S. Interest Rates and Key Assumptions

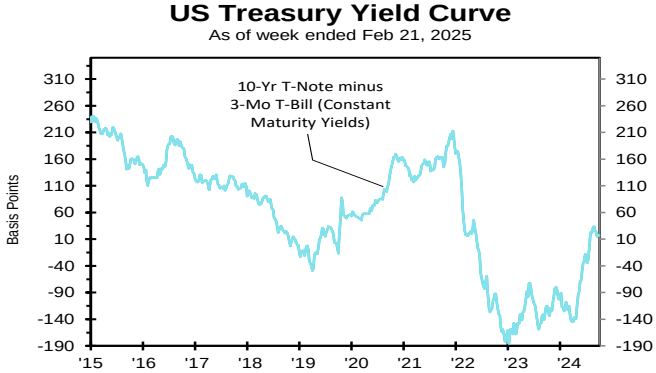
	History								Consensus Forecasts-Quarterly Avg.					
	Average For Week Ending				Average For Month			*Latest Qtr*	1Q	2Q	3Q	4Q	1Q	2Q
Interest Rates	Feb 21	Feb 14	Feb 7	Jan 31	Jan	Dec	Nov	4Q 2024	2025	2025	2025	2025	2026	2026
Federal Funds Rate	4.33	4.33	4.33	4.33	4.33	4.48	4.64	4.65	**4.4**	**4.3**	**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.

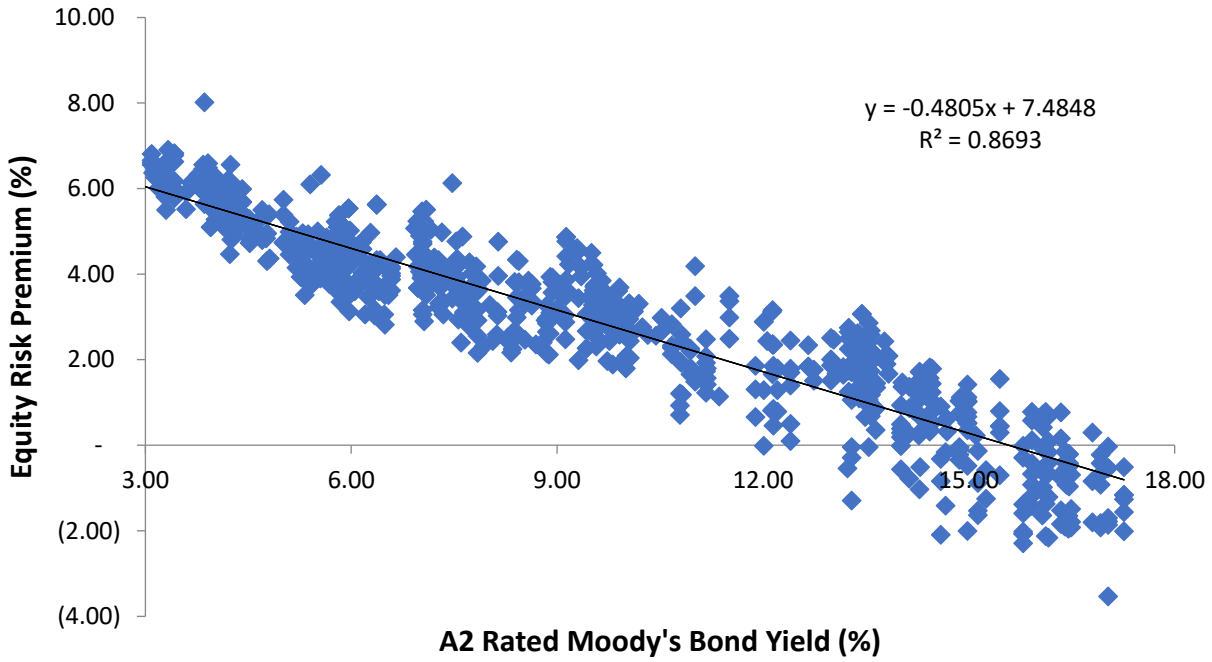
		Average For The Year					Five-Year Averages	
		2026	2027	2028	2029	2030	2026-2030	2031-2035
1. Federal Funds Rate	**CONSENSUS**	**3.4**	**3.3**	**3.3**	**3.2**	**3.2**	**3.3**	**3.2**
	Top 10 Average	3.7	3.7	3.6	3.7	3.7	3.7	3.6
	Bottom 10 Average	3.0	2.9	2.9	2.9	2.8	2.9	2.9
2. Prime Rate	**CONSENSUS**	**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



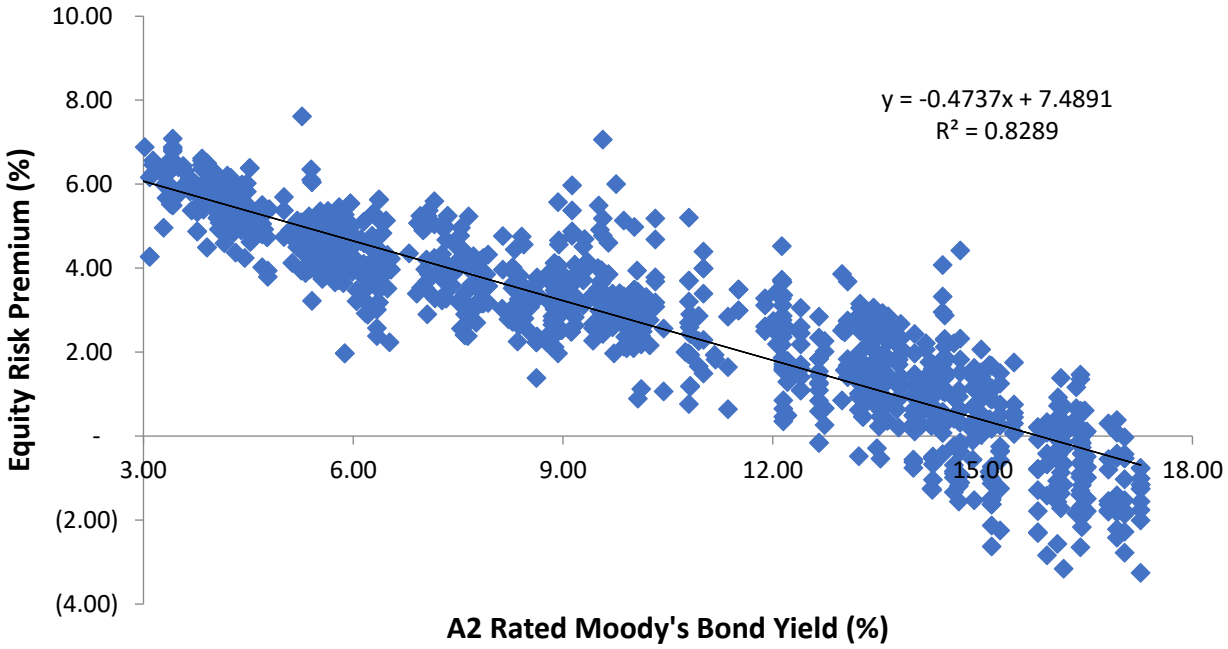
Constant	Slope	Prospective A2 Rated Utility Bond (1)	Equity Risk Premium
7.4848 %	-0.480	5.73 %	4.73 %

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

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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

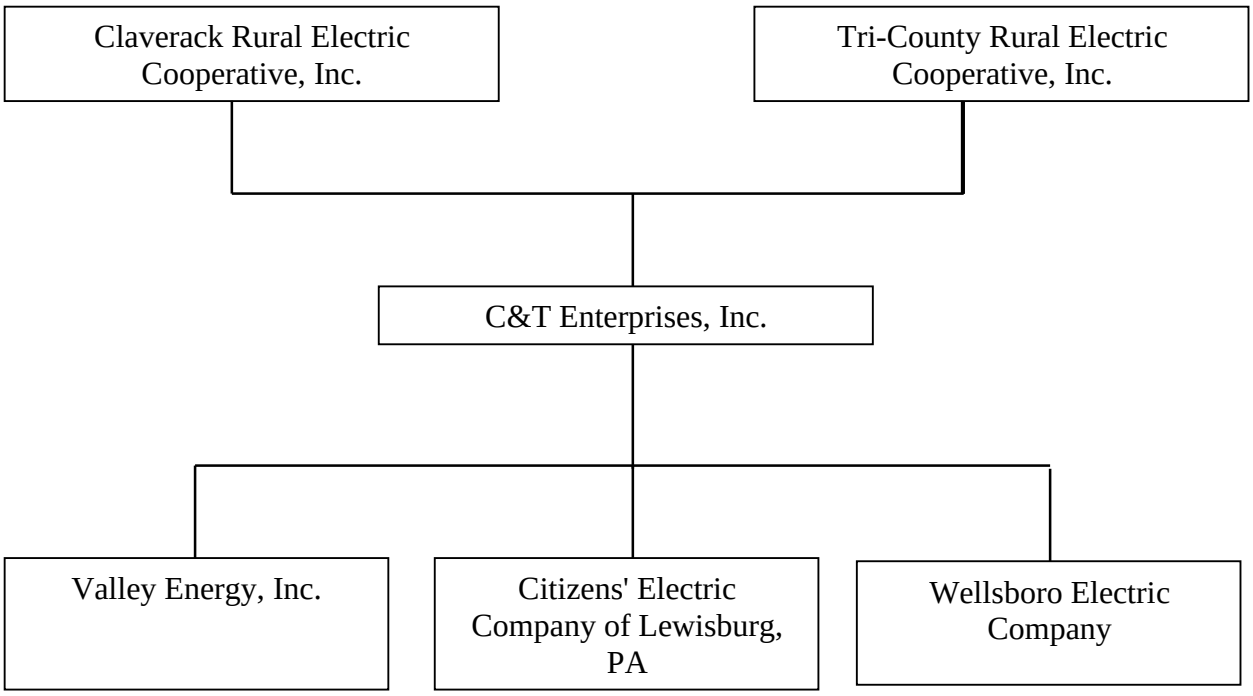
MELISSA SULLIVAN

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 EE Rogers
Name EDWARD E ROGERS
Title PRESIDENT & CEO

VALLEY ENERGY, INC., Pennsylvania Division

Date 5/26/22

By EE Rogers
Name EDWARD E 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

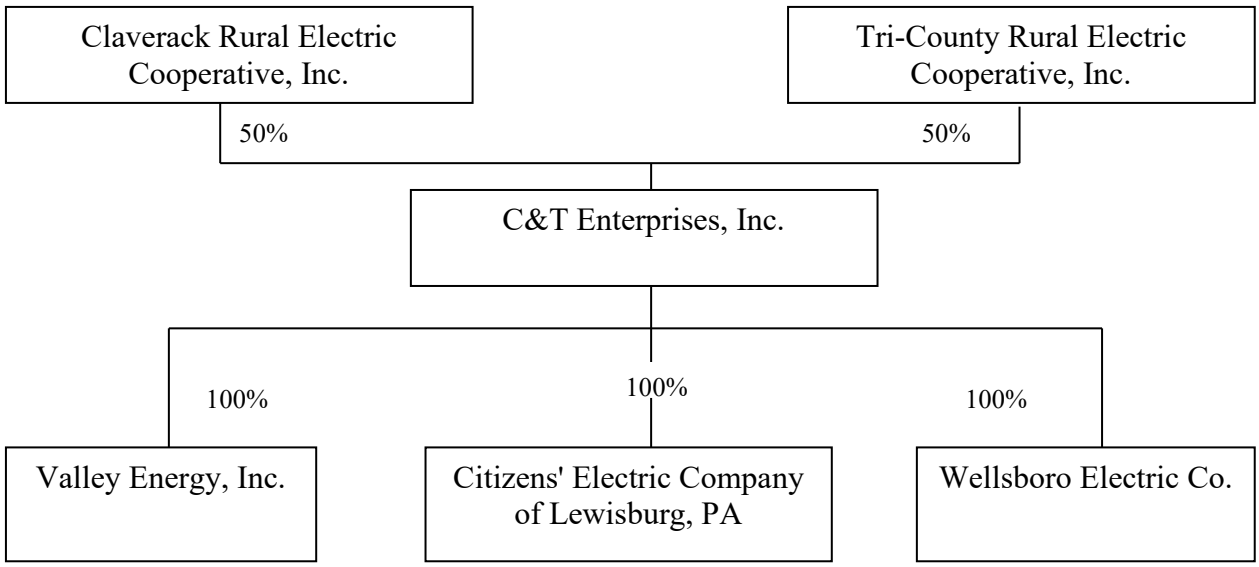
VE-NY is a for-profit, investor-owned public utility incorporated under the laws of Pennsylvania. VE-NY is engaged in the business of supplying and distributing natural gas to approximately 1,800 residential and 225 commercial and industrial customers. VE-NY's service area is in and around Waverly, New 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 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 Akers
President & CEO

CITIZENS' ELECTRIC COMPANY

10/24/19
Date

by: John A Kuhl
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

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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 O'Kelley
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 Gilmer
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Boggs
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 G 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.

10/31/2019
Date

by: Bobby J Kilmer
President & CEO

VALLEY ENERGY, INC.

10/28/19
Date

by: E E Boague
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 Akins
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				

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Wellsboro Electric Company	**:**	

DIRECT TESTIMONY
AND EXHIBITS

OF

BYRON FARNSWORTH, JR.

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-**
	:	
Wellsboro Electric Company	**:**	

DIRECT TESTIMONY OF BYRON FARNSWORTH, JR.
ON BEHALF OF WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Byron (Barney) Farnsworth, Jr., and my business address is 33 Austin Street, Wellsboro, Pennsylvania.

Q. By whom are you employed and what position do you hold with Wellsboro Electric Company?

A. I am employed by C&T Enterprises, Inc. ("C&T"), and assigned to Wellsboro Electric Company ("Wellsboro" 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 Wellsboro. I am also responsible for strategic direction, power supply and regulatory/legislative issues at Wellsboro.

Q. Please describe your educational background and professional background.

A. I have a Bachelor's Degree in electrical engineering from the Rochester Institute of Technology and a Masters Degree from Rochester Institute of Technology with concentrations in Management and Finance. I previously worked at Rochester Gas & Electric and NYSEG for over 23 years in varying roles that increased in responsibility. I

started as a lineman moved into engineering and into Power Control as an Energy Scheduler/Forecaster. In 1996, RG&E formed an unregulated company and I was brought in to build out the electric and natural gas supply, pricing models and risk management functions and assumed the same duties for NYSEG Solutions in 2004. During 2008, I started at MXEnergy and worked in the retail space in Executive roles managing supply, pricing and risk management for various EGS's until I was hired by Wellsboro Electric Company in July 2018 as the VP, Engineering & Operations/ COO. I became Wellsboro's President and CEO in January 2020.

Q. Please describe the purpose of your testimony.

A. My testimony starts with a general overview of Wellsboro, its service territory, and its customer base. Then, I will address historical and future test year expenditures and capital improvement information provided to HSG Group, Inc. ("HSG Group") for compilation and preparation of Wellsboro's filing. This will include the Wellsboro labor costs for both union and non-union employees. Additionally, I will outline the factors supporting a performance adjustment to Wellsboro's rate of return. Finally, I will discuss the proposed changes to Wellsboro's tariff.

COMPANY BACKGROUND AND OVERVIEW

Q. Please provide a brief overview of Wellsboro and its service territory.

A. Wellsboro is a small investor-owned Electric Distribution Company ("EDC") under the jurisdiction of the Pennsylvania Public Utility Commission ("PUC" or "Commission") operating in the Borough of Wellsboro and surrounding areas in Tioga County. The Company's service territory is predominately rural. We have over 550 miles of distribution facilities and provide service to approximately 6,478 customers as of December 31, 2024,

of whom 5,159 were residential, and 1,319 were commercial, industrial, lighting or sales for resale.

Wellsboro has been providing electric service to consumers in Tioga County since 1894, with a variety of owners and shareholders since then. In 1995, Wilderness Utilities, Inc., acquired all of Wellsboro's common stock from members of the McCarthy Family, which had owned the majority of the Company since 1984. Wilderness was a holding company formed by Tri-County Rural Electric Cooperative ("Tri-County") for the purpose of acquiring and owning Wellsboro.

On January 1, 2005, Wellsboro transferred 100% of its common stock in Wellsboro to C&T and Wilderness was then inactivated. C&T is a holding company and management services firm that is jointly owned by Tri-County, based in Mansfield, Pennsylvania, and Claverack Rural Electric Cooperative based in Wysox, Pennsylvania. C&T is also the parent corporation of Citizens' Electric Company of Lewisburg, PA ("Citizens'"), and Valley Energy, Inc. ("Valley"). We obtained the Pennsylvania Public Utility Commission's ("PUC" or "Commission") approval for the transfer of control and ownership from Wilderness to C&T on December 23, 2004, at Docket No. A-111200F000.

Q. What changes were made to the Company's tariff or operations as a result of the Electric Generation Customer Choice and Competition Act ("Competition Act")?

A. Wellsboro 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 implements proposed changes to our unbundled distribution rates in accordance with the Chapter 13 requirements and process.

Wellsboro 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 generation rate is known as our Generation Supply Service Rate ("GSSR"), which includes the GSSR-1 and GSSR-2. We are proposing a minor change to our GSSR-1 and GSSR-2 Riders in this proceeding to ensure that customer generators are charged for distribution and generation service using a consistent measure of their use of the system (e.g., Billing Demand). I will address this in more detail later in my testimony.

Q. Do the proposed distribution rates include any expenses related to generation supply?

A. No. HSG Group'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 Wellsboro 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 Wellsboro's last base rate proceeding?

A. Wellsboro's last base rate proceeding was in 2019, with rates taking effect in early May 2020. It has been approximately six years since Wellsboro filed the last distribution rate increase.

Q. Can you explain generally the changes that have occurred since the last case?

A. Yes. Many elements of our financial and operational environment have changed in six years, especially during the COVID-19 pandemic and its aftermath. We were able to avoid filing for a rate case because we pursued cost management strategies, searched for available grants and experienced a few new customer installations; however, the cumulative impact of slowing growth and increasing costs now require us to seek a rate increase.

First, there has been substantial inflation in the cost of materials and equipment over that time. During the COVID-19 pandemic and into 2023, the United States economy experienced Consumer Price Index (CPI) inflation that peaked at about 9.1% year over year in June 2022 and remained above 4% through mid-2023 and has remained on average above 3.5% in late 2023 through 2024. The Headline Producer Price Index (Total) (PPI), which reflects the prices that companies are receiving for their products, peaked at 11.2% for the 12-month measure in March 2022. Although inflation has moderated, this only reduces the rate of growth going forward for our materials and supplies—it does not reduce the costs back to the 2019 levels.

Second, our labor costs and benefits have increased since 2019. I will discuss in more detail later how our union and non-union wages have increased. Our increases are consistent with those seen in other industries, as reported by the Bureau of Labor Statistics. Based on information on their website, the year over year inflation to wages and salaries exceeded 4% beginning in the September 2020 through September 2021 period and continuing for each yearly survey period thereafter through the June 2023 to June 2024 survey period.

Third, our outside contractor expenses for tree-trimming and other reliability enhancing activities also have increased due to the Commission's emphasis on service reliability. In

general, vegetation management and routine maintenance on our overhead lines is reflected in our operating expenses in Accounts 588 and 593. Mr. Gorman's Exhibit __ (HSG-1), Schedule C1-1 provides an illustration of how our actual expenses increased from calendar year 2023 through calendar year 2026. Since our last rate change took effect in 2020, our Operating & Maintenance Expenses increased by $ 98,513 from $1,236,336 in 2020 to $1,334,849 in 2024. We are projecting further increases in 2025 and 2026 to focus on additional vegetation management, new technology to manage outages, customer information and billing.

Similarly, our Administrative & General Expenses and our Customer Account and Collection Expenses have increased, as reflected in Mr. Gorman's analysis.

In addition, Wellsboro has also completed numerous projects to upgrade and modernize its distribution system that were necessary to maintain service and reliability, including the replacement of our antiquated office and crew building. These improvements will be placed into rate base as a part of this proceeding.

Q. What has the Company done to mitigate those increases?

A. We have searched for areas where costs can be reduced through greater efficiency or outsourcing. We have continued to expand our use of the NISC system (CIS, OMS, material management, staking/mapping, budgeting and financial data) since 2019. Employees have been going through training each year to continuously develop their skills on our NISC system which has increased productivity and efficiency since 2019. Employees have also been cross-training to increase our collective knowledge and the coverage as employees are out of the office for vacations and training while planning for potential Succession. Increased use of existing technology has been deployed for Work

Management (Work orders and meter orders) by our linemen in addition they perform PUC mandated Inspection and Maintenance (I&M) work each year. Tablets are used to record I&M data (pole inspections, pole pulls, line inspections, transformer inspections, miscellaneous inspections) in the field and then it is brought back to the office and all data is uploaded into our NISC system as a permanent record which has eliminated the use of paper that was used prior to 2019. We completed required voltage conversion work and installed any remaining automated meters during the Spring of 2019 and have been 100% AMI since late 2019. We are using the AMI meters as of 2024 to transmit voltages multiple times a day into a report to help us continually monitor and identify potential issues on our system in advance of customers calling. The voltage report has reduced the need to send personnel into the field to install/remove a recording device. All of the technology adoptions have enabled us to keep the work force focused and efficient while avoiding the need for additional employees. The enhancements have improved the system reliability, resilience and ultimately the service to customers which has been demonstrated in survey results. Wellsboro collaborates with Citizens' and other PA EDCs on best practices for Engineering, Operations, Customer Service and Regulatory/Legislative issues.

COMPANY PERFORMANCE

Q. In Statement No. 2, the Direct Testimony of Dylan D'Ascendis and Ryan Kucan, Mr. D'Ascendis and Mr. Kucan propose both a size adjustment and a performance adjustment to their recommended rate of return. Do you agree with their approach?

A. Yes. A size adjustment and a performance adjustment are both appropriate.

Q. What is the basis for the performance adjustments proposed by Mr. D'Ascendis and Mr. Kucan?

A. As a basis for the performance adjustment, Mr. D'Ascendis and Mr. Kucan reference Section 523 of the Public Utility Code, which outlines the factors considered by the Commission in awarding 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 approve a performance adjustment based on Wellsboro's performance in the following areas:

- **Excellent reliability metrics.** Wellsboro has met or exceeded all PUC reliability metrics as shown in the Quarterly Reliability Dashboard Report for 4th Quarter 2024 attached as Exhibit __ (BF-1). Additionally, Exhibit __ (BF-2) contains Wellsboro's 2024 Annual Reliability Report, which similarly shows Wellsboro complying with PUC guidelines and exceeding the performance of the other EDCs regulated by the Commission. The 2024 report also includes reliability metrics for the prior two years (2022-2023).
- **Low customer complaints.** For the period 2022-2024, Wellsboro received no formal complaints and 10 informal complaints.
- **Favorable customer feedback.** Wellsboro has seen a steady improvement in positive reviews and evaluations from its customers since 2019. The Annual Customer Contact surveys for the period 2022-2024 are attached as Exhibit __ (BF-3).

- **High responsiveness: customer support calls.** Records from the Commission's Quality of Service System attached as Exhibit __ (BF-4) show Wellsboro answered, on average, approximately 97% of its customer phone calls in 2024 within 30 seconds.
- **Significant capital investment.** Addressed later in my testimony, Wellsboro continues to invest approximately $2.02 million annually in system replacements and improvements. This calculation does not include the building project. Exhibit __ (BF-5) shows three years of capital results and YTD 2025 is tracking closely to $2.00 million. There was roughly 1 project per year driven by customer requests that were close to $1.0M and almost wholly paid by customers from 2021 through 2024. There were multiple fiber providers that came through our territory in 2020 and 2021 that saw roughly 200 pole replacements that were paid in entirety by the attachers. The Commission should note these investments were funded without reliance on a Distribution System Improvement Charge.
- **Technology adoption: Smarthub use.** A total of 2,706 customers (approximately forty-two percent (42%) of Wellsboro's total customer count) use Smarthub to review and pay bills electronically, review usage reports, track outages, and remain connected to the Company's services via a mobile application or the website. Smarthub is available 24 hours a day for the convenience of Wellsboro’s customers.
- **Very low reportable injuries.** Wellsboro had zero (0) reportable injuries or MVA’s from 2019 through 2024, as demonstrated by the OSHA Form 300A attached as Exhibit __ (BF-6).

- **Street Light Upgrades.** Wellsboro received Commission approval for its LED tariff in 2019 and completed the subsequent LED fixture replacements in December 2023. The LED conversion has significantly reduced street light maintenance and the energy consumption when compared to older mercury vapor and sodium lighting fixtures.

CAPITAL IMPROVEMENTS AND PROJECTS

Q. Could you please describe some of the distribution system projects Wellsboro has completed since the Company's last rate case?

A. Yes. In addition to ongoing maintenance and operations, the Company has invested an average of $2.2million per year in capital improvements and expansions since the last rate case, not including the new office and crew building. When Wilderness purchased Wellsboro in 1995, the distribution system needed much repair. Since 1995, Wellsboro has invested over $36.6 million in system improvements and repairs. The Company continues a long-term effort to maintain and upgrade our distribution system. These plant investments were in the form of replacing its aging distribution infrastructure, including reconductoring and installing three-phase tie-points on select lines, increasing pole replacements towards a target of 250-300 per year, replacing aging porcelain equipment, installing switches and vacuum reclosers to automate the isolation of faults to reduce customer outages, performing improvements that will enable future voltage conversions and completing other reliability-enhancing improvements.

Finally, since the last rate case, we completed the upgrade of the FirstEnergy Mid-Atlantic Interstate Transmission Company (“FE MAIT”) transmission facility that serves our service territory. As part of the last rate case, we committed to undertake required

substation and transmission work that cost approximately $980,000 to ensure that the FE MAIT would upgrade the line feeding our substation from 34.5 kV to 115 kV. This service voltage conversion increased the reliability for our customers and also has helped us to avoid approximately $365,000 a year that we were paying to FE MAIT for the 35 kV connection. Since the new 115 kV line was energized in September 2020, the Wellsboro customers have avoided approximately $1,642,500 in extra transmission costs ($365,000 x 4.5 years).

Q. Please discuss Wellsboro's office and crew building project.

A. Wellsboro was formed in 1894 and some of the facilities dated back to its inception and others were built in the 1940s and 1950s and a small portion of the facility was remodeled in 1992. The main building was the old coal generating plant which had multiple roof leaks, exterior brick and mortar were failing, site drainage was poor, the property was exposed to an oil spill, the heating and cooling systems were obsolete and began failing in 2021 and some finally quit working in 2022. We began the process to evaluate moving to a new site, remodeling the old structures or building new structures in mid-2021. As we proceeded, the consensus was to remove the old buildings in phases and begin building new structures in phases. Phase 1 started in early 2023 and was completed in November 2023. Phase 1 encompassed dismantling our pole yard and an old substation adjacent to the pole yard and then a new steel building was built to house our linemen, vehicles, pole yard and the installation of oil containment pads. Phase 2 was started in November 2023, to remove asbestos roofing to clear the way for demolition of the area we had stored trucks and the linemen in over the years. Demolition of the brick and steel exo-skeleton began in December 2023 and we quickly found several significant issues in the old structures. The

roofing was riddled in holes, many pieces of steel in the building sagged once the brick supporting it was removed. The old brick and mortar were in such disrepair that large sections of wall fell or began sagging during demolition. The decision to build a new space optimized office was proven wise during the demolition process. The new office was completed to the point we could move out of our old space and into the new office in early November 2024. The last structure (old office) had asbestos roofing removed and demolition work started in December 2024. January and February 2025 were extremely cold so the final pieces of the building project (landscaping and the topcoat of blacktop) were shutdown until April/May 2025.

Q. Please provide some examples of projects that the Company is undertaking.

A. Significant 2025 capital projects include:

- **Hilltop Substation:** Wellsboro is working with our external engineering company to design a new exit for 5 of our 8 circuits that exit the substation built with Hendrix material on single pole structures with long spans. The project will construct 2 circuits onto a new steel structure reducing the span length using open wire construction. The project will be bid out in late 2025 for the material and a contractor in preparation to perform the work in the Spring of 2026. This project will enable the Company to reduce exposure to the loss of one structure that would impact over 4,000 customers (62%) and expose them to a lengthy outage as repairs are made.
- **Pole Replacements:** Wellsboro has experienced a high failure rate during pole testing (10-15%) from 2018-2023. There have been roughly 300 red tag replacements completed each year representing roughly 2.5% (15% of system). The

2024 testing dropped to a 6% failure rate which is requiring only 150 red tag pole replacements. Replacing poles that are beyond their useful life has improved reliability and we're expecting the failure rate to trend down toward 1-2% in the next few years. This reduction in pole replacements will enable capital to be shifted toward more reconductoring work identified in our 20-year work plan.

- **EATON Regulator upgrades:** Wellsboro has new Eaton Quik Drive Regulators to install that will help stabilize voltage anomalies.
- **Voltage Conversion:** Wellsboro will complete a voltage conversion (2.4/7.2 kV) in 2025 that is associated with a 3-phase tie-point project that started in 2025 and is expected to be finished in 2026. The conversion work will construct a new single-phase tie and setup future conversion work for roughly 150 customers. The work will improve reliability and help reduce the line losses on our system.
- **SCADA:** The SCADA was installed in December 2023 and is receiving substation data on transformers, reclosers and metering. Wellsboro has been approved for a PA Department of Environmental Protection ("DEP") Grid Resilience Grant to install new self-healing reclosers on a portion of our system that a loop constructed at the completion of a 2023 tie-point project. The new self-healing reclosers are expected to be installed in late 2025 or in early 2026 and will be interfaced into our SCADA. This equipment will enable devices to communicate with each other and reconfigure the circuit within a few minutes and then isolate a faulted area. This would be a significant improvement to reliability and resilience.
- **3-Phase Tie-Point and Reconductoring:** We have built 5 tie-points since 2019 that connect at minimum of 2 circuits together, which has enabled customers on

most of our system to have an alternate feed during storms, MVA or planned work situations. The 2025 tie-point work will connect the last circuit to an alternate feed. The work consists of several new poles, a 1-mile section of 3-phase line built with a larger conductor and a 1-mile 3-phase line reconductor to larger conductor. The remaining 1 mile of new 3-phase line is planned for completion in 2026. There is another 1-mile section of 3-phase line reconductor work that will be replaced in 2025 with a larger conductor on another circuit. This work will enhance the carrying capacity when the line needs to be reconfigured during a storm, MVA or planned work. Wellsboro developed a 20-year work plan in 2023 that has been used to keep the Company focused on future Capital improvements (reconductoring, new lines, replacing obsolete equipment in 2026 and out into the 2030's.

- Porcelain Replacements: Wellsboro started a project in 2022 to replace porcelain line cutouts, line arrestors and dead-end bells that fail unexpectedly causing outages. The project is roughly 60% completed at the end of 2024. The porcelain replacement will continue in 2025 and is expected to be completed in 2027.

Q. Do you anticipate that the rate of capital improvements will continue?

A. Yes. Wellsboro has a 5-year work plan that includes additional improvements. The projects for 2025 and 2026 are included in Mr. Gorman's analysis. A copy of our 5-year work plan is included in the budget that is provided as Wellsboro Confidential Exhibit 2.

Q. Does Wellsboro face any significant vegetation management issues?

A. Yes. Wellsboro's annual tree-trimming contractor costs have increased steadily by over $50,000-80,000 depending on the year due to contractor cost increases over the past three years. The Emerald Ash Borer and Pine Beetle removals, and enhanced tree growth in On

and Off ROW's due to wet growing seasons has impacted tree trimming costs the past few years. Vegetation management activities are particularly critical in a rural territory like Wellsboro's, which has many miles of off-road rights-of-way carrying poles and wires. Another significant issue is limited, qualified vegetation contractor interest due to the relatively small size of our contracts. Wellsboro implemented a multi-year bid process back in 2020 that enables the Company to control costs over the bid period which allowed us to bring our trimming back near a 5-year cycle.

Q. Are you planning to increase the tree trimming in 2025 and beyond?

A. Yes. We have included enhanced tree trimming objectives for 2025 and 2026, targeting $25,000/year of dead Off-rights-of-way trees that are leaning toward our 3-phase lines. If the tree trimming expense claim is fully reflected in our rates in this proceeding, we intend to continue this enhanced vegetation management rate.

Q. Are Wellsboro's operations, maintenance and replacement practices resulting in safe, adequate and reliable service to customers?

A. Yes. Wellsboro has demonstrated strong performance as measured by the Company's 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. As documented in the Company's 2024 Annual Reliability Report, Wellsboro achieved a SAIFI of .99 outages, a SAIDI of 102 minutes, and a CAIDI of 102 minutes. Exhibit __ (BF-2).

WELLSBORO STAFFING

Q. Please describe the relationship between C&T Enterprises and Wellsboro.

A. As Company witness Melissa Sullivan, Chief Financial Officer of C&T, explains in her Direct Testimony, C&T is a holding company, which owns 100% of Wellsboro's common stock. C&T also contracts with the other C&T affiliates to provide the staff necessary to meet their needs. Currently, C&T provides 9 employees to fulfill all of Wellsboro's staffing needs, with the exception of 8 union employees employed by Wellsboro. C&T also provides support services for activities that may not justify Wellsboro employing its own full or part-time employee, such as Human Resources, Information Technology support (e.g., network maintenance and administration), Safety Coordinator, Legal/Regulatory, Call Center and Communications activities. In addition to Wellsboro, C&T provides these same services to Citizens', Valley, Claverack Rural Electric Cooperative, and Tri-County Rural Electric Cooperative through a single set of C&T employees, who are considered "shared services" employees. Ms. Sullivan explains how the shared services costs are allocated.

Q. Do you anticipate any increases or decreases to the staffing at Wellsboro in the foreseeable future?

A. Wellsboro's Management team has been entrusted by the Board of Directors, shareholders, customers and the Commission to provide safe and reliable service at a fair cost. To address this core responsibility and the potentially negative impact from a failure to plan, we have a Succession plan for my role and I have each of my Department heads develop a Succession plan for their areas of responsibility that I report to our Board. One of our goals is preventing a lapse in experience and job knowledge necessary to effectively operate

Wellsboro's system. There are no retirements expected during 2025 or 2026. All of the office employees have Goals & Objectives developed annually which are reviewed periodically throughout the calendar year to ensure completion. My Goals & Objectives roll down through my direct reports and then to their direct reports to make sure yearly expectations are aligned from top to bottom in our organization. Within everyone's Goals & Objectives there is a Personal Development section that covers NISC training and other training to keep employee skills and knowledge growing each year. Along with the Personal Development we have ongoing cross training that is performed within departments and across departments based on Company needs, this provides us employees that can cover for vacations, unexpected absences and while other employees are out for training. There are no plans to change the staffing size in 2025 or 2026.

Q. Please discuss the Wage & Salary Study undertaken by Wellsboro and other C&T companies in 2024.

A. C&T undertook a Wage and Salary (W&S) study that was last performed 10-12 years prior. The need for a W&S study became evident during COVID as businesses moved critical employees to remote settings and needed to remain competitive to retain their employees. The W&S study started with each CEO evaluating their respective job descriptions and time for competency which were then used to compare similar positions across the various C&T companies with a goal for consistency. A third-party consultant was contracted to take our company positions and insert it into the market wage data they assembled from the market. The consultant data was reviewed by C&T personnel for reasonableness. In the end, Wellsboro found some employees that required increases which were planned to be

paid in one to two years depending on the magnitude of the increase. The first increase was performed on January 1, 2025 and the second increase will be performed on January 1, 2026. Going forward the consultant will provide updated market wage data annually that C&T will evaluate and update as appropriate. Wellsboro had some employees that were right where their wage needed to be, some required a modest increase and some were significantly below the market data for comparable positions. It is very important for Wellsboro to pay its employees appropriately for their jobs to ensure employees can be retained after investing in their training.

DERIVATION OF EXPENSES FOR FTY AND FPFTY

Q. Please explain how Wellsboro calculated the expenses for the HTY, FTY, and FPFTY that were provided to Mr. Gorman for his analysis.

A. Mr. Gorman's analysis uses calendar years in the statement of the HTY, FTY, and FPFTY expenses. This is consistent with Wellsboro's budgeting and financial reporting.

The HTY shows our actual 2024 expenses, with any appropriate ratemaking adjustments.

The FTY is based on the budget we approved for 2025, with any adjustments that we may have adopted since the Board of Directors approved the budget in late Fall 2024.

The FPFTY incorporates additional cost increases that we anticipate for 2026. These cost increases are based on our best judgment regarding wage, benefit and material costs inflation, which is approximately 3.0% each year on an overall aggregate basis.

Q. Please explain why a 3% inflation factor is appropriate for 2026.

A. As Ms. Campbell discusses, most of our expenses are labor and overhead. Ms. Sullivan's testimony discusses the historic and projected increases for non-union labor and benefits provided by C&T. Ms. Campbell discusses the projected increases for our union labor and

benefits. Combined, we view a 3% increase from 2025 to 2026 as a conservative projection.

Material and supply costs are impacted by both general economic inflation trends, tariffs and, at times, by product-specific developments. The most recent 12-month percentage change CPI published by the Bureau of Labor Statistics in March 2025, without food and energy, was just under 3%, while the total 12-month PPI in March 2025 was 3.4%. Many of our materials and supplies have components or materials that are sourced from non-domestic markets. The cost of those items will be impacted by President Trump's imposition of tariffs and other trade policies. Currently, it is uncertain how those costs will be impacted; however, we are anticipating that it will push the year over year prices higher than the normal rate of inflation (which we project at 3%). Given this uncertainty, we have not further increased the projections beyond the normal inflation measure (i.e., 3%).

PROPOSED TARIFF CHANGES

Q. What changes does Wellsboro propose to make to its Tariff as part of this filing?

A. Wellsboro proposes to make various changes to the rates in its Tariff. While I will discuss the general basis for certain proposals, Mr. Gorman's will more comprehensively review the specific rates and rate designs in his Direct Testimony.

Q. Please discuss the reasons supporting the Company's rate design proposals, including the increase in the Customer Charge for Rate Schedules RS – Residential, CS – Commercial Service, and IS – General Service.

A. As an EDC, almost all of Wellsboro's costs to provide service are fixed and do not shift with changing consumption. For example, the cost to produce a monthly bill for a customer

remains identical whether that customer uses 10 kWh of electricity per month or 5,000 kWh. Additionally, the cost to construct and maintain poles, wires, and services do not vary with usage. In our prior case, Wellsboro began adopting rate designs for each customer class that better reflect cost of service by collecting more costs through the flat monthly Customer Charge and moving away from declining rate block rates that rely so heavily on volumetric consumption. We propose to continue that progress in this proceeding. Mr. Gorman's testimony will provide greater detail regarding the specific changes the Company proposes to make in this proceeding to the rates in these customer classes.

Q. Please discuss the Company's proposed changes regarding Billing Demand, including the impact on customer-generators that are eligible for Net Metering under Rider D of Wellsboro's tariff.

A. Since our last rate case, the Pennsylvania courts invalidated the Commission's regulations that placed limitations on the size of a customer generator entitled to Net Metering under the Alternative Energy Portfolio Standards ("AEPS") Act. The Commission's regulations had required that the customer generator have independent load (e.g., usage for retail purposes) at the location where the generation is installed. In addition, the regulations placed size limitations on the capacity of the generation in relation to the independent load, in some configurations. In May 2020, the Pennsylvania Supreme Court invalidated

portions of the Commission's net metering regulations, including the "independent load" requirement.[1] /

As a result, EDCs like Wellsboro must accommodate the interconnection and net metering of customer generators with capacity of up to 3 MW that use very little electricity supplied by the EDC. In addition, we may have a customer that has generation producing power that exceeds their usage at the service location. In both scenarios, the customer generator uses the Wellsboro distribution system to deliver its output, which then offsets the energy that must be delivered to the Wellsboro service territory through the PJM (FE MAIT) transmission system. We are obligated to compensate the customer generator first by netting any electricity used by the account against the exported kWh, then by paying them "full retail value" for the remaining kWh at the end of the year that has not been netted against their usage. For customers with Billing Demands over 400 kW, the annual cash out will be a weighted average locational marginal price ("LMP").

Q. Has the Commission recently addressed the "full retail value" for the customer generators?

A. Yes. In a recent UGI Electric Division default service proceeding, the Commission clarified that the full retail value of the excess generation can be determined by an hourly generation price and that determinations for using a fixed or hourly generation price can

[1] *Hommrich v. Pennsylvania Public Utility Commission*, 231 A.3d 1027, 1036 (Pa. Cmwlth. 2020).

be made according to the size of the installed generation. In UGI's case, the threshold for applying the hourly price was 100 kW.

Q. Does the UGI decision extend to other rate placement determinations for customer generators?

A. I am advised by counsel that the logical legal extension of the UGI decision is that distribution service schedule placement and billing can reflect the customer generator's use of the distribution system, whether through its peak import from the system or its peak export to the distribution system. This ensures non-discriminatory treatment between customers that use the distribution system to power their non-residential operations and those who use the distribution system for the delivery of their energy product.

Q. What is Wellsboro proposing in this proceeding?

A. We are proposing to ensure that the customer generator's use of the distribution system and placement on our GSSR-1 or 2 appropriately reflects the use of the distribution system. Specifically, we are adding a definition of "Billing Demand" to our tariff, which states:

> **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.

We also propose to modify the "Billing KW" section in Service Schedules 4 and 5 to incorporate the "Billing Demand" definition above. The occurrences of the phrase "billing demand" in the GSSR-1 and GSSR-2 rate schedules, and in the "Generation and Transmission Charge" section of Service Schedules 4 and 5 will be changed to "Billing Demand" to incorporate the new definition. Finally, we will make minor changes in the

"Application of Schedule" sections in Service Schedules 3, 4 and 5 to clarify that the minimum or maximum demands listed will be determined based on Billing Demand (e.g., 7 kW maximum for Service Schedule No. 3; 7 kW minimum for Service Schedule No. 4; and 50 kW minimum for Service Schedule No. 5).

Q. Are Wellsboro's actions to design and maintain the distribution system different for a Service Schedule 5 customer that is using the distribution system to import 400 kW of electricity in comparison to a customer generator that is using the distribution system to export 400 kW of electricity to the system?

A. No. The design of the system and maintenance activities are very similar. We cannot plan segments of our system based on the theory that other local customers will have sufficient needs when the customer generator is exporting power to take that electricity. We have to engage in the same planning, maintenance, billing, customer service and other activities for both types of customers. It is fair for the customer generator to pay for their use of the distribution system. We have a System Study process that is required to be performed for any new interconnects that could adversely impact electric service for the other customers. The System Study is performed using the Peak (kW(AC)) value that is provided in the interconnection application. Using the Gross Generator Rating kW(AC) value in determining Billing Demand would be consistent with the evaluation performed during the System Study to maintain a stable system.

Q. Why is Wellsboro proposing to use the same definition of Billing Demand to determine the eligibility for the GSSR-1 or GSSR-2?

A. First, using the same definition will reduce customer confusion. Second, it ensures that the larger customer generators are categorized with similar customers (e.g., commercial

establishments). Without this change, their cash-out could be reflected in the GSSR-1 class, which is residential and small commercial customers. This would shift costs from their commercial activities and use of our system onto the residential class.

Q. Do you have any other changes to Wellsboro's tariff?

A. Yes. We have several sections that are no longer necessary and can be deleted.

First, because we have completed the conversion of the lighting on our system to LEDs, the old light fixture rates and the "conversion" language is no longer necessary and can be removed from Service Schedules 6 and 7.

Second, Rider B—Qualified Advanced Meters and Meter-related Devices can be removed. Our metering technology has greatly expanded and we accommodate this functionality with our utility meters.

Q. Does this conclude your Direct Testimony?

A. Yes.

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025-_____**
	:	
Wellsboro Electric Company	**:**	

EXHIBITS

OF

BYRON FARNSWORTH, JR.

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

WELLSBORO ELECTRIC COMPANY

QUARTERLY RELIABILITY REPORT
57.195 REPORTING REQUIREMENTS
Docket Number M-2023-3039027

Fourth Quarter 2024

October-December 2024

SUBMITTED BY

Byron Farnsworth Jr.
President/CEO
570-724-6701

barneyf@ctenterprises.org

Tyler Mead
Director of Engineering & Operations
570-724-6725

tylerm@ctenterprises.org

57.195 Reporting Requirements Section (e) Item (5)

A rolling 12-month breakdown and analysis of outage causes during the receding quarter including the number and percentage of service outages, the number of customers interrupted, and customer interruption minutes catergorized by outage cause such as equipment failure, animal contact, tree related, and so forth. Proposed solutions to indentified service problems shall be reported.

Outage Cause	# Customers Affected	# of Outages	Customer Minutes	Percentage of Outages
Animal	494	49	30245	20.4%
Elec Overload	0	0	0	0.0%
Equipt Failure	229	24	24274	10.0%
Lightning	11	3	560	1.3%
Tree, Off, R.O.W.	4814	142	545416	59.2%
Tree, On R.O.W.	79	7	10787	2.9%
Unknown	805	15	45660	6.3%
Wind	0	0	0	0.0%
Total	**6432**	**240**	**656942**	**100%**

57.195 Reporting Requirements Section (e) Item (1)

A description of each major event that occurred during the preceding quarter including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted in order to avoid or minimize the impact of similar events in the future.

Date	Time of		Time	# Cust	Cause
October-December 2024	Event		Restored	Affected	
10/13/2024	12:54:00 PM	10/13/2024	14:59:00 PM	1078	Off ROW tree
10/14/2024	10:30:00 AM	10/14/2024	11:55:00 AM	735	Off ROW tree
11/28/2024	6:05:00 AM	11/28/2024	8:24:00 AM	1078	Wind

Cause	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-24	Feb-24	Mar-24	
NUMBER OF OUTAGES													
Animal	2	4	10	8	3	7	1	10	2	0	2	0	49
Elec Overload	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipt Failure	5	2	2	2	2	1	4	1	0	5	0	0	24
Lightning	1	0	0	0	0	2	0	0	0	0	0	0	3
Tree, Off, R.O.W	5	16	19	13	13	5	5	27	16	13	1	9	142
Tree, On R.O.W.	0	0	2	2	2	0	0	0	1	0	0	0	7
Unknown	0	1	3	5	1	1	0	0	2	1	0	1	15
Wind	0	0	0	0	0	0	0	0	0	0	0	0	0
	13	23	36	30	21	16	10	38	21	19	3	10	240

Cause	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-24	Feb-24	Mar-24	
CUSTOMERS AFFECTED													
Animal	3	32	45	168	5	179	1	31	28	0	2	0	494
Elec Overload	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipt Failure	28	2	24	39	14	1	32	65	0	24	0	0	229
Lightning	1	0	0	0	0	10	0	0	0	0	0	0	11
Tree, Off, R.O.W.	623	951	798	756	359	31	53	334	414	241	1	253	4814
Tree, On R.O.W.	0	0	12	19	43	0	0	0	5	0	0	0	79
Unknown	0	1	89	633	1	13	0	0	5	1	0	62	805
Wind	0	0	0	0	0	0	0	0	0	0	0	0	0
	655	986	968	1615	422	234	86	430	452	266	3	315	6432

Cause	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-24	Feb-24	Mar-24	
Customer Minutes													
Animal	211	2232	2909	10481	244	12046	56	727	1258	0	81	0	30245
Elec Overload	0	0	0	0	0	0	0	0	0	0	0	0	0
Equipt Failure	2059	174	2330	2350	1261	53	2390	11929	0	1729	0	0	24274
Lightning	21	0	0	0	0	539	0	0	0	0	0	0	560
Tree, Off, R.O.W.	57008	66174	107618	116516	27470	2994	2885	46871	61947	29252	280	26401	545416
Tree, On R.O.W.	0	0	1035	1637	6500	0	0	0	1614	0	0	0	10787
Unknown	0	28	6208	32989	55	1220	0	0	418	83	0	4657	45660
Wind	0	0	0	0	0	0	0	0	0	0	0	0	0
	59299	68608	120100	163974	35530	16852	5332	59527	65237	31064	361	31058	656942

Rolling 12-Month reliability index values (SAIFI,CAIDI,SAIDI) for the EDC'S service territory for the receding quarter. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customers interruptions, the number of customers affected, and the customer minutes of interruption.

WELLSBORO ELECTRIC COMPANY

ROLLING TWELVE MONTH INTERRUPTION INDEXS

4th Quarter 2024

SAIDI	SAIFI	CAIDI
102	0.99	102

ROLLING TWELVE MONTH STANDARD AS ESTABLISHED BY THE PUC

SAIDI	SAIFI	CAIDI
278	1.66	167

ROLLING THREE YEAR AVERAGE INTERRUPTION INDEXS

SAIDI	SAIFI	CAIDI
133	1.15	115

ROLLING THREE YEAR AVERAGE STANDARD AS ESTABLISHED BY THE PUC

SAIDI	SAIFI	CAIDI
185	1.12	136

AVERAGE NUMBER OF CUSTOMERS SERVED

6472

Wellsboro Electric Company **Reliability Index** **SAIDI**

Month	Total Customer Minutes	# Customers Served
Jan-24	31064.4	6464
Feb-24	361.2	6463
Mar-24	31057.8	6464
Apr-24	59298.6	6466
May-24	68608.2	6469
Jun-24	120100.2	6471
July-24	163974.6	6474
Aug-24	35530.2	6476
Sept-24	16851.6	6477
Oct-24	5331.6	6478
Nov-24	59526.6	6479
Dec-24	65237.4	6479
Totals	**656942.4**	**77660**

Average # Customers Served	**6472**
ROLLING TWELVE MONTH AVERAGE SAIDI INDEX	**101.51**

Wellsboro Electric Company **Reliability Index** **SAIFI**

Month	# Customers Interrupted	# Customers Served
Jan-24	266	6464
Feb-24	3	6463
Mar-24	315	6464
Apr-24	655	6466
May-24	986	6469
Jun-24	968	6471
July-24	1615	6474
Aug-24	422	6476
Sept-24	234	6477
Oct-24	86	6478
Nov-24	430	6479
Dec-24	452	6479
Totals	**6432**	**77660**

Average # Customers Served **6472**

Rolling Twelve Month Average SAIFI Index **0.99**

57.195 Reporting Requirements | Section(e) Item (2)

Wellsboro Electric Company | **Reliability Index** | **CAIDI**

Month	Total Customer Minutes	# Customers Interrupted
Jan-24	31064.4	266
Feb-24	361.2	3
Mar-24	31057.8	315
Apr-24	59298.6	655
May-24	68608.2	986
Jun-24	120100.2	968
July-24	163974.6	1615
Aug-24	35530.2	422
Sept-24	16851.6	234
Oct-24	5331.6	86
Nov-24	59526.6	430
Dec-24	65237.4	452
Totals	**656942.4**	**6432**

Rolling Twelve Month Average CAIDI Index **102.14**

ROLLING THREE YEAR WORKSHEET **4th Quarter 2024**

QTR	SAIDI	SAIFI	CAIDI
4-22	33.00	0.27	122.00
3-22	24.00	0.26	91.00
2-22	58.00	0.36	162.00
1-22	27.00	0.20	137.00
4-24	20.00	0.15	134.00
3-24	33.00	0.35	95.00
2-24	38.00	0.40	95.00
1-24	10.00	0.09	107.00
4-23	30.00	0.26	118.00
3-23	83.00	0.68	122.00
2-23	24.00	0.27	91.00
1-23	18.00	0.17	108.00
	398	3.46	1382
	132.6667	1.153333	115.1667

Summary

Trees caused (62.1%) of the outages (2.9% ON-ROW and 59.2% OFF-ROW)

Animal contacts caused (20.4%) of the outages

Equipment failures (10.0%) these outages were associated with cutouts, arrestors, and jumpers.

Unknown (6.3%)

Lightning (1.3%)

The Company filed exemptions for 3 major events in the 4th quarter of 2024.

WELLSBORO ELECTRIC COMPANY
Est 1894
P. O. Box 138 • 33 Austin Street • Wellsboro, PA 16901
(570) 724-3516 • FAX (570) 724-1798

April 15, 2025

E-FILED

Mr Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
2nd Floor, Room-N201
400 North Street
Harrisburg, PA 17120

Re: **Wellsboro Electric Company 2024 Annual Electric Reliability Report Docket No. M-2023-3039027**

Dear Secretary Homsher:

Please find enclosed for filing Wellsboro Electric Company's 2024 Annual Electric Reliability.

If you have any questions regarding the information contained in this filing, please contact me at (570)724-6701 or barneyf@ctenterprises.org.

Sincerely,

Byron Farnsworth Jr.
President/CEO

Enclosure
c (w/ enc.):
Bureau of Technical Utility Services (jvanzant@pa.gov, dsearfoorc@pa.gov,)
Office of Consumer Advocate (kyetter@paoca.org)
Office of Small Business Advocate (tereswagne@pa.gov)

2024 Annual Electric Reliability Report

to the

Pennsylvania Public Utility Commission

Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901

April 15, 2025

WELLSBORO ELECTRIC COMPANY
ANNUAL ELECTRIC RELIABILITY REPORT

Filed April 15, 2025

52 Pa Code §57.195 Reporting Requirements

(a)(2) The name, title, telephone number and e-mail address of the persons who have knowledge of the matters, and can respond to inquiries.

Byron Farnsworth Jr. – President/CEO
(570)724-6701, barneyf@ctenterprises.org

Tyler Mead – Director of Engineering & Operations
(570)724-6725, tylerm@ctenterprises.org

(b)(1) An overall current assessment of the state of the system reliability in the electric distribution company's service territory including a discussion of the electric distribution company's current programs and procedures for providing reliable electric service.

Wellsboro Electric Company has maintained excellent reliability indices during 2024 keeping all of our indices below the PUC established standard. The Company experienced 10 major events throughout 2024 including rain, wind, and heavy snow events that impacted reliability. By maintaining a small number of major events, the Company recognizes this will increase some of our indices because the outages will be much smaller and be pushed out to the extremities of our system, which will not allow them to qualify as a major event. The Company will continue trimming 70-75 miles per year, which amounts to a circuit or a portion of a circuit each year and keeps us around a 5-year cycle. The Company identified hot spot trimming on the downtown three phase portion of the system. Danger trees were identified In and Out of ROW during the year and urgent removals were dealt with immediately and other Danger trees are prioritized and removed as funding is available.

In 2024, the Company reconductored 7 miles of line, and installed other group operated switches to create tie points in the system. In 2025, the Company plans to reconductor another 3 miles of line and work to build another tie point. This will provide reliability to the circuits allowing an alternate feed.

The Company continues to participate in and gather information from various industry best practice groups. These groups include members from diverse utility groups such as the Pennsylvania Rural Electric Association, the Energy Association of Pennsylvania, and the National Rural Electric Cooperative Association. The Company will continue to implement best practices defined by these groups as appropriate.

The Company does not own or maintain any transmission facilities.

Current Maintenance Programs

Program	Description	Cycle
Infrared Inspection	All substation equipment monthly, and overhead lines as needed.	Monthly
Vegetation Management	Each year, primary lines are visually inspected on 4 circuits. This comprehensive field inspection allows us to identify areas that require trimming. We are striving to maintain a 5–6 year trimming cycle and the Boro is inspected annually to help identify unexpected "hot spots." Based on a bid the winning bidder. Trimmed 70 miles by the end of 2024.	2 Years – Visual 5-6 Years – Trimming
Visual Line Inspection	4 distribution circuits lines and pole hardware are visually inspected each year during preparation of tree trimming contract. Line sections receiving infrared inspection are also inspected visually during that process. Drones are used on a limited basis in tough to access ROWs to inspect structures, equipment and tree conditions. AppSuite is being used to capture specific information which is then transferred into our IVUE system to run reports.	2 Years
Overhead Transformer Inspection	Overhead equipment on 4 circuits are visually inspected each year to identify and correct any developing problems or safety concerns.	2 Years
Padmount Transformer Inspection	Padmounted equipment on 2 circuits are visually inspected each year to identify and correct any developing problems or safety concerns.	4 Years
Line Equipment Inspection	Air switches, circuit tie switches, capacitors, regulators, and reclosers are visually inspected during the Line Inspections each year. Where applicable, proper operation of control equipment is verified, and counter readings are recorded.	Annual
Pole Inspection	Poles are inspected at the ground line with a sonic and bore style test.	10 Years
Reject Pole Replacements	Replace condemned poles identified during pole inspection.	As needed, annually
Substation Equipment Inspection	Entire station is visually inspected. Equipment batteries are tested, communications equipment operation is verified, fans are tested, various gauge and counter readings are recorded. An infrared inspection is performed on all equipment monthly.	Monthly
Regulator/OCR Maintenance	Tripsaver reclosers will be inspected during the Line Inspections each year. Regulators are visually inspected monthly	Monthly - Regulators Annually – OCR's

(b)(2) A description of each major event that occurred during the year being reported on, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted in order to avoid or minimize the impact of similar events in the future.

Date	Time	Duration of Event (Minutes)	#of Customers Affected	Cause
1/9/2024	12:46 PM	2,129,900	5382	High wind
2/28/2024	14:51 PM	185,742	2193	High wind
5/2/2024	01:19 AM	173,370	1735	Animal Contact
6/12/2024	10:34 AM	40,984	1738	Equipment Failure
6/17/2024	18:38 PM	199,183	1388	Animal Contact
6/20/2024	12:19 PM	42,000	1738	Unknown
7/15/2024	17:15 PM	1,223,750	1837	High Wind
10/13/2024	12:54 PM	98,653	1078	High Wind/Off ROW Tree
10/14/2024	10:30 AM	62,340	735	High Wind/Off ROW Tree
11/28/2024	06:05 AM	150,057	1078	

(b)(3) A table showing the actual values of each of the reliability indices (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the electric distribution company's service territory for each of the preceding 3 calendar years. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer minutes interruptions, the number of customers affected, and the minutes of interruption. If MAIFI values are provided, the number of customer momentary interruptions shall also be reported.

RELIABILITY BENCHMARKS AND STANDARDS
Wellsboro Electric Company**

	SAIDI	SAIFI	CAIDI	MAIFI
2024	102	.99	102	*
2023	155	1.37	114	*
2022	142	1.09	130	*
3 Year Average	133	1.15	116	*

* Sufficient information to calculate MAIFI is unavailable.
** System Performance Measures with Major Events and Planned Outages Excluded

Formulas Used in Calculating the Indices

$$\text{SAIFI} = \frac{\text{Number of Customers experiencing an Interruption}}{\text{Average Customers served}}$$

$$\text{SAIDI} = \frac{\text{(Total Cust.-minutes interrupted) - (Cust.-minutes for a major event)}}{\text{Average Customers served}}$$

CAIDI = SAIDI/SAIFI

(b)(4) A breakdown and analysis of outage causes during the year being reported on, including the number and percentage of service outages and customer interruption minutes categorized by outage cause such as equipment failure, animal contact, tree related, and so forth. Proposed solutions to identified service problems shall be reported.

January 1, 2024 through December 31, 2024

Outage Cause	Number of Interruptions	% of Interruptions	Number of Customers Affected	Customer Interruption Minutes
Animal	49	20.4%	494	30,245
Equipt Failure	24	10.0%	229	24,274
Tree, On, R.O.W.	7	2.9%	79	10,787
Tree, Off R.O.W.	142	59.2%	4814	545,416
Unknown	15	6.3%	805	45,660
Lightning	3	1.3%	11	560
Total	**240**	**100.0%**	**6432**	**656,942**

January 1, 2023 through December 31, 2023

Outage Cause	Number of Interruptions	% of Interruptions	Number of Customers Affected	Customer Interruption Minutes
Animal	31	14.8%	502	27,196
Equipt Failure	23	11.0%	640	49,926
Tree, On, R.O.W.	3	1.4%	31	2,334
Tree, Off R.O.W.	126	60.3%	6611	834,774
Unknown	25	12.0%	1036	88,180
Lightning	1	0.5%	2	608
Total	**209**	**100.0%**	**8822**	**1,003,019**

January 1, 2022 through December 31, 2022

Outage Cause	Number of Interruptions	% of Interruptions	Number of Customers Affected	Customer Interruption Minutes
Animal	57	24.9%	1277	180,514
Equipt Failure	35	15.3%	1351	255,308
Tree, On, R.O.W.	5	2.2%	64	10,310
Tree, Off R.O.W.	89	38.9%	3315	386,547
Unknown	35	15.3%	974	79,415
Lightning	8	3.5%	43	3,281
Total	**229**	**100.0%**	**7024**	**915,376**

Wellsboro Electric Co. Customer Service
Utility Code 111200
2022 Survey Results

Please choose one of the following ratings for each question that appears below:

1 Very Satisfied
2 Somewhat Satisfied
3 Neither Satisfied nor Dissatisfied
4 Somewhat Dissatisfied
5 Very Dissatisfied
6 Don't Know
7 Did not Call or Visit Office

1. How satisfied were you with the ease of contacting Wellsboro Electric Company?

1	2	3	4	5	6	7
44	5	4	0	1	0	21

2. How courteous was the customer service representative with whom you spoke?

1	2	3	4	5	6
51	2	0	1	0	0

3. How knowledgeable was the customer service representative with whom you spoke?

1	2	3	4	5	6
50	3	1	0	0	0

4. How satisfied were you with the way in which the customer service representative handled your question?

1	2	3	4	5	6
49	3	0	2	0	0

5. As a result of your contact with Wellsboro Electric Company, did anyone from our company make a visit to your home or property? Yes - 9

6. Were the visit and/or required work completed in a timely manner?

1	2	3	4	5	6
8	0	0	0	0	1

7. How courteous was the field representative who visited your home or property?

1	2	3	4	5	6
6	0	0	0	0	3

8. How knowledgeable was the field representative who visited your home or property?

1	2	3	4	5	6
5	0	2	0	0	2

9. How satisfied were you with how the field representative handled the visit to your home or property?

1	2	3	4	5	6
4	2	0	0	0	3

10. Considering all aspects of this recent contact with Wellsboro Electric Company, how satisfied were you with the quality of service provided by Wellsboro Electric Company.

1	2	3	4	5	6
47	6	0	0	1	0

11. If you indicated that you were somewhat dissatisfied or very dissatisfied with your interaction with Wellsboro Electric Company, would you like someone from our office to contact you about this?

Yes – 4

Wellsboro Electric Co. Customer Service
Utility Code 111200
2023 Survey Results

Please choose one of the following ratings for each question that appears below:

1 Very Satisfied
2 Somewhat Satisfied
3 Neither Satisfied nor Dissatisfied
4 Somewhat Dissatisfied
5 Very Dissatisfied
6 Don't Know
7 Did not Call or Visit Office

1. How satisfied were you with the ease of contacting Wellsboro Electric Company?

1	2	3	4	5	6	7
91	10	1	1	0	0	53

2. How courteous was the customer service representative with whom you spoke?

1	2	3	4	5	6
95	6	0	1	0	0

3. How knowledgeable was the customer service representative with whom you spoke?

1	2	3	4	5	6
93	8	0	1	0	0

4. How satisfied were you with the way in which the customer service representative handled your question?

1	2	3	4	5	6
92	6	0	1	0	0

5. As a result of your contact with Wellsboro Electric Company, did anyone from our company make a visit to your home or property? Yes - 18

6. Were the visit and/or required work completed in a timely manner?

1	2	3	4	5	6
18	0	0	0	0	0

7. How courteous was the field representative who visited your home or property?

1	2	3	4	5	6
17	0	0	0	0	1

8. How knowledgeable was the field representative who visited your home or property?

1	2	3	4	5	6
18	0	2	0	0	0

9. How satisfied were you with how the field representative handled the visit to your home or property?

1	2	3	4	5	6
17	0	0	0	0	1

10. Considering all aspects of this recent contact with Wellsboro Electric Company, how satisfied were you with the quality of service provided by Wellsboro Electric Company.

1	2	3	4	5	6
95	4	2	1	0	0

11. If you indicated that you were somewhat dissatisfied or very dissatisfied with your interaction with Wellsboro Electric Company, would you like someone from our office to contact you about this?

Yes – None

Wellsboro Electric Co. Customer Service
Utility Code 111200
2024 Survey Results

Please choose one of the following ratings for each question that appears below:

1. Very Satisfied
2. Somewhat Satisfied
3. Neither Satisfied nor Dissatisfied
4. Somewhat Dissatisfied
5. Very Dissatisfied
6. Don't Know
7. Did not Call or Visit Office

1. How satisfied were you with the ease of contacting Wellsboro Electric Company?

1	2	3	4	5	6	7
73	8	1	0	1	0	49

2. How courteous was the customer service representative with whom you spoke?

1	2	3	4	5	6
79	5	0	0	2	0

3. How knowledgeable was the customer service representative with whom you spoke?

1	2	3	4	5	6
75	6	3	0	2	0

4. How satisfied were you with the way in which the customer service representative handled your question?

1	2	3	4	5	6
74	5	3	1	2	0

5. As a result of your contact with Wellsboro Electric Company, did anyone from our company make a visit to your home or property? Yes - 16

6. Were the visit and/or required work completed in a timely manner?

1	2	3	4	5	6
16	0	0	0	0	0

7. How courteous was the field representative who visited your home or property?

1	2	3	4	5	6
15	1	0	0	0	0

8. How knowledgeable was the field representative who visited your home or property?

1	2	3	4	5	6
16	0	0	0	0	0

9. How satisfied were you with how the field representative handled the visit to your home or property?

1	2	3	4	5	6
16	0	0	0	0	0

10. Considering all aspects of this recent contact with Wellsboro Electric Company, how satisfied were you with the quality of service provided by Wellsboro Electric Company.

1	2	3	4	5	6
69	7	0	2	1	0

11. If you indicated that you were somewhat dissatisfied or very dissatisfied with your interaction with Wellsboro Electric Company, would you like someone from our office to contact you about this?

Yes – 2

Wellsboro Electric Company
PUC Quality of Service
Exhibit BF-4

2022	January	96.2%
2022	February	89.4%
2022	March	85.7%
2022	April	89.8%
2022	May	95.6%
2022	June	98.0%
2022	July	98.2%
2022	August	98.2%
2022	September	98.8%
2022	October	98.8%
2022	November	99.5%
2022	December	93.0%
12-mth Average		**95.08%**

2023	January	98.4%
2023	February	97.8%
2023	March	99.0%
2023	April	99.5%
2023	May	98.7%
2023	June	98.7%
2023	July	98.3%
2023	August	97.1%
2023	September	97.7%
2023	October	98.1%
2023	November	97.7%
2023	December	96.8%
12-mth Average		**98.15%**

2024	January	95.6%
2024	February	97.1%
2024	March	97.2%
2024	April	97.1%
2024	May	97.6%
2024	June	97.7%
2024	July	95.6%
2024	August	95.4%
2024	September	100.0%
2024	October	97.4%
2024	November	94.4%
2024	December	97.4%
12-mth Average		**96.87%**

Wellsboro Electric Company **Exhibit_(BF-5) Capital Budgets**

2024 Capital Budget - Engineering & Operations

GL Code	Description	2024 Budget	Actual Cost 1/31/2024	Actual Cost 2/28/2024	Actual Cost 3/31/2024	Actual Cost 4/30/2024	Actual Cost 5/31/2024	Actual Cost 6/30/2024	Actual Cost 7/31/2024	Actual Cost 8/31/2024	Actual Cost 9/30/2024	Actual Cost 10/31/2024	Actual Cost 11/30/2024	Actual Cost 12/31/2024	Actual Cost YTD
100	New Services	**30,000**	-	-	-	-	3,687.62	15,813.82	35,291.01	11,095.55	13,598.48	37,078.48	-	-	116,564.96
101	New Underground Service	**40,000**	5,371.30	-	-	11,736.71	-	-	-	10,960.38	11,274.50	4,120.36	6,246.90	3,708.79	53,418.94
102	New Overhead Service	**16,000**	705.29	1,061.08	1,144.92	2,188.31	79,633.10	-	3,356.24	765.44	858.21	867.53	5,054.98	-	95,635.10
103	New Service Upgrade w/Rtd	**45,000**	-	-	-	963.75	-	-	3,770.82	3,155.07	-	7,479.16	-	-	15,368.80
104	New OH Service w/Retirements	**10,000**	-	-	-	-	-	-	-	-	-	-	-	837,416.08	837,416.08
105	New OH and UG Service w/Retirements	**-**	-	-	-	-	841,048.21	-	-	-	-	-	-	-	841,048.21
113	Capital Improvement Projects	**785,000**	-	-	-	-	21,153.13	13,240.83	3,226.86	-	-	23,537.19	43,260.79	886,525.12	990,943.92
300	Misc System Improvements	**15,000**	58,865.39	5,635.58	10,734.03	14,236.77	18,347.08	24,927.76	13,106.94	10,694.19	5,361.43	3,271.28	13,820.02	14,574.26	193,574.73
301	Pole for Additional Height	**10,000**	-	-	-	-	-	-	-	-	-	10,094.65	-	-	10,094.65
302	Customer request line change	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
303	Ordinary Replacement	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
305	Storm Damage	**20,000**	-	8,480.02	-	-	-	-	82,338.93	-	-	29,184.00	-	-	120,002.95
400	Motor Vehicle Accidents	**-**	-	-	-	-	-	1,104.69	-	-	3,999.86	287.72	-	-	5,392.27
600	Special Equipment	**31,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
601	Transformer-replacement/Upgrade	**8,500**	-	-	-	-	-	-	-	-	-	-	-	-	-
602	Transformer's-Cost	**150,000**	-	-	-	4,060.00	77,835.00	38,935.00	-	-	-	-	-	-	120,830.00
603	Cutouts/Sectionilizing	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
604	Regulator's	**140,000**	-	-	-	91,078.80	45,389.40	-	-	-	-	-	-	-	136,468.20
605	Capacitor's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
606	Anchor's & Guy Replacement	**2,000**	44,693.09	-	-	-	-	-	-	-	-	-	-	-	44,693.09
607	Pole Replacement's	**500,000**	-	114,980.18	73,798.76	102,731.21	4,301.96	61,042.69	62,964.95	58,152.36	58,498.31	9,452.22	2,367.35	11,766.64	560,056.63
608	Reliability Improvement's	**50,000**	5,287.17	-	-	296.22	-	-	-	3,285.73	-	-	-	6,977.65	15,846.77
609	Install Ground's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
610	Oil Circuit Reclosurer's-OCR's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
700	Street Light's	**2,500**	-	506.20	-	-	-	-	-	-	641.58	-	-	68.15	1,215.93
701	Customer Outdoor Light's	**2,500**	743.21	1,142.15	421.80	-	444.42	53.66	-	3,349.22	-	414.16	-	-	6,568.62
702	Make Ready Work	**-**	-	-	-	-	-	-	-	-	-	8,660.63	-	-	8,660.63
703	Solar Make Ready Work	**-**	-	563.76	-	-	-	-	-	-	-	-	-	-	563.76
000	Retirement	**5,000**	-	-	-	-	-	-	138.87	-	-	-	-	34,598.22	34,737.09
	Construction Total	**1,862,500**	115,665.45	132,368.97	86,099.51	227,291.77	1,091,839.92	155,118.45	204,194.62	101,457.94	94,232.37	134,447.38	70,750.04	1,795,634.91	4,209,101.33
	Misc														
#362.00	Substation	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
#370.00	Meters	**20,000**	-	-	-	-	-	-	-	-	1,300.00	17,040.00	-	1,720.00	20,060.00
#390.00	Office - Structure & Improvements	**-**	-	-	-	-	-	-	-	-	-	-	-	3,721,728.13	3,721,728.13
#391.00	Office - Furniture & Equipment/IT	**124,680**	10,441.00	-	-	1,883.62	-	-	-	-	17,161.40	275.60	1,504.14	262,035.56	293,301.32
#394.00	Tools & Shop Equipment	**10,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
#395.00	Equipment - outside	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
#396.00	Equipment - Power Operated	**-**	-	-	-	-	-	-	-	-	-	-	-	72,184.49	72,184.49
#397.00	Communication Equipment	**-**	-	-	-	1,302.48	-	-	2,647.50	-	-	-	-	3,624.80	7,574.78
	Misc Total	**154,680**	10,441.00	-	-	3,186.10	-	-	2,647.50	-	18,461.40	17,315.60	1,504.14	4,061,292.98	4,114,848.72
	Company Total	**2,017,180**	126,106.45	132,368.97	86,099.51	230,477.87	1,091,839.92	155,118.45	206,842.12	101,457.94	112,693.77	151,762.98	72,254.18	5,856,927.89	8,323,950.05
#392.00	Transportation Equipment	**325,000**	-	-	-	-	-	-	-	66,390.00	-	-	-	-	66,390.00

Wellsboro Electric Company **Exhibit_(BF-5) Capital Budgets**

2023 Capital Budget - Engineering & Operations

GL Code	Description	2023 Budget	Actual Cost 1/31/2023	Actual Cost 2/28/2023	Actual Cost 3/31/2023	Actual Cost 4/30/2023	Actual Cost 5/31/2023	Actual Cost 6/30/2023	Actual Cost 7/31/2023	Actual Cost 8/31/2023	Actual Cost 9/30/2023	Actual Cost 10/31/2023	Actual Cost 11/30/2023	Actual Cost 12/31/2023	Actual Cost YTD
100	New Services	**30,000**	-	11,103.19	4,760.15	15,642.64	5,044.17	-	24,223.16	6,013.81	15,498.31	10,976.03	-	47,698.63	140,960.09
101	New Underground Service	**40,000**	16,603.83	-	-	2,617.78	10,354.95	5,158.65	3,029.20	5,742.31	-	13,347.55	11,077.34	-	67,931.61
102	New Overhead Service	**16,000**	-	-	-	19,025.20	-	-	-	12,681.35	-	3,081.31	1,785.12	7,178.92	43,751.90
103	New Service Upgrade w/Rtd	**45,000**	-	-	-	16,947.90	6,636.24	-	-	-	-	-	-	-	23,584.14
104	New OH Service w/Retirements	**10,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
105	New OH and UG Service w/Retirements	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
113	Capital Improvement Projects	**655,000**	-	-	-	-	4,195.47	16,338.15	3,527.58	546,586.01	282,676.48	22,302.90	57,100.69	2,553,830.96	3,486,558.24
300	Misc System Improvements	**15,000**	11,623.92	8,218.32	15,123.78	14,705.28	6,383.73	5,689.77	11,626.98	7,327.06	27,080.01	7,387.43	17,652.48	14,056.05	146,874.81
301	Pole for Additional Height	**10,000**	-	-	-	2,755.10	-	-	-	-	-	47,295.57	-	-	50,050.67
302	Customer request line change	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
303	Ordinary Replacement	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
305	Storm Damage	**20,000**	-	-	-	3,328.30	-	-	-	-	5,371.74	-	-	-	8,700.04
400	Motor Vehicle Accidents	**-**	-	-	7,152.58	-	-	2,866.12	-	-	-	2,298.86	-	3,603.33	15,920.89
600	Special Equipment	**31,000**	-	14,491.00	-	-	-	-	-	70,353.54	-	-	-	-	84,844.54
601	Transformer-replacement/Upgrade	**8,500**	-	-	-	-	-	-	-	-	-	-	-	-	-
602	Transformer's-Cost	**150,000**	-	47,260.00	70,468.00	-	-	-	11,130.00	96,772.00	11,130.00	-	-	-	236,760.00
603	Cutouts/Sectionilizing	**-**	-	-	-	-	-	23,158.08	-	-	-	-	-	-	23,158.08
604	Regulator's	**80,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
605	Capacitor's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
606	Anchor's & Guy Replacement	**2,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
607	Pole Replacement's	**600,000**	2,121.86	121,662.67	44,524.20	63,638.54	97,793.20	90,931.69	55,516.48	65,601.16	28,756.04	88,537.09	-	63,665.61	722,748.54
608	Reliability Improvement's	**50,000**	12,569.39	-	-	29,278.16	-	-	-	15,514.64	-	-	-	3,774.29	61,136.48
609	Install Ground's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
610	Oil Circuit Reclosurer's-OCR's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
700	Street Light's	**57,000**	-	-	-	-	-	722.38	-	-	-	-	-	-	722.38
701	Customer Outdoor Light's	**42,000**	5,518.12	1,802.36	5,910.31	1,419.14	3,067.75	30,120.84	15,394.61	16,316.76	19,661.29	16,603.30	8,951.13	-	124,765.61
702	Make Ready Work	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
703	Solar Make Ready Work	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
000	Retirement	**5,000**	-	-	-	104.05	-	-	-	-	-	-	-	-	104.05
	Construction Total	**1,866,500**	48,437.12	204,537.54	147,939.02	169,462.09	133,475.51	174,985.68	124,448.01	842,908.64	390,173.87	211,830.04	96,566.76	2,693,807.79	5,238,572.07
	Misc														
#362.00	Substation	**-**	-	-	-	-	-	-	-	-	-	2,756.00	-	-	2,756.00
#370.00	Meters	**8,000**	-	-	-	-	-	-	-	-	-	1,300.00	-	-	1,300.00
#390.00	Office - Structure & Improvements	**-**	-	-	42,825.00	-	-	-	-	-	-	-	-	-	42,825.00
#391.00	Office - Furniture & Equipment/IT	**160,200**	-	50.00	3,990.00	17,569.50	-	2,146.50	-	-	-	7,963.20	403.83	-	32,123.03
#394.00	Tools & Shop Equipment	**10,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
#395.00	Equipment - outside	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
#396.00	Equipment - Power Operated	**-**	-	17,630.25	-	-	-	-	-	-	-	-	-	-	17,630.25
#397.00	Communication Equipment	**-**	12,899.44	26,631.78	-	-	-	6,284.30	9,116.00	-	-	-	1,350.00	-	56,281.52
	Misc Total	**178,200**	12,899.44	44,312.03	46,815.00	17,569.50	-	8,430.80	9,116.00	-	-	12,019.20	1,753.83	-	152,915.80
	Company Total	**2,044,700**	61,336.56	248,849.57	194,754.02	187,031.59	133,475.51	183,416.48	133,564.01	842,908.64	390,173.87	223,849.24	98,320.59	2,693,807.79	5,391,487.87
#392.00	Transportation Equipment	**215,000**	-	-	-	-	-	-	-	-	-	24,262.12	185,574.20	-	209,836.32

Wellsboro Electric Company **Exhibit_(BF-5) Capital Budgets**

2022 Capital Budget - Engineering & Operations

GL Code	Description	2022 Budget	Actual Cost 1/31/2022	Actual Cost 2/28/2022	Actual Cost 3/31/2022	Actual Cost 4/30/2022	Actual Cost 5/31/2022	Actual Cost 6/30/2022	Actual Cost 7/31/2022	Actual Cost 8/31/2022	Actual Cost 9/30/2022	Actual Cost 10/31/2022	Actual Cost 11/30/2022	Actual Cost 12/31/2022	Actual Cost YTD
100	New Services	**30,000**	-	-	15,347.28	-	-	-	-	18,888.00	8,578.15	4,769.10	-	11,832.55	59,415.08
101	New Underground Service	**35,000**	-	4,445.53	-	-	6,882.89	11,589.37	-	3,798.21	5,792.64	60,770.48	-	15,145.58	108,424.70
102	New Overhead Service	**15,000**	-	1,144.81	-	-	2,069.29	19,663.06	857.09	8,519.78	-	158.34	-	755,046.33	787,458.70
103	New Service Upgrade w/Rtd	**40,000**	-	-	-	927.06	-	-	5,548.68	-	5,836.08	13,473.41	-	-	25,785.23
104	New OH Service w/Retirements	**10,000**	-	2,674.40	-	-	-	-	-	4,860.27	6,855.26	3,854.15	-	1,234.57	19,478.65
105	New OH and UG Service w/Retirements	**-**	-	-	3,636.08	-	-	-	-	-	6,595.35	-	-	-	10,231.43
113	Capital Improvement Projects	**560,000**	-	-	9,550.04	10,939.11	-	30,774.12	-	-	6,745.71	-	54,908.48	388,885.88	501,803.34
300	Misc System Improvements	**15,000**	10,074.43	-	13,318.99	-	13,253.05	7,704.56	40,611.76	6,152.69	-	10,154.48	14,229.73	8,684.28	124,183.97
301	Pole for Additional Height	**10,000**	-	-	-	-	2,690.23	1,002.66	-	-	-	2,148.00	-	-	5,840.89
302	Customer request line change	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
303	Ordinary Replacement	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
305	Storm Damage	**20,000**	-	-	3,239.10	-	-	-	-	2,746.04	1,694.24	-	7,065.95	-	14,745.33
400	Motor Vehicle Accidents	**-**	-	-	3,730.52	-	-	4,037.94	-	-	-	1,069.35	-	7,653.00	16,490.81
600	Special Equipment	**-**	-	-	-	-	-	-	-	-	-	-	-	10,220.64	10,220.64
601	Transformer-replacement/Upgrade	**8,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
602	Transformer's-Cost	**25,000**	19,000.00	-	-	-	14,950.00	41,785.00	10,175.00	-	-	-	9,590.00	-	95,500.00
603	Cutouts/Sectionilizing	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
604	Regulator's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
605	Capacitor's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
606	Anchor's & Guy Replacement	**2,000**	-	-	-	-	-	-	-	-	-	-	-	-	-
607	Pole Replacement's	**750,000**	39,251.98	62,362.23	89,558.38	46,453.23	37,318.79	77,285.27	5,262.05	91,586.79	84,737.11	63,844.47	61,296.95	4,900.73	663,857.98
608	Reliability Improvement's	**69,600**	21,965.83	583.61	-	-	2,607.20	1,409.23	-	-	-	-	1,241.30	-	27,807.17
609	Install Ground's	**-**	-	-	-	-	-	-	-	-	-	-	-	-	-
610	Oil Circuit Reclosurer's-OCR's	**-**	-	12,363.90	-	-	-	-	-	-	-	-	32,552.20	-	44,916.10
700	Street Light's	**55,000**	1,338.69	519.29	435.17	898.74	-	-	-	-	868.12	225.35	648.16	-	4,933.52
701	Customer Outdoor Light's	**40,000**	8,458.63	21,339.82	13,740.83	8,520.47	12,831.46	8,036.88	7,684.37	24,580.39	17,050.53	3,240.75	15,725.07	9,826.50	151,035.70
702	Make Ready Work	**-**	-	-	-	7,190.05	-	-	-	-	-	-	-		7,190.05
703	Solar Make Ready Work	**-**	-	-	-	-	-	-	-	-	-	-	-		-
000	Retirement	**5,000**	-	-	-	-	240.32	-	-	-	-	-	-	5,195.14	5,435.46
	Construction Total	**1,689,600**	100,089.56	105,433.59	152,556.39	74,928.66	92,843.23	203,288.09	70,138.95	161,132.17	144,753.19	163,707.88	197,257.84	1,218,625.20	2,684,754.75
	Misc														
#362.00	Substation	**3,000**	-	-	-	-	-	-	-	-	-	66.74	-	-	66.74
#370.00	Meters	**20,000**	-	-	-	-	-	-	9,150.00	-	-	-	-	-	9,150.00
#390.00	Office - Structure & Improvements	**-**	-		-	-	-	-	1,022.90	-	1,953.04	28,400.00	1,107.70	45,785.10	78,268.74
#391.00	Office - Furniture & Equipment/IT	**45,375**	-	2,183.60	3,188.48	-	-	196.10	392.20	2,447.54	10,589.88	295.74	5,405.04	1,378.99	26,077.57
#394.00	Tools & Shop Equipment	**10,000**	1,338.78	-		23,544.39	-	-	-	-	-	-	-	881.36	25,764.53
#395.00	Equipment - outside	**-**	-	-		-	-	-	-	-	-	-	-	-	-
#396.00	Equipment - Power Operated	**-**	-	-		-	-	-	-	-	-	-	-	-	-
#397.00	Communication Equipment	**-**	-	-		-	3,205.00	-	-	6,214.78	-	-	-	2,059.58	11,479.36
	Misc Total	**78,375**	1,338.78	2,183.60	3,188.48	23,544.39	3,205.00	196.10	10,565.10	8,662.32	12,542.92	28,762.48	6,512.74	50,105.03	150,806.94
	Company Total	**1,767,975**	101,428.34	107,617.19	155,744.87	98,473.05	96,048.23	203,484.19	80,704.05	169,794.49	157,296.11	192,470.36	203,770.58	1,268,730.23	2,835,561.69
#392.00	Transportation Equipment	**191,000**	-	-	-	-	-	-	131,928.10	-	-	-	-	-	131,928.10

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 22

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: Wellsboro Electric Co.

Street: 33 Austin St

City: Wellsboro State: PA Zip: 16901

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: 18

Total hours worked by all employees last year: 36518

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 _____ Title _____

Phone ____ - ____ - ____ Date ____ / ____ / ____

Save Input

OSHA's Form 300A (Rev. 01/2004)

Summary of Work-Related Injuries and Illnesses

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Year 20 23

U.S. Department of Labor
Occupational Safety and Health Administration

Form approved OMB no. 1218-0176

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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."

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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

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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: 17

Total hours worked by all employees last year: 36780

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: Peter E Yost Jr. Title: VP Secty & Comptl

Phone: 570-522-6179 Date: 01/11/2024

Save Input

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.
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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.

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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

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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: 17

Total hours worked by all employees last year: 36721

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 - 724 - 5814 Date: 1 / 20 / 25

Save Input

J

Wellsboro Statement No. 5

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025**
	:	
Wellsboro Electric Company	**:**	

DIRECT TESTIMONY

AND EXHIBITS

OF

JILL CAMPBELL

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025**
`	**:**	
Wellsboro Electric Company	**:**	

DIRECT TESTIMONY OF JILL CAMPBELL
ON BEHALF OF WELLSBORO ELECTRIC COMPANY

Q. Please state your name and business address.

A. My name is Jill Campbell, and my business address is 33 Austin Street, Wellsboro, Pennsylvania.

Q. By whom are you employed and in what capacity do you serve at Wellsboro Electric Company?

A. I am employed by C&T Enterprises, Inc. ("C&T"), and assigned to Wellsboro as the Vice President of Finance and Administration.

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. I also am involved in the negotiation and administration of Wellsboro's collective bargaining agreement ("CBA") with its union workers.

Q. Please describe your employment and educational background.

A. I have a bachelor's degree from Pennsylvania State University as well as a Masters in Business Administration with Accounting concentration from Keller Graduate School of Management. I have been with C&T Enterprises assigned to Wellsboro Electric since June of 2014. I have served in various capacities in the company prior to being promoted to my current position as Vice President of Finance and Administration in May of 2019.

Q. What were your responsibilities with respect to this filing?

A. As the Vice President of Finance and Administration, I was responsible for coordinating with our auditors and representatives of HSG Group, Inc. ("HSG Group") to ensure that historic and test year expenses, taxes, revenues, and rate base are appropriately reflected.

Q. Are Wellsboro and its records regularly audited by a licensed accounting firm?

A. Yes. The accounting firm of FORVIS MAZARS, LLC ("FORVIS") audits the Company's financial records. Prior to FORVIS, BKD and Beard Miller Company, LLP performed the audits. They prepare an annual report of the Company operations and assist Company personnel on 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 __ (JC-1). A copy of our most recent Pennsylvania state tax return is included as Wellsboro Confidential Exhibit 3.

Q. Do you have any comments regarding the future test year expenses?

A. Yes. Attached as Exhibit __ (JC-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"). Also enclosed are actual expenses in the FTY through March 31, 2025. Although there is some variation within particular categories and expenses, on the whole

our actual year 2025 expenses are tracking closely to the projected FTY expenses used by HSG Group in the filing. 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 __ (JC-4) is a table showing the utility plant for the HY, FTY and FPFTY, as well as actual plant as of March 31, 2025.

Q. Is Wellsboro 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 based 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 __ (JC-2).

Q. How does Wellsboro develop its annual budget?

A. As part of the budget process, Leadership reviews the goals and priorities of the company. Revenue is then forecasted based on an estimate of expected sales, customer growth, and approved rates. Each department then submits anticipated expenses which are then compiled to form the revenue and expenses budget. Capital expenditures are identified and budgeted separately. The consolidated budget is then reviewed internally by the management team and adjustments made when necessary to align with the strategic goals of the company. A final draft is then presented to the Board of Directors for approval to then be used as a guide throughout the fiscal year.

A copy of Wellsboro's 2025 budget and 5-year financial plan is included as Wellsboro Confidential Exhibit 2.

Q. Please discuss Wellsboro's major expense categories.

A. Wellsboro's 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. Wellsboro also reports by account, corresponding to the FERC chart of accounts. Each Operating and Maintenance account 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. Farnsworth and the annual compensation adjustment discussed by Ms. Sullivan. Ms. Sullivan's testimony discusses the C&T Shared Services and insurance benefits.

Q. How were Labor and Overhead costs projected for Wellsboro's union employees?

A. We have 8 Union employees who are covered by a collective bargaining agreement ("CBA"). The current CBA is included in the filing as Wellsboro Confidential Exhibit . The CBA expires at the end of 2026.

To develop the FTY and FPFTY, the union employees' salaries were adjusted from 2024 to 2025, and then from 2025 to 2026 based on the CBA.

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__(JC-5) is an analysis that supports that impact. It also calculates the impact on the associated Overheads, using the benefits projections explained by Ms. Sullivan. We have assumed the same rate of change for the union benefits that we projected for the C&T employees. The impact of these changes are distributed among the various FERC accounts that Mr. Gorman reflects in his analysis according to where the employees' time is booked (based on activities performed).

Ms. Sullivan's testimony discusses the 2025 and projected 2026 C&T base compensation adjustments and our projections for personnel insurance benefits cost changes. 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 bucket truck in 2025.

Q. Is Wellsboro 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. Farnsworth will address the increases in our materials.

Q. Please discuss the costs incurred by Wellsboro 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 Wellsboro 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. 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. We are also proposing to reduce the useful life for power operated equipment from 33 to 25 years consistent with actual replacement cycles. If these changes are accepted by the Commission, we will make them going forward in 2026.

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.

WELLSBORO'S FINANCING ACTIVITIES

Q. Please explain the Company's financing arrangements.

A. Wellsboro's primary source of financing is its parent company, C&T., which obtains long-term loans, lines of credit and letters of credit on Wellsboro's 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 C&N Bank, Wellsboro, PA.

AFFILIATE CHARGES

Q. Does Wellsboro 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.

BEFORE

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	**:**	
	:	
v.	**:**	**Docket No. R-2025**
	:	
Wellsboro Electric Company	**:**	

EXHIBITS

OF

JILL CAMPBELL

ON BEHALF OF

WELLSBORO ELECTRIC COMPANY

APRIL 30, 2025

Wellsboro Electric Company

Independent Auditor's Report, Financial Statements and Supplementary Information

December 31, 2024 and 2023

Wellsboro Electric Company
Contents
December 31, 2024 and 2023

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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
Wellsboro Electric Company
Wellsboro, Pennsylvania

Opinion

We have audited the financial statements of Wellsboro Electric Company (Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, stockholders' 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 the 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 the 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 the 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.

Forvis Mazars, LLP

St. Louis, Missouri
March 12, 2025

Wellsboro Electric Company
Balance Sheets
December 31, 2024 and 2023

	2024	2023
ASSETS		
Utility Plant, at Cost		
Electric plant in service	$ 41,101,936	$ 36,030,374
Accumulated depreciation	(15,226,786)	(15,048,529)
	25,875,150	20,981,845
Construction work in progress	27,017	54,982
Net utility plant	25,902,167	21,036,827
Other Assets and Nonutility Property		
Nonutility property, net	144,043	147,228
Regulatory assets	40,145	31,474
Rentals and other	65,176	62,151
Total Other Assets and Nonutility Property	249,364	240,853
Current Assets		
Cash and cash equivalents	203,335	1,532,425
Accounts receivable:		
Customers, net of allowance 2024 - $12,306, 2023 - $20,165	1,186,224	1,380,833
Unbilled revenues	667,515	483,780
Other	287,005	323,873
Advances, affiliate	49,000	49,000
Inventories	247,983	334,040
Prepaid expenses and other	8,439	5,138
Prepaid taxes, net	108,863	135,655
Under collected power costs	72,766	19,231
Total Current Assets	2,831,130	4,263,975
Total Assets	$ 28,982,661	$ 25,541,655

See Notes to Financial Statements

	2024	2023
LIABILITIES AND STOCKHOLDERS' EQUITY		
Stockholders' Equity		
Preferred stock, 4% cumulative, $100 par value; authorized 2,000 shares; issued and outstanding, 2024 - 1,256 shares, 2023 - 1,258 shares	$ 125,800	$ 126,000
Common stock, par value $100 per share; authorized 2,000 shares; issued 1,123 shares; outstanding 1,055.5 shares	112,300	112,300
Additional paid-in capital	127,846	127,846
Retained earnings	5,050,799	5,200,624
	5,416,745	5,566,770
Treasury stock, at cost: 67.5 common shares	(159,250)	(159,250)
Total Stockholders' Equity	5,257,495	5,407,520
Long-Term Debt	18,477,675	15,380,234
Finance Lease Liabilities	349,544	422,484
Current Liabilities		
Current maturities of long-term debt	865,074	612,797
Current maturities of finance lease liabilities	129,214	127,363
Line of credit	700,000	-
Accounts payable		
Trade	520,911	525,183
Related party	133,216	136,794
Due for purchased electricity	537,362	540,438
Accrued expenses	227,799	210,705
Customer deposits	195,713	164,443
Deferred compensation	-	49,441
Total Current Liabilities	3,309,289	2,367,164
Deferred Charges and Other Liabilities		
Deferred income taxes	1,172,700	1,530,700
Accrued postretirement cost	185,579	190,178
Regulatory liability	230,379	243,375
Total Deferred Charges and Other Liabilities	1,588,658	1,964,253
Total Liabilities and Stockholders' Equity	$ 28,982,661	$ 25,541,655

Wellsboro Electric Company
Statements of Operations
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues	$ 13,158,392	$ 14,712,539
Operating Expenses		
Power	6,429,293	8,108,800
Distribution expenses		
Operation	253,121	236,392
Maintenance	1,085,382	1,040,748
Customer accounts	925,755	893,054
Sales expense, public relations	2,991	2,052
General and administrative	1,264,381	1,146,050
Depreciation	1,335,247	1,155,288
Taxes, other than income	814,557	857,783
	12,110,727	13,440,167
Operating Income Before Interest and Other Expenses	1,047,665	1,272,372
Other Income (Expenses)		
Interest income	38,238	93,563
Interest expense	(859,424)	(727,220)
Acquisition debt expense	(361,458)	(124,686)
Miscellaneous	27,835	35,454
Loss on disposal of utility plant and nonutility property	(81,514)	(164,327)
Other expense	(20,481)	(25,229)
	(1,256,804)	(912,445)
Income (Loss) Before Income Taxes	(209,139)	359,927
Credit for Income Taxes	(113,046)	(318,381)
Net Income (Loss)	$ (96,093)	$ 678,308

Wellsboro Electric Company
Statements of Stockholders' Equity
Years Ended December 31, 2024 and 2023

	Preferred Stock		Common Stock	
	Shares	**Amount**	**Shares**	**Amount**
Balance, January 1, 2023	1,300	$ 130,200	1,055.5	$ 112,300
Redemption of preferred stock	(42)	(4,200)	-	-
Dividends on preferred stock	-	-	-	-
Dividends on common stock	-	-	-	-
Net income	-	-	-	-
Balance, December 31, 2023	1,258	126,000	1,055.5	112,300
Redemption of preferred stock	(2)	(200)	-	-
Dividends on preferred stock	-	-	-	-
Dividends on common stock	-	-	-	-
Net loss	-	-	-	-
Balance, December 31, 2024	1,256	$ 125,800	1,055.5	$ 112,300

See Notes to Financial Statements

Treasury Stock		Additional		
Common Shares	Amount	Paid-in Capital	Retained Earnings	Total
67.5	$ (159,250)	$ 127,846	$ 4,572,900	$ 4,783,996
-	-	-	-	(4,200)
-	-	-	(5,084)	(5,084)
-	-	-	(45,500)	(45,500)
-	-	-	678,308	678,308
67.5	(159,250)	127,846	5,200,624	5,407,520
-	-	-	-	(200)
-	-	-	(5,032)	(5,032)
-	-	-	(48,700)	(48,700)
-	-	-	(96,093)	(96,093)
67.5	$ (159,250)	$ 127,846	$ 5,050,799	$ 5,257,495

Wellsboro Electric Company
Statements of Cash Flows
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Activities		
Net income (loss)	$ (96,093)	$ 678,308
Items not requiring (providing) cash		
Depreciation and amortization	1,507,274	1,357,134
Deferred income taxes	(358,000)	(380,300)
Loss on disposal of utility plant and nonutility property	81,514	164,327
Provision for credit losses on accounts receivable	(7,859)	(15,189)
Changes in		
Accounts receivable	55,601	419,595
Inventories	86,057	107,224
Regulatory assets and liabilities	(39,594)	24,971
Prepaid expenses and other	(6,326)	(5,294)
Accounts payable, accrued expenses and other	25,835	327,587
Due for purchased electricity	(3,076)	(374,382)
Accrued postretirement cost	(21,190)	(63,441)
Deferred compensation	(49,441)	(48,222)
Prepaid taxes, net	26,792	(249,878)
Customer deposits	31,270	7,440
Under collected power costs	(53,535)	215,510
Net Cash Provided by Operating Activities	1,179,229	2,165,390
Investing Activity		
Additions to utility plant and nonutility property	(6,366,626)	(5,223,322)
Net Cash Used in Investing Activity	(6,366,626)	(5,223,322)
Financing Activities		
Principal payments on finance lease liabilities	(137,479)	(108,464)
Borrowings under line of credit agreement	3,700,000	-
Repayments under line of credit agreement	(3,000,000)	(150,000)
Proceeds from issuance of long-term debt	4,000,000	3,000,000
Principal payments on long-term debt	(650,282)	(828,701)
Dividends paid	(53,732)	(50,584)
Redemption of preferred stock	(200)	(4,200)
Net Cash Provided by Financing Activities	3,858,307	1,858,051
Decrease in Cash and Cash Equivalents	(1,329,090)	(1,199,881)
Cash and Cash Equivalents, Beginning of Year	1,532,425	2,732,306
Cash and Cash Equivalents, End of Year	$ 203,335	$ 1,532,425
Supplemental Cash Flows Information		
Interest paid	$ 859,424	$ 727,220
Right-of-use asset obtained in exchange for new finance lease liability	$ 66,390	$ 185,574
Income taxes paid	$ 10,000	$ 243,300
Income taxes refunded	$ 26,006	$ -

Wellsboro Electric Company
Notes to Financial Statements
December 31, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Wellsboro Electric Company ("Company"), also known as Wellsborough Electric Company, is a regulated public utility distributing electric service to customers in and around Wellsboro, Pennsylvania. C & T Enterprises, Inc. ("C&T") owns all of the outstanding common stock of the Company. 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 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 generally due within 20 days after the date of the billing. 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, there was no credit loss expense related to doubtful accounts receivable, where collectability is not reasonably assured.

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 is 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	10-40
General plant	5-40
Vehicles	5

Maintenance and repairs of property and replacements are charged to expense.

Nonutility Property

Nonutility property consists of land and other depreciable property not currently used for utility purposes.

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.

Deferred Compensation

As described in Note 11, the amount of expense accrued for deferred compensation is based on the present value of the total amount payable under the agreement.

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 Codification ("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 $667,515 and $483,780 at December 31, 2024 and 2023, respectively, represent amounts delivered through December 31 and not billed to the customers until the following month. Customer deposits of $195,713 and $164,443 at December 31, 2024 and 2023, respectively, represent amounts received in advance of services provided. See Note 14 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 does not present 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 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	$ 93,050	$ 109,180
Interest on lease liabilities	25,420	15,650
Short-term lease cost	36,561	33,159
Total lease cost	$ 155,031	$ 157,989
Other information		
Cash paid for amounts included in the measurement of lease liabilities		
Financing cash flows from finance leases	$ 137,479	$ 108,464
Weighted-average remaining lease term		
Finance leases	4.0 years	4.0 years
Weighted-average discount rate		
Finance leases	1.74%	2.13%

See Note 7 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	$ 31,648,701	$ 29,731,485
General plant	9,453,235	6,298,889
	41,101,936	36,030,374
Construction work-in-progress	27,017	54,982
	41,128,953	36,085,356
Accumulated depreciation	(15,226,786)	(15,048,529)
	$ 25,902,167	$ 21,036,827

Wellsboro Electric Company
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
Default service plan	$ 32,362	$ 25,397	4 years
Other regulatory assets	7,783	6,077	3 years
	$ 40,145	$ 31,474	

For the years ended December 31, 2024 and 2023, the Company recorded a regulatory liability of $230,379 and $243,375, 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 $17,927 and $54,149 for the years ended December 31, 2024 and 2023, respectively.

Note 5. Nonutility Property

Nonutility property consists of the following at December 31:

	2024	2023
Land	$ 51,909	$ 51,909
Buildings and improvements	154,174	154,174
	206,083	206,083
Accumulated depreciation	(62,040)	(58,855)
	$ 144,043	$ 147,228

Note 6. Line of Credit

The Company has a $3,000,000 revolving line of credit with C&T payable on demand. At December 31, 2024, there was $700,000 borrowed against this line. At December 31, 2023, there were no borrowings against this line. 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 utilized 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.

Wellsboro Electric Company
Notes to Financial Statements
December 31, 2024 and 2023

Note 7. Long-Term Debt and Finance Lease Liabilities

	2024	2023
Notes payable, C&T, payable in quarterly installments of approximately $80,000 including interest through September 2038; interest at 2.76% to 4.88%; collateralized by substantially all Company assets	$ 3,269,885	$ 3,440,823
Note payable, C&T, quarterly principal and interest payments of approximately $22,000; interest at 2.37%; collateralized by substantially all Company assets; due December 2028	280,213	346,225
Note payable, C&T, payable in quarterly installments of approximately $29,000 including interest through September 2031; interest at 2.635% to 4.63%; collateralized by substantially all Company assets	615,703	695,977
Note payable, C&T, quarterly principal and interest payments of approximately $22,000; interest at 3.575%; collateralized by substantially all Company assets; due December 2034	675,020	730,233
Note payable, C&T, quarterly principal and interest payments of approximately $36,000; interest at 4.175% to 4.80%; collateralized by substantially all Company assets; due June 2035	1,204,597	1,292,609
Note payable, C&T, quarterly principal and interest payments of $15,931; interest at 3.925%; collateralized by substantially all Company assets; due December 2041	787,765	819,781
Note payable, C&T, quarterly principal and interest payments of $17,075; interest at 4.175%; collateralized by substantially all Company assets; due December 2041	828,462	861,312
Note payable, C&T, quarterly principal and interest payments of $26,317; interest at 3.26%; collateralized by substantially all Company assets; due June 2050	1,818,139	1,863,214
Notes payable, C&T, quarterly principal and interest payments of $53,642; interest at 5.865% to 6.00%; collateralized by substantially all Company assets; due October 2052 through March 2053	5,862,965	5,942,857
Note payable, C&T, quarterly principal and interest payments of $66,095; interest at 5.18%; collateralized by substantially all Company assets; due December 2054	4,000,000	-
Finance lease liabilities for equipment, requiring monthly principal and interest payments ranging from $1,707 to $3,661, collateralized by leased equipment, payments due in varying amounts through December 2030	478,758	549,847
	19,821,507	16,542,878
Less current maturities	994,288	740,160
	$ 18,827,219	$ 15,802,718

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	$ 865,074	$ 139,518
2026	902,292	129,400
2027	941,209	114,658
2028	981,908	70,731
2029	950,182	51,059
Thereafter	14,702,084	32,890
	$ 19,342,749	538,256
Less amount representing interest		59,498
Present value of future minimum lease payments		$ 478,758

Transportation equipment under finance lease liabilities is as follows:

	2024	2023
Transportation equipment	$ 1,016,222	$ 949,832
Accumulated depreciation	(561,754)	(432,235)
	$ 454,468	$ 517,597

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 8. Income Taxes

The credit for income taxes includes these components:

	2024	2023
Taxes currently payable	$ 244,954	$ 61,919
Deferred income taxes	(358,000)	(380,300)
Income tax benefit	$ (113,046)	$ (318,381)

A reconciliation of income tax expense (benefit) at the statutory rate to the Company's actual income tax benefit is shown below:

	2024	2023
Computed at the statutory rate (21%)	$ (43,919)	$ 75,585
Increase (decrease) resulting from		
State income rates	(55,584)	4,608
Utilization of federal net operating losses	-	(380,300)
Other	(13,543)	(18,274)
Actual tax benefit	$ (113,046)	$ (318,381)

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	$ 3,400	$ 5,600
Post retirement benefits	58,000	64,700
Net operating loss carryforwards	-	12,300
Deferred compensation	-	13,700
Other	103,300	103,900
	164,700	200,200
Deferred tax liabilities		
Depreciation	(1,324,100)	(1,722,600)
Other	(13,300)	(8,300)
	(1,337,400)	(1,730,900)
Net deferred tax liability	$ (1,172,700)	$ (1,530,700)

At December 31, 2024 and 2023, the Company had no allocation of C&T consolidated unused federal operating loss carryforwards.

Note 9. Pension, Profit-Sharing 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 the years ended December 31, 2024 and 2023, respectively. The Company reimbursed C&T $271,079 and $259,724 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 2024 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 $51,725 and $43,729 for its share of contributions for the years ended December 31, 2024 and 2023, respectively.

Profit Sharing Plan

The Company has a profit sharing plan that covers all full-time employees who have attained one year of service. Contributions are discretionary and are allocated based upon eligible compensation. A vesting schedule provides for full vesting after six years of service while in the Plan. The Company made a discretionary profit-sharing plan contribution to the Plan of $89,000 and $75,000 for the years ended December 31, 2024 and 2023, respectively.

Other Postretirement Plans

The Company also has a defined contribution retirement plan that covers all full-time employees covered under a collective bargaining agreement who have attained the age of 18 years and have one year of service. Employees are permitted to make tax deferred contributions of up to 15% of eligible compensation. The Company makes a matching contribution to the Plan up to 5% of a participant's eligible compensation. The Company contributed $38,489, and $36,416 to the Plan for the years ended December 31, 2024 and 2023, respectively.

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 $9,000 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.

	2024	2023
C&T's benefit obligation	$ 5,587,931	$ 5,725,208
Company's allocation of benefit obligation	$ 212,352	$ 233,542
C&T's accrued benefit cost	$ 5,587,931	$ 5,725,208
Company's allocation of accrued benefit cost	$ 212,352	$ 233,542
Amounts recognized in the Company's balance sheets		
Current liability, included in accrued expenses	$ 26,773	$ 43,364
Non-current liability	185,579	190,178
	$ 212,352	$ 233,542
C&T's benefit expense	$ 472,065	$ 480,148
Company's allocation of benefit expense	$ 9,188	$ 10,867

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 2031 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 $12,385 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	$	26,773
2026	$	34,678
2027	$	25,401
2028	$	19,611
2029	$	24,382
2030-2034	$	14,371

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 10. 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.

The Company has a lease agreement with C&T for space in the primary office building, the contract renews monthly unless terminated by either party. The Company also had a lease agreement with C&T for space in the secondary office building, this contract was terminated November 2023.

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, are as follows:

	2024		2023	
Allocation of overhead recorded as operating expense	$	442,449	$	404,670
Other costs in accounts receivable - other	$	276,900	$	276,900
Accounts payable - related party	$	133,216	$	136,794
Accrued vacation liability in accrued expenses	$	147,991	$	131,852
Payroll costs paid in advance and included in advances, affiliate	$	49,000	$	49,000
Interest expense	$	859,424	$	727,220
Acquisition debt expense	$	361,458	$	124,686
Rental income in miscellaneous income	$	-	$	33,000

The Company paid C&T $1,037,111 and $984,657 for payroll and $450,012 and $397,354 for benefits in 2024 and 2023, respectively.

Note 11. Deferred Compensation

The Company had a deferred compensation agreement with a certain former officer. The total amount payable under the agreement is $152,074, to be paid in three equal annual installments of $50,691, starting in January 2022 through January 2024. As of December 31, 2024, installment payments of $152,074 have been paid to the former officer.

At December 31, 2024, there was no deferred compensation liability. At December 31, 2023, the present value of the 2024 payment is $49,411 which is included in current liabilities.

Note 12. 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 $23,092,250, of which $19,342,749 is recorded by the Company, see Note 7. These obligations are being repaid in quarterly payments of principal and interest through 2054. 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 13. Significant Concentration

Accounting principles generally accepted in the United States of America require disclosure of current vulnerabilities due to certain concentrations.

Labor Agreement

Approximately 50% of the Company's employees are covered by a collective bargaining agreement, which expires December 31, 2026.

Note 14. 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 Wellsboro, 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 each 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 our 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	$ 1,380,833	$ 1,508,966
Accounts receivable - customers, end of year	$ 1,186,224	$ 1,380,833
Unbilled revenues, beginning of year	$ 483,780	$ 752,184
Unbilled revenues, end of year	$ 667,515	$ 483,780
Customer deposits, beginning of year	$ 164,443	$ 157,003
Customer deposits, end of year	$ 195,713	$ 164,443

Note 15. 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

Wellsboro Electric Company
Utility Plant and Accumulated Depreciation
Year Ended December 31, 2024

Acct. No.	Account	Utility Plant: Cost January 1, 2024	Additions	Retirements	Contributions in Aid to Construction	Cost December 31, 2024	Accumulated Depreciation: Balance January 1, 2024	Depr. Rate (%)	Credits Representing: Depreciation Accruals	Credits Representing: Salvage	Debits Representing: Property Retired	Debits Representing: Cost of Removal	Balance December 31, 2024
	Distribution, plant												
360	Land and land rights	$ 178,334	$ -	$ -	$ -	$ 178,334	$ -	0.00	$ -	$ -	$ -	$ -	$ -
361	Structures and improvements	-	-	-	-	-	-	4.08	-	-	-	-	-
362	Station equipment	3,979,535	13,265	-	-	3,992,800	3,245,999	6.88	141,847	-	-	-	3,387,846
364	Poles, towers and fixtures	12,456,164	1,918,214	109,492	808,299	13,456,587	3,885,628	3.50	440,594	5,611	109,492	113,107	4,109,234
365	Overhead conductors and devices	5,529,274	1,721,121	58,783	1,107,640	6,083,972	1,707,606	3.97	221,459	3,674	58,783	62,882	1,811,074
366	Underground conduits	26,899	-	-	-	26,899	10,761	3.15	849	-	-	-	11,610
367	Underground conductors and devices	1,008,032	19,299	-	15,781	1,011,550	634,193	4.36	43,964	-	-	-	678,157
368.1	Line transformers	2,923,411	285,923	11,002	-	3,198,332	1,388,859	3.52	102,104	118	11,002	12,960	1,467,119
369	Services	849,838	12,862	2,831	4,560	855,309	788,699	6.00	9,466	187	2,831	2,741	792,780
369.1	Underground services	1,300,817	76,122	1,177	31,212	1,344,550	464,366	2.48	32,826	16	1,177	27	496,004
370.1	Meters	986,943	27,460	2,922	-	1,011,481	556,160	7.70	75,858	-	2,922	-	629,096
371	Installation on customer premises	373,328	4,992	8,701	2	369,617	(9,128)	10.37	38,453	1,627	8,701	6,514	15,737
373	Street lighting and signal systems	118,915	419	62	-	119,272	(71,623)	2.40	2,861	-	62	87	(68,911)
	General plant												
390.1	Structures and improvements, office	2,486,413	3,722,470	544,972	-	5,663,911	507,553	4.58	92,336	-	485,119	-	114,770
390.2	Structures and improvements, other	884,002	-	-	-	884,002	31,957	5.20	45,708	-	-	-	77,665
391	Office furniture and equipment	601,624	297,517	124,652	-	774,489	378,038	19.49	69,221	-	122,201	-	325,058
392	Transportation equipment	1,646,618	66,390	180,998	-	1,532,010	1,035,960	Various	155,341	-	180,998	-	1,010,303
394	Tools, shop and garage equipment	90,042	-	-	-	90,042	29,100	6.17	4,976	-	-	-	34,076
395	Laboratory equipment	96,079	-	80,650	-	15,429	90,397	2.66	1,544	-	80,650	-	11,291
396	Power operated equipment	98,149	72,184	80,518	-	89,815	59,514	3.11	2,845	-	61,308	-	1,051
397	Communications equipment	110,323	7,578	-	-	117,901	29,968	7.71	8,336	-	-	-	38,304
398	Miscellaneous equipment	-	-	-	-	-	(64)	0.00	-	-	-	-	(64)
301	Intangible plant, organization	1,046	-	-	-	1,046	-	0.00	-	-	-	-	-
303	Intangible asset - EDI	284,588	-	-	-	284,588	284,586	14.28	-	-	-	-	284,586
		$ 36,030,374	$ 8,245,816	$ 1,206,760	$ 1,967,494	$ 41,101,936	$ 15,048,529		$ 1,490,588	$ 11,233	$ 1,125,246	$ 198,318	$ 15,226,786
	Construction work-in-process	54,982	(27,965) (N)	-	-	27,017			155,341	Less charged to clearing			
		$ 36,085,356	$ 8,217,851	$ 1,206,760	$ 1,967,494	$ 41,128,953			$ 1,335,247	Total depreciation			

(N) Net decrease

Wellsboro Electric Company
Prepaid Taxes, Net
December 31, 2024 and 2023

	2024	2023
State gross receipts tax	$ 124,940	$ (100,575)
State public realty tax	6,000	2,583
State capital stock and corporate loans taxes	13,116	13,116
Federal income tax	(156,426)	90,833
State income tax	120,114	133,815
State sales tax	1,119	(4,117)
	$ 108,863	$ 135,655

Wellsboro Electric Company
Operating Revenues and Taxes, Other Than Income
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues		
Residential sales	$ 6,987,418	$ 8,117,407
Commercial and industrial sales	5,815,205	6,260,544
Public street and highway lighting sales	19,202	21,836
Sales for resale	18,070	19,546
Customers' forfeited discounts	28,860	41,090
Rent from electric property	266,738	205,307
Other electric revenues	22,899	46,809
	$ 13,158,392	$ 14,712,539
Taxes, Other Than Income		
State gross receipts	$ 781,072	$ 812,368
State use tax	837	908
Lease tax	(10,663)	3,743
State public utility realty tax	43,311	40,764
	$ 814,557	$ 857,783

Wellsboro Electric Company
Distribution, Operation; Distribution, Maintenance;
Customer Accounts; Sales Expense, Public Relations
and General and Administrative Expenses
Years Ended December 31, 2024 and 2023

	2024	2023	Increase (Decrease)	% Change
Distribution, Operation Expenses				
Supervising and engineering	$ 8,121	$ -	8,121	100.00%
Overhead lines expense	769	685	84	12.26%
Street lighting and signal systems expense	146	675	(529)	100.00%
Meter expenses	36,984	33,644	3,340	9.93%
Miscellaneous	174,151	170,671	3,480	2.04%
Rents	32,950	30,717	2,233	7.27%
	$ 253,121	$ 236,392	$ 16,729	7.08%
Distribution, Maintenance Expenses				
Supervising and engineering	$ 101,529	$ 85,711	$ 15,818	18.46%
Station equipment	3,210	5,697	(2,487)	-43.65%
Overhead lines	869,787	836,768	33,019	3.95%
Underground lines	30,206	28,436	1,770	6.22%
Line transformers	14,532	5,678	8,854	155.94%
Street lighting and signal system	1,612	2,991	(1,379)	-46.10%
Meters	64,506	75,467	(10,961)	-14.52%
	$ 1,085,382	$ 1,040,748	$ 44,634	4.29%
Customer Accounts Expenses				
Meter reading expense	$ 21,775	$ 19,809	$ 1,966	9.92%
Customer records and collection expense	903,980	873,245	30,735	3.52%
	$ 925,755	$ 893,054	$ 32,701	3.66%
Sales Expense, Public Relations	$ 2,991	$ 2,052	939	45.76%
General and Administrative Expenses				
Salaries	$ 757,901	$ 652,640	$ 105,261	16.13%
Office expense	178,754	145,066	33,688	23.22%
Outside services employed	137,115	87,889	49,226	56.01%
Property insurance	53,098	51,268	1,830	3.57%
Regulatory commission expenses	42,985	68,366	(25,381)	-37.13%
Miscellaneous general expenses, net	84,584	108,939	(24,355)	-22.36%
Rents	3,611	2,442	1,169	47.87%
Maintenance of general plant	72,186	112,581	(40,395)	-35.88%
Cost allocated to power purchased	(65,853)	(83,141)	17,288	-20.79%
	$ 1,264,381	$ 1,146,050	$ 118,331	10.33%

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 20, 2024

VIA ELECTRONIC FILING

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

RE: Wellsboro Electric Company
Supplement No. 159 to Tariff Electric PA. P.U.C. No. 8 (State Tax Adjustment Surcharge Recalculation); Docket No. _____

Dear Secretary Chiavetta:

Attached for filing with the Commission is Wellsboro Electric Company's ("Wellsboro" or the "Company") Supplement No. 159 to Tariff Electric-Pa. P.U.C. No. 8 ("Supplement No. 159"). Supplement No. 159 reflects a recalculation of the State Tax Adjustment Surcharge ("STAS"). Supplement No. 159 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 46 of Wellsboro's tariff.

This filing adjusts Wellsboro's STAS to refund a prior period overcollection and to reflect changes in the 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. 159 is attached at Tab B. The supporting documents at Tab A demonstrate that Wellsboro's STAS rate will decrease from a surcredit of -0.0102% to a surcredit of -0.0438%, 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 Wellsboro Electric Company

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

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
ra-oca@paoca.org

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

Adeolu A. Bakare

Counsel to Wellsboro Electric Company

Dated this 20th day of December, 2024, in Harrisburg, Pennsylvania.

WELLSBORO ELECTRIC COMPANY

General Tariff of

Rates, Rules and Regulations Governing

the Provision of Electric Service

in

The Borough of Wellsboro

and the Townships of Charleston,

Delmar and Middlebury, Tioga County, Commonwealth of Pennsylvania

Issued December 20, 2024

Effective January 1, 2025

Issued by: Byron Farnsworth, Jr., President and Chief Executive Officer
Wellsboro Electric Company
33 Austin Street
Wellsboro, PA 16901

NOTICE

THIS TARIFF MAKES {{CHANGES}} TO EXISTING RATES
See Page 2

Wellsboro Electric Company

Supplement No. 159 to
Tariff Electric Pa. P.U.C. No. 8
One-Hundred-Forty-Fourth Revised Page No. 2
Canceling One-Hundred-Forty-Third Revised Page No. 2

LIST OF CHANGES

Page 46:

Supplement No. 159 sets the Company's State Tax Adjustment Surcharge ("STAS") at -0.0438% effective on January 1, 2025. This recalculation is necessary to refund a prior period overcollection and to reflect changes to the Company's Corporate Net Income Tax and Utility Realty Tax.

Wellsboro Electric Company

Supplement No. 159 to
Tariff Electric Pa. P.U.C. No. 8
One-Hundred-Forty-Second Revised Page No. 3
Canceling One-Hundred-Forty-First Revised Page No. 3

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(C) Indicates Change

Wellsboro Electric Company

Supplement No. 159 to
Tariff Electric Pa. P.U.C. No. 8
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(C) Indicates Change

Wellsboro Electric Company

Supplement No. 159 to
Tariff Electric Pa. P.U.C. No. 8
Thirty-Fifth Revised Page No. 46
Canceling Thirty-Fourth Revised Page No. 46

RIDER A – STATE TAX ADJUSTMENT SURCHARGE

(Applicable to all rates except Service Schedule No. 8)

In addition to the charges provided in this tariff, a surcredit of -0.0438% will apply to all bills for service rendered on or after January 1, 2025. (D) (C)

The above surcharge will be recomputed, using the elements prescribed by the Pennsylvania Public Utility Commission.

(a) Whenever any of the tax rates used in the calculations of the surcharge are changed.

(b) Whenever the Company makes effective increased or decreased rates.

The above recalculations will be submitted to the Commission within 10 days after the occurrence of the event or date which occasion such re-computation. If the recomputed surcharge is less than the one in effect the Company will, and if the recomputed surcharge is more than the one then in effect the company may submit with such re-computation a Tariff or supplement to reflect such recomputed surcharge; the effective date of which shall be ten days after filing.

(D) Indicates Decrease (C) Indicates Change

WELLSBORO ELECTRIC COMPANY

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	$	(28,406)	**F**
3	Utility Realty Tax	$	1,085	**A**
4	Gross Receipts Tax	$	-	
5	Total of Lines 1, 2, 3, and 4	$	(27,321)	
6	PURTA Surcharge Rate Adjustment	$	-	**B**
7	Revenue Neutral Reconciliation (RNR) Tax Adjustment	$	-	**C**
8	Total of Lines 5, 6, and 7	$	(27,321)	
9	Line 8 divided by complement of Gross Receipts Tax Rate (.941)	$	(29,034)	
10	STAS reconciliation for period January 1, 2024 through December 31, 2024	$	22,572	**D**
11	Total of Lines 9 and 10	$	(6,462)	
12	Gross Intrastate Operating Revenues derived from service under rates subject to the jurisdiction of the Pa. Public Utility Commission for the period January 1, 2023 through December 31, 2023 (Page 11)	$	14,743,214	**E**
13	Surcredit rate to be applied for the period January 1, 2025 through December 31, 2025 (Line 11 divided by Line 12)		-0.0438%	

ATTACHMENT A

WELLSBORO ELECTRIC COMPANY

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	$ 1,819,024		
2	Pa. Public Utility Realty Tax (Based on applied rate of 23.7970 mills x Line 1)		$ 43,287	
3	8/1/2023 Notice of Determination Adjustments: State Tax Property Value at December 31, 2022	$ 1,699,052		
4	Pa. Public Utility Realty Tax (Based on applied rate of 24.8531 mills x Line 1)		$ 42,227	
5	2025 PURTA Adjustment (Line 2 minus Line 4)			$ 1,061

continued on page 2A

ATTACHMENT A

WELLSBORO ELECTRIC COMPANY

Calculation of Surcredit Rate 1/01/25 - 12/31/25

Public Utility Realty Tax Assessment (PURTA)

1	Continued from page 2 (Line 5)			$	1,061
	7/31/2024 Notice of Determination Adjustments:				
2	2019 PURTA				
	Liability Adjustment	$	3	$	3
3	2020 PURTA				
	Liability Adjustment	$	3	$	3
4	2021 PURTA				
	Liability Adjustment	$	3	$	3
5	2022 PURTA				
	Liability Adjustment	$	15	$	15
7	Total 2025 PURTA Adjustment (Lines 1 through 19)			$	1,085

ATTACHMENT B

WELLSBORO ELECTRIC COMPANY

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)	$	15,636,525
PURTA surcharge rate as established by the Department of Revenue and published in the Pennsylvania Bulletin on September 21, 2024		0.0000
2025 PURTA Surcredit	$	-

ATTACHMENT C

WELLSBORO ELECTRIC COMPANY

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)	$	15,636,525
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

WELLSBORO ELECTRIC COMPANY

Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2024

			Amount	Schedule Number
1	Capital Stock Tax	$	-	**1**
2	Corporate Net Income Tax	$	-	
3	Utility Realty Tax	$	520	**2**
4	Gross Receipts Tax	$	-	
5	Total of Items 1, 2, 3, and 4	$	520	
6	PURTA Surcharge Rate Adjustment	$	-	**3**
7	Revenue Neutral Reconciliation (RNR) Tax Adjustment	$	-	**4**
8	Total of Lines 5, 6, and 7	$	520	
9	Line 8 divided by complement of Gross Receipts Tax Rate (.941)	$	552	
10	STAS reconciliation for period Jan. 1, 2023 through December 31, 2023	$	20,740	
11	Total of Lines 9 and 10	$	21,292	
12	Total revenue collected/(refunded) from Jan. 1, 2024 through Dec. 31, 2024 (Page 10)	$	(1,279)	**5**
13	(Over)/Under Collection (Line 11 minus Line 12)	$	22,572	

ATTACHMENT D

WELLSBORO ELECTRIC COMPANY

Schedule 1

Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2024

Corporate Stock Tax Phased out 2016
Capital Stock Tax @ .00 mills effective 1/1/17

1	Tax Base -- current settlement - year 2016 see attached page 2 of 2016 PA Corporate Tax Report		$ -
2	Tax Millage in basic rates (2017)	0.000000	
3	Tax Millage effective 1/1/18	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 D

WELLSBORO ELECTRIC COMPANY

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	$ 1,699,052		
2	Pa. Public Utility Realty Tax (Based on applied rate of 24.8531 mills x Line 1)		$ 42,227	
3	8/1/2022 Notice of Determination Adjustments: State Tax Property Value at December 31, 2021	$ 1,506,376		
4	Pa. Public Utility Realty Tax (Based on applied rate of 27.1851 mills x Line 1)		$ 40,951	
5	2024 PURTA Adjustment (Line 2 minus Line 4)			$ 1,276

continued on page 7A

ATTACHMENT D

WELLSBORO ELECTRIC COMPANY

Schedule 2

Public Utility Realty Tax Assessment (PURTA)

1	Continued from page 7 (Line 5)			$	1,276
	Notice of Determination Adjustments:	**8/1/2023**			
2	2018 PURTA				
	Liability Adjustment	$	(95)	$	(95)
3	2019 PURTA				
	Liability Adjustment	$	(88)	$	(88)
4	2020 PURTA				
	Liability Adjustment	$	(106)	$	(106)
5	2021 PURTA				
	Liability Adjustment	$	(467)	$	(467)
7	Total 2025 PURTA Adjustment (Lines 1 through 19)			$	520

ATTACHMENT D

WELLSBORO ELECTRIC COMPANY

Schedule 3

Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2024

Public Utility Realty Tax Assessment Surcharge

Tax Year Ending 2024

Projected taxable revenues for period January 1, 2024 to December 31, 2024 (Page 12)	$	12,919,100
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 D

WELLSBORO ELECTRIC COMPANY

Schedule 4

Reconciliation of State Tax Adjustment Surcredit
for the Period ending December 31, 2024

Revenue Neutral Reconciliation (RNR) Tax Adjustment
Applicable to Gross Receipts Tax

Tax Year Ending 2024

1	Projected taxable revenues for Pa. gross receipts tax for period January 1, 2024 to December 31, 2024 (Page 12)	$	12,919,100
2	RNR tax rate adjustment as established by the Department of Revenue and published in the Pennsylvania Bulletin on Dec. 1, 2001		0.000
3	Projected increase in applicable 2024 gross receipts tax liability based on RNR tax rate adjustment	$	-

ATTACHMENT D

WELLSBORO ELECTRIC COMPANY

Schedule 5

STAS Revenue Collected/(Refunded)
for the Period ending December 31, 2024

Month		**Tax Surcharge**
January	$	(118)
February	$	(117)
March	$	(112)
April	$	(105)
May	$	(95)
June	$	(96)
July	$	(111)
August	$	(112)
September	$	(104)
October	$	(92)
November (estimate)	$	(109)
December (estimate)	$	(109)
Total STAS Collected/(Refunded)	$	(1,279)

ATTACHMENT E

WELLSBORO ELECTRIC COMPANY

OPERATING REVENUES

Revenue billed for 12 month audited period ending December 31, 2023

Residential	$	8,265,130		
Commercial & Industrial	$	6,374,476		
Public Street & Highway Lighting	$	21,836		
Sales for Resale	$	19,546		
Customer' Forfeited Discounts	$	41,090		
Total Gross Electric Revenue including Tax Surcharge *			$	14,722,078
Less: Tax Surcharge collected			$	(21,136)
Total Electric Revenue projected for application period January 1, 2025 through December 31, 2025			$	14,743,214

*Revenue does not include unbilled revenue.

WELLSBORO ELECTRIC COMPANY

Revenues from Service Billed Under Rates
for the Application Period January 1, 2024 to December 31, 2024

Month	MWh Sales	Base Rate Revenue*	Forfeited Discounts	Revenues
January	8,840	$ 1,189,359	$ 2,481	$ 1,191,840
February	8,667	$ 1,173,983	$ 3,353	$ 1,177,336
March	8,304	$ 1,119,739	$ 3,073	$ 1,122,812
April	7,959	$ 1,053,682	$ 2,403	$ 1,056,086
May	7,183	$ 954,906	$ 2,254	$ 957,159
June	7,787	$ 966,531	$ 1,849	$ 968,380
July	8,650	$ 1,125,966	$ 2,623	$ 1,128,588
August	8,674	$ 1,126,974	$ 2,247	$ 1,129,220
September	8,047	$ 1,051,241	$ 1,757	$ 1,052,999
October	7,076	$ 930,287	$ 2,849	$ 933,136
November (Projected)	8,194	$ 1,097,876	$ 2,895	$ 1,100,771
December (Projected)	8,194	$ 1,097,876	$ 2,895	$ 1,100,771
Totals	97,576	$ 12,888,421	$ 30,679	$ 12,919,100

*Revenue does not include unbilled revenue.

WELLSBORO ELECTRIC COMPANY

Projected Revenues from Service Billed Under Rates
for the Application Period January 1, 2025 to December 31, 2025

Month	MWh Sales		Base Rate Revenue*		Forfeited Discounts		Projected Revenues
January	9,144	$	1,430,853	$	2,917	$	1,433,770
February	8,076	$	1,263,732	$	2,917	$	1,266,649
March	8,281	$	1,295,811	$	2,917	$	1,298,728
April	7,127	$	1,115,233	$	2,917	$	1,118,150
May	7,652	$	1,197,385	$	2,917	$	1,200,302
June	7,841	$	1,226,960	$	2,917	$	1,229,877
July	9,222	$	1,443,059	$	2,917	$	1,445,976
August	8,965	$	1,402,843	$	2,917	$	1,405,760
September	8,020	$	1,254,970	$	2,917	$	1,257,887
October	8,018	$	1,254,657	$	2,917	$	1,257,574
November	8,369	$	1,309,581	$	2,917	$	1,312,498
December	8,988	$	1,406,442	$	2,913	$	1,409,355
Totals	99,703	$	15,601,525	$	35,000	$	15,636,525

*Revenue does not include unbilled revenue.

ATTACHMENT F

WELLSBORO ELECTRIC COMPANY

Pursuant to the Pennsylvania Utility Commission's State Tax Adjustment Surcharge (STAS) Procedures.

			Distribution Only
1	Net Operating Income Excluding Income Taxes		$1,493,687
2			
3	Synchronized interest expense:		
4	Rate base		14,653,172
5	Less: CWIP		0
6	Rate base for interest compuation		14,653,172
7	Weighted Cost of debt		2.457%
8	Synchronized interest expense		359,975
9	Taxable income before depreciation tax adjustments		1,133,712
10			
11	Pennsylvania depreciation adjustment:		
12	Tax depreciation (using DDB method)		(1,045,406)
13	Book depreciation		1,331,977
14	Pennsylvania depreciation adjustment		286,571
15	Pennsylvania taxable income		1,420,283
16	Regulatory Pennsylvania income tax expense	9.99%	141,886
		7.99%	113,481
17	Regulatory Pennsylvania Income Tax Expense Credit		(28,406)
	Monthly CNIT Credit		(2,367)

Operating Expenses

	2019	2020	2021	2022	2023	2024	1st Qtr 2025 Balance
Distribution Operating Expenses							
Operation, Supervision & Engineering	81,013.05	1,208.84	18.15	-	-	8,120.83	-
Station Expense	-	-	243.90	74.37	-	-	-
Overhead Line Expense	33,789.87	19,061.94	15,614.21	6,665.79	685.67	769.70	673.78
Street Lighting Expense	4,669.97	2,228.80	493.48	-	674.98	146.00	-
Meter Expense	58,554.29	31,807.23	36,301.23	41,054.59	33,643.75	36,983.28	5,632.10
Customer Installation Expense	12,746.46	5,307.03	99.60	-	-	206.47	-
Miscellaneous Distribution Expense	232,673.62	233,359.23	151,049.73	201,682.52	170,671.11	173,944.04	38,903.17
Rents	21,000.65	20,502.17	44,911.99	32,396.64	30,716.78	32,950.44	7,799.04
Distribution Operating Expenses Total	**444,447.91**	**313,475.24**	**248,732.29**	**281,873.91**	**236,392.29**	**253,120.76**	**53,008.09**
Distribution Maintenance Expenses							
Maintenance, Supervision & Engineering	55,622.24	43,849.90	61,058.93	68,775.19	85,710.48	97,875.02	31,373.64
Maintenance of Structures	296.14	1,175.48	464.05	687.46	1,847.71	-	178.26
Maintenance of Station Equipment	13,792.21	23,464.62	9,092.50	9,391.98	5,697.14	3,210.20	1,253.23
Maintenance of Overhead Lines	584,648.20	742,414.32	712,829.82	762,068.47	836,768.64	869,787.87	197,158.78
Maintenance of Underground Lines	21,498.29	28,923.85	52,754.63	48,059.59	28,435.79	30,206.08	6,056.81
Maintenance of Line Transformers	15,712.70	9,148.66	2,547.33	8,897.72	5,677.47	14,532.38	530.29
Maintenance of Street Lighting and signal system	145.22	742.50	747.11	4,239.41	2,990.96	1,611.76	619.21
Maintenance of Meters	60,174.72	73,141.44	70,080.28	79,972.92	75,467.27	64,505.30	19,855.61
Distribution Maintenance Expenses Total	**751,889.72**	**922,860.77**	**909,574.65**	**982,092.74**	**1,042,595.46**	**1,081,728.61**	**257,025.83**
Customer Accounting & Collection Expense							
Supervision	-	-	-	-	-	3,654.38	-
Meter Reading Expense	8,108.82	20,411.33	17,017.04	18,616.38	19,808.19	21,775.28	3,498.48
Customer Records & Collection Expense	603,022.90	588,982.48	637,325.48	727,808.73	872,948.87	903,979.98	237,254.73
Uncollectible Accounts	75,617.80	20,000.00	28,000.00	19,666.72	-	-	-
Customer Records & Collection Expense Total	**686,749.52**	**629,393.81**	**682,342.52**	**766,091.83**	**892,757.06**	**929,409.64**	**240,753.21**
Sales Promotion Expense							
Customer Assistance Expense	1,214.22	1,122.34	2,014.41	1,504.32	2,029.53	180.39	447.21
Customer Service - Public Relations - Commercial	1,233.22	-	-	816.40	314.00	800.00	941.00
Supervision	-	-	-	-	-	-	-
Advertising Expense	1,544.00	1,825.13	2,508.62	2,933.96	1,738.00	2,191.00	294.00
Sales Promotion Expense Total	**3,991.44**	**2,947.47**	**4,523.03**	**5,254.68**	**4,081.53**	**3,171.39**	**1,682.21**
Administrative & General Expenses							
Administrative & General Salaries	424,872.28	678,593.43	580,954.85	628,734.61	652,638.72	757,901.37	185,471.76
Office Supplies & Expense	75,462.64	83,978.10	79,035.69	65,096.77	61,925.37	112,900.44	22,435.49
Working Capital Claim	111,723.79	213,661.93	72,969.10	74,357.05	87,889.08	137,115.05	45,106.85
Outside Services Employed	59,914.46	56,403.29	54,104.22	48,306.33	51,268.11	53,098.02	13,433.62
Property Insurance	-	-	-	-	-	-	-
Employee Pensions & Benefits	-	-	-	1,083.78	-	-	-
Regulatory Commission Expense	100,546.84	124,452.44	146,367.72	144,821.72	68,366.08	42,985.00	10,746.24
Directors Expense	85,754.86	82,505.98	81,027.38	85,988.28	101,167.34	83,256.69	18,266.94
Misc. General Expense - GPS Mapping	2,915.00	78,102.88	31,527.59	8,369.07	3,074.00	-	662.49
Misc. General Expense - Industry Assn. Dues	1,113.00	897.00	898.75	1,117.00	1,113.40	1,147.00	1,080.00
Rents	2,373.06	2,436.66	2,419.92	2,436.66	2,442.24	3,610.62	1,000.02
Maintenance of General Property	62,960.15	74,602.72	79,585.28	58,348.24	112,579.95	72,185.85	18,916.91
Administrative & General Expense Total	**927,636.08**	**1,395,634.43**	**1,128,890.50**	**1,118,659.51**	**1,142,464.29**	**1,264,200.04**	**317,120.32**
Total Operating Expenses	**2,814,714.67**	**3,264,311.72**	**2,974,062.99**	**3,153,972.67**	**3,318,290.63**	**3,531,630.44**	**869,589.66**

OK!: ReportFixed Formula OK [jAction{}]
Error for jFreezePanes: Unknown Error.
Report Area Below...

Statement of Utility Plant

	2019	2020	2021	2022	2023	2024	1st QTR 2025
Distribution Plant							
Land & Land Rights	178,334.71	178,334.71	178,334.71	178,334.71	178,334.71	178,334.71	178,334.71
Structures & Improvements	109,167.57	109,167.57	109,167.57	109,167.57	-	-	-
Station Equipment	3,736,009.92	4,304,358.66	3,956,590.88	3,956,684.10	3,979,530.10	3,992,794.61	3,992,794.61
Poles, Towers, & Fixtures	9,844,164.62	10,227,483.18	10,811,919.27	11,469,263.89	12,455,793.24	13,456,216.24	13,605,442.64
Overhead Conductors & Devices	3,618,731.34	3,710,672.35	4,061,769.56	4,860,901.19	5,529,145.46	6,083,842.68	6,069,822.61
Underground Conduit	26,899.09	26,899.09	26,899.09	26,899.09	26,899.09	26,899.09	26,899.09
Underground Conductors & Devices	915,739.84	939,952.25	957,984.65	960,369.32	1,008,035.17	1,011,553.48	1,014,226.42
Transformers	2,495,180.75	2,545,689.36	2,651,336.72	2,705,949.80	2,923,909.87	3,198,831.56	3,249,159.52
Services	835,994.56	848,292.98	852,260.78	849,189.67	849,839.34	855,310.76	856,947.06
Underground Services	1,160,936.69	1,185,041.72	1,237,418.34	1,266,452.78	1,300,814.95	1,344,546.64	1,344,809.00
Meters	930,018.62	944,633.35	965,512.96	973,115.09	986,942.48	1,011,480.19	1,028,258.30
Installation on Customer Premises' - Customer Lights	274,050.64	292,325.63	299,481.84	330,227.32	373,326.87	369,616.20	329,942.38
Installation on Customer Premises' - Street Lights	82,833.78	98,817.13	123,217.01	120,366.12	118,916.23	119,273.41	109,406.70
Total Distribution Plant	**24,208,062.13**	**25,411,667.98**	**26,231,893.38**	**27,806,920.65**	**29,731,487.51**	**31,648,699.57**	**31,806,043.04**
General Plant							
Structures & Improvements - Office	583,657.35	583,657.35	614,690.10	692,958.84	2,486,359.91	5,663,858.30	5,663,858.30
Structures & Improvements - Other	341,105.21	341,105.21	343,555.21	343,555.21	879,044.58	879,044.58	879,044.58
Office Furniture & Equipment	678,913.22	583,047.81	585,211.39	595,561.03	606,627.93	779,493.16	786,792.94
Transportation Equipment	1,018,962.79	1,317,232.57	1,304,855.85	1,436,783.95	1,646,620.27	1,532,012.07	1,532,012.07
Tools, Shop, & Garage Equipment	76,772.99	76,772.99	89,071.68	87,904.08	90,045.43	90,045.43	90,045.43
Laboratory Equipment	96,080.92	96,080.92	96,080.92	96,080.92	96,080.92	15,431.27	15,431.27
Power Operated Equipment	80,519.24	80,519.24	80,519.24	80,519.24	98,149.49	89,814.74	89,814.74
Communications Equipment	248,922.90	248,922.90	248,922.90	260,402.26	110,327.23	117,902.01	117,902.01
Miscellaneous Equipment	288.72	288.72	288.72	288.72	-	-	-
Organization	1,046.20	1,046.20	1,046.20	1,046.20	1,046.20	1,046.20	1,046.20
Miscellaneous Intangible Plant	284,587.90	284,587.90	284,587.90	284,587.90	284,587.90	284,587.90	284,587.90
Total General Plant	**3,410,857.44**	**3,613,261.81**	**3,648,830.11**	**3,879,688.35**	**6,298,889.86**	**9,453,235.66**	**9,460,535.44**
Total Plant in Service	**27,618,919.57**	**29,024,929.79**	**29,880,723.49**	**31,686,609.00**	**36,030,377.37**	**41,101,935.23**	**41,266,578.48**
Net Additions to Plant		**1,406,010.22**	**855,793.70**	**1,805,885.51**	**4,343,768.37**	**5,071,557.86**	**164,643.25**
Non-Utility Plant							
Non-Utility Plant - No Depreciation	51,908.61	51,908.61	51,908.61	51,908.61	51,908.61	51,908.61	51,908.61
Non-Utility Plant - Apartment House	154,174.48	154,174.48	154,174.48	154,174.48	154,174.48	154,174.48	154,174.48
Non-Utility Plant - Call Center	227,695.04	227,695.04	227,695.04	227,695.04	-	-	-
Non-Utility Plant - Propane Businese	-	-	-	-	-	-	-
Total Non-Utility Plant	**433,778.13**	**433,778.13**	**433,778.13**	**433,778.13**	**206,083.09**	**206,083.09**	**206,083.09**

FTY & FPFTY Wage & Salary Increase Detail

Wellsboro Electric Company

Exhibit JC-5

	Non-Union Wages					
	2024	2025		2026		
	$$$	$$$	% of Total Increase	$$$	% of Total Increase	
Total Budgeted Wages	$ 945,592	$ 985,502		$ 1,054,120		
Total Wage Increase		$ 118,684		$ 124,569		
COLA		$ 67,319	56.7%	$ 72,467	58.2%	
Market		$ 41,000	34.5%	$ 41,000	32.9%	
Merit		$ 10,365	8.7%	$ 11,103	8.9%	
	WECo Union Wages					
	2024	2025		2026		
	$$$	$$$	% of Total Increase	$$$	% of Total Increase	
Total Budgeted Wages	$ 914,658	$ 919,329		$ 955,649		
CBA Increase		$ 31,387	100.0%	$ 32,677	100.0%	
Combined Total Budgeted Wages	**$ 1,860,250**	**$ 1,904,830**		**$ 2,009,769**		