



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

June 2, 2025

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA ELECTRONIC FILING

**RE: Pennsylvania Public Utility Commission v. Wellsboro Electric Company
Docket No. R-2025-3054392**

Dear Secretary Homsher:

Attached for filing with the Pennsylvania Public Utility Commission is the Prehearing Memorandum of Wellsboro Electric Company in the above-referenced proceeding.

If you have any questions regarding the attached documents, please feel free to contact the undersigned. As shown by the attached Certificate of Service, the parties to this proceeding are being duly served with a copy of this filing. Thank you.

Very truly yours,

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

Adeolu A. Bakare
MCNEES WALLACE & NURICK LLC

Counsel to Wellsboro Electric Company

c: Mary D. Long, Administrative Law Judge (via e-mail)
Certificate of Service

CERTIFICATE OF SERVICE

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

VIA EMAIL

Steven C. Gray, Esq.
Rebecca Lyttle, Esq.
Small Business Advocate
Commonwealth of Pennsylvania
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov
relyttle@pa.gov

Melanie Joy El Atieh, Esq.
Ryan Morden, Esq.
Barrett C. Sheridan, Esq.
Aiden McEvoy, Paralegal
Lori Arnsparger, Paralegal
Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101
MElAtieh@paoca.org
RMorden@paoca.org
BSheridan@paoca.org
amcevoy@paoca.org
larnspargere@paoca.org

Michael Podskoch, Jr., Esq.
Adam J. Williams, Esq.
Bureau of Investigation and Enforcement
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
P. O. Box 3265
Harrisburg, PA 17105-3265
mpodskoch@pa.gov
adawilliam@pa.gov

Todd S. Stewart, Esq.
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
tsstewart@hmslegal.com
*Counsel for Kelly Road Solar, LLC,
Lancaster Avenue Solar, LLC and Twilight
Renewables,
LLC*

Zachary and Ashley Wattles
188 Butler Road
Wellsboro, PA 16901
a.wattles@outlook.com



Adeolu A. Bakare

Counsel to Wellsboro Electric Company

Dated this 2nd day of June, 2025, in Harrisburg, Pennsylvania.

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2025-3054394
Citizens' Electric Company of Lewisburg, PA	:	
	:	
Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2025-3054392
Wellsboro Electric Company	:	
	:	
Pennsylvania Public Utility Commission	:	
v.	:	Docket No. R-2025-3054393
Valley Energy, Inc.	:	

**PREHEARING CONFERENCE MEMORANDUM
OF CITIZENS' ELECTRIC COMPANY OF LEWISBURG, PA,
WELLSBORO ELECTRIC COMPANY, AND VALLEY ENERGY, INC.**

Citizens' Electric Company of Lewisburg, PA ("Citizens"), Wellsboro Electric Company ("Wellsboro"), and Valley Energy, Inc. ("Valley") (collectively, "Companies" and each individually, "Company") hereby submit this Prehearing Conference Memorandum in anticipation of the Prehearing Conference scheduled for June 3, 2025.

I. HISTORY OF THE PROCEEDING

On April 30, 2025, Citizens' filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Supplement No. 172 to Tariff Electric-Pa. P.U.C. No. 14 ("Supplement No. 172"), proposing an annual increase in rates of \$1,790,000, Wellsboro filed with the PUC Supplement No. 162 to Tariff Electric-Pa. P.U.C. No. 8 ("Supplement No. 162"), proposing an annual increase in rates of \$2,900,000, and Valley filed with the PUC Supplement

No. 69 to Tariff Electric-Pa. P.U.C. No. 2 ("Supplement No. 69"), proposing an annual increase in rates of \$1,600,000.

The Office of Consumer Advocate ("OCA") and the Office of Small Business Advocate ("OSBA") filed Formal Complaints against each Company's proposed rate increase, and Zachary and Ashley Wattles filed a Formal Complaint against Wellsboro's proposed rate increase. The Bureau of Investigation and Enforcement ("I&E") filed Notices of Appearance in each proceeding. Kelly Road Solar, LLC, Lancaster Avenue Solar, LLC, and Twilight Renewables, LLC (collectively "Solar Projects") filed a Petition to Intervene in the Citizens' proceeding. Pursuant to 52 Pa. Code § 5.61(d), the Companies elected not to file answers to OCA's and OSBA's Complaints, and Wellsboro elected not to file an answer to Zachary and Ashley Wattles' Complaint.

On May 22, 2025, the Commission suspended Citizens', Wellsboro's, and Valley's proposed tariff supplements by operation of law until January 29, 2026, and instituted an investigation into the proceedings. These proceedings were referred to the Office of Administrative Law Judge, where Administrative Law Judge ("ALJ") Mary D. Long was assigned to all three cases, and a Prehearing Conference was scheduled for June 3, 2025.

II. SERVICE LIST

For purposes of service in the above-captioned proceedings, please direct all communications to:

Adeolu A. Bakare (PA I.D. No. 208541)
Matthew L. Garber (PA I.D. No. 322855)
Rebecca Kimmel (PA I.D. No. 335097)
Victoria A. Geddis (PA I.D. No. 335500)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
abakare@mcneeslaw.com
mgarber@mcneeslaw.com
rkimmel@mcneeslaw.com
vgeddis@mcneeslaw.com

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

III. ANTICIPATED ISSUES AND SUB-ISSUES

In general, the Companies will address the proposed changes to their base rates as necessary to affirm that the tariff supplements set forth just and reasonable modifications that will provide each Company with an opportunity to earn a fair rate of return on its utility property. Citizens', Wellsboro, and Valley will present evidence establishing that each Company's respective rate increase request is just and reasonable, and therefore, should be granted.

To support the requested rate increases, the Companies anticipate addressing the following sub-issues:

1. Revenue Requirement – The Companies will demonstrate that the proposed rates appropriately reflect sales and revenues in the Historic, Future, and Fully-Projected Future ("FPF") Test Years.
2. Expenses – The Companies will demonstrate that they appropriately reflected and accounted for known and measurable expenses in the Historic, Future, and FPF Test Years.
3. Rate of Return – The Companies will show that the proposed rate of return reflects an appropriate capital structure, cost of debt and cost of equity, and will provide the Companies with the minimum revenues necessary to allow an opportunity to earn a fair return on utility property.
4. Rate Base – The Companies will confirm that their developed rate bases appropriately reflect the original cost of utility plant in the Historic, Future, and FPF Test Years, depreciation reserve, cash working capital, and materials and supplies.
5. Rate Structure – The Companies will support their proposed rate allocations.
6. Rate Design – The Companies will demonstrate that their proposed design changes are just, reasonable and not unduly discriminatory.
7. Tariff Changes – The Companies will demonstrate that proposed changes to their tariff rules are just, reasonable, not unduly discriminatory and otherwise consistent with the public interest.

IV. PROPOSED WITNESSES

The Companies currently propose to submit the testimony of the following witnesses, who will testify on the issues as reflected below:

Howard S. Gorman, President, HSG Group, Inc.; 45 Hill Park Ave., Great Neck, NY 11021; 516-829-6856 – develops the FPF Test Year revenue requirement and rate base and Future Test Year net income. Presents the allocated class cost of service study. Presents the Company's proposed revenue allocation and 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.

Dylan W. D'Ascendis, Partner, ScottMadden, Inc.; 1 Speen Street, Suite 150, Framingham, MA 01701; 609-680-8695 – recommends the allowed weighted average costs of capital for the Company's jurisdictional rate base.

Ryan M. Kucan, Manager, ScottMadden, Inc.; 1 Speen Street, Suite 150, Framingham, MA 01701; (508) 488-9196 – recommends the allowed weighted average costs of capital for the Company's jurisdictional rate base.

Melissa Sullivan, Chief Financial Officer, C&T Enterprises, Inc.; 33 Austin Street, 3rd Floor, Wellsboro, PA 16901; 570-724-9466 – explains C&T's roles and procedures as the management services company and discusses the history and circumstances surrounding C&T's acquisition of the three operating companies that are seeking rate relief. Also discusses affiliate transactions, financing, and tax issues.

Nathan Johnson, President and Chief Executive Officer, Citizens' Electric Company of Lewisburg, PA; 1775 Industrial Blvd., Lewisburg, PA 17837; 570-662-2175 – supports the operations, maintenance and capital plan projections that were used by HSG Group, Inc. for compilation and preparation of the filing. Addresses the capital improvement activities, vegetation management, and the proposed changes to Citizens' tariff. Provides a general overview of Citizens', its service territory, and its customer base. Addresses portions of the historical data, future test year expenses, and capital improvements information provided to Company witness Mr. Gorman for compilation and preparation of the filing. Discusses the unique circumstances faced by Citizens' as a small electric utility, and the basis for a performance adjustment to the Company's rate of return.

Kathy Stauder, Treasurer, Citizens' Electric Company of Lewisburg, PA; 1775 Industrial Blvd., Lewisburg, PA 17837; 570-522-6142 – responsible for Citizens' historic and test year expenses, taxes, revenues, and rate base.

Edward E. Rogers, President and Chief Executive Officer, Valley Energy, Inc.; 523 S. Keystone Ave., Sayre, PA 18840; (570) 888-9664 – provides a general overview of Valley, its operations, service territory, and customer base. Discusses the major factors that necessitate the rate relief requested, and proposed changes to the tariff.

Jamie Beale, President of Finance and Treasurer, Valley Energy, Inc.; 523 S. Keystone Ave., Sayre, PA 18840; (570) 888-9664 – responsible for Valley's historic and test year expenses, taxes, revenues, rate base, expense, plant, and sales information.

Cody Chapman, Vice President of Operations, Valley Energy, Inc.; 523 S. Keystone Ave., Sayre, PA 18840; (570) 888-9664 – responsible for anticipated capital projects and other operational expenses that will be undertaken during the Future Test Year and the FPF Test Year, including development of the capital budgets and assessing other operational needs such as vehicles.

Byron Farnsworth, Jr., President and Chief Executive Officer, Wellsboro electric Company; 33 Austin St., Wellsboro, PA 16901; (570) 724-6701 – provides a general overview of Wellsboro, its service territory, and its customer base. Addresses historic and future test year expenditures and capital improvement information, including the Wellsboro labor costs for both union and non-union employees. Further addresses factors supporting a performance adjustment to Wellsboro's rate of return, and the proposed changes to Wellsboro's tariff.

Jill Campbell, Vice President of Finance and Administration, Wellsboro electric Company; 33 Austin St., Wellsboro, PA 16901; (570) 724-6702 – responsible for Wellsboro's historic and test year expenses, taxes, revenues, and rate base.

V. PROPOSED SCHEDULE AND DISCOVERY RULES

The Companies propose the following procedural schedule for these proceedings:

Event	Date
Company's Rate Case Filings	April 30, 2025
Company's Direct Testimony	April 30, 2025
Prehearing Conference	June 3, 2025
Other Parties' Direct Testimony	July 14, 2025
Telephonic Public Input Hearing	July 28 - August 7, 2025
In-Person Public Input Hearing	July 28 - August 7, 2025
All Parties' Rebuttal Testimony	August 15, 2025
All Parties' Surrebuttal Testimony	August 26, 2025
Oral Rejoinder Outlines	September 2, 2025
Hearings (including Oral Rejoinder) in Harrisburg	September 2-3, 2025
Main Briefs	September 25, 2025
Reply Briefs	October 17, 2025
Public Meeting	January 15, 2026
Suspension Period Ends	January 29, 2026

The Companies have not reached agreement on a schedule with the parties to these proceedings but will continue discussions up to the Prehearing Conference in hopes of confirming a mutually agreeable schedule.

Discovery has commenced for the proceedings, with the Companies already responding to approximately 450 data requests and interrogatories, not including the numerous sub-questions. Due to the relatively small size of the Companies' staff, and the Companies' demonstrated responsiveness to discovery requests from the parties, the Companies suggest that, in lieu of any acceleration of the discovery deadlines, all parties commit in good faith to respond to each request as quickly as possible.

The Companies propose that service via electronic mail with a hard copy to follow by First-Class Mail shall constitute sufficient service to satisfy any "in-hand" dates. In addition, any discovery served after 12:00 p.m. on Friday or holidays should be considered to have been served on the following business day for purposes of calculating any responsive deadlines.

VI. PROTECTIVE ORDER

The Companies will circulate a draft Protective Order to address confidential and proprietary materials that may be provided in discovery or entered into the record in this proceeding. The Companies will submit via motion the proposed order to the Administrative Law Judge for review and approval.

VII. CONSOLIDATION

The Companies note that Citizens', Wellsboro, and Valley are affiliates and have filed their three rate case proceedings in parallel. For purposes of judicial economy, the Companies support consolidation of the Citizens', Wellsboro, and Valley rate cases and a Motion for Consolidation will be filed in parallel with this Prehearing Conference Memorandum. The Companies have discussed consolidation with the intervening parties and no party has indicated opposition to consolidation.

VIII. POSSIBILITY OF SETTLEMENT

The Companies are willing to pursue settlement discussions with the other parties to amicably resolve the issues in these proceedings, subject to the approval of the Commission. In addition, the Companies are willing to schedule informal settlement conferences as appropriate. The Companies anticipate productive discussions with the parties and will undertake reasonable efforts to fully or partially resolve these proceedings.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By 

Adeolu A. Bakare (PA I.D. No. 208541)
Matthew L. Garber (PA I.D. No. 322855)
Rebecca Kimmel (PA I.D. No. 335097)
Victoria A. Geddis (PA I.D. No. 335500)
McNEES WALLACE & NURICK LLC
100 Pine Street
P.O. Box 1166
Harrisburg, PA 17108-1166
Phone: (717) 232-8000
Fax: (717) 237-5300
abakare@mcneeslaw.com
mgarber@mcneeslaw.com
rkimmel@mcneeslaw.com
vgeddis@mcneeslaw.com

Counsel to Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company, and Valley Energy, Inc.

Dated: June 2, 2025