

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission, <i>et al</i>	:	
	:	
v.	:	
	:	
Wellsboro Electric Company	:	R-2025-3054392
	:	
and	:	
	:	
Valley Energy, Inc.	:	R-2025-3054393
	:	
and	:	
	:	
Citizen’s Electric Company of Lewisburg	:	R-2025-3054394

**PREHEARING ORDER**

Wellsboro Electric Company (Wellsboro Electric), Valley Energy, Inc. (Valley Energy), and Citizens’ Electric Company of Lewisburg, PA, filed proposed base rate increase requests on April 30, 2025.

Wellsboro Electric filed proposed Supplement No. 162 to Tariff Electric Pa. P.U.C. No. 8, containing proposed changes in rates, rules, and regulations calculated to produce \$2.9 million (22.0%) in additional annual revenues, an increase in residential customer’s bills using 700 kWh/month from \$142.75 to \$168.97/month (18.4%), to become effective June 29, 2025.

Valley Energy filed proposed Supplement No. 69 to Tarriff Gas Pa. P.U.C. No. 2, containing proposed changes in rates, rules, and regulations calculated to produce \$1.6 million (19%) in additional annual revenues, an increase in residential customer’s bills using 76 Ccf/month from \$66.81 to \$78.84/month (18%), to become effective June 29, 2025.

Citizens' Electric filed proposed Supplement No. 172 to Tariff Electric Pa. P.U.C. No. 14, containing proposed changes in rates, rules, and regulations calculated to produce \$1.79 million (11%) in additional annual revenues, an increase in residential customer's bills using 1,250 kWh/month from \$163.89 to \$181.51/month (11%), to become effective June 29, 2025.<sup>1</sup>

On May 12, 2025, and May 14, 2025, the Office of Consumer Advocate (OCA) and the Office of Small Business Advocate (OSBA), respectively, filed Formal Complaints to each company's rate filing.

Kelly Road Solar, LLC, Lancaster Avenue Solar, LLC, and Twilight Renewables, LLC (collectively, Solar Projects), filed a petition to intervene in the case of Citizens' Electric on May 21, 2025.

By order entered on May 22, 2025, the Commission suspended the proposed tariff until January 29, 2026, and directed an investigation to determine the lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the rate filings.

By notice dated May 22, 2025, this matter was assigned to me and scheduled for a prehearing conference on June 3, 2025. I served a prehearing conference order the same day, which directed the Parties wishing to actively participate in the litigation of the proceedings to file prehearing conference memoranda on or before June 2, 2025.

On June 2, 2025, the Solar Energy Industries Association and the Coalition for Community Solar Access (collectively, Joint Solar Advocates), filed a joint petition to intervene in Wellsboro Electric and Citizens' Electric.

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<sup>1</sup> Hereafter, Wellsboro Electric, Valley Energy and Citizens' Electric are collectively referenced as "the Companies."

The Prehearing Conference was convened as scheduled. Counsel for the Companies, I&E, OCA, OSBA, Solar Projects and Joint Solar Advocates appeared. This prehearing order memorializes the matters decided and agreed upon by the Parties attending the conference.

#### Consolidation

The Companies filed a motion to consolidate the three base rate cases for the purposes of discovery and litigation. The motion was based on the following grounds: (1) the Companies are wholly-owned subsidiaries of C&T Enterprises, Inc. (C&T) and the three proceedings present various common issues of fact; (2) the consolidation of these proceedings will provide quantifiable administrative efficiencies (e.g., the Companies are using common witnesses for such issues as revenue allocation, rate of return and the financial implications of the rate requests); and (3) the consolidation for purposes of discovery and hearings will provide a common and appropriate foundation for record development, review, and litigation of the relevant overlapping issues the cases. The motion is granted. However, each rate increase request must be supported by its own record. It is the responsibility of each party to ensure that pre-served testimony, and any other proposed evidence is clear as to which company the testimony is directed.

#### Petitions to Intervene

The petition to intervene in Citizens' Electric by Kelly Road Solar, LLC, Lancaster Avenue Solar, LLC, and Twilight Renewables, LLC is granted.

A ruling on the petition to intervene of Solar Energy Industries Association and the Coalition for Community Solar Access was held in abeyance pending a written response to the petition. 52 Pa. Code § 5.66.

### Service List

A service list of the Parties is attached to this order.

Any party that did not appear at the June 3, 2025, Prehearing Conference will be treated as an inactive participant to this proceeding. Inactive participants will receive the administrative law judge's written orders, notices of hearings and copies of any Commission decisions and orders. Inactive participants will not participate in discovery, testify at the evidentiary hearing, or cross-examine witnesses. Inactive participants will not receive copies of the hearing exhibits or briefs filed by the active participants. Any complainant or other party entering their appearance after the June 3, 2025, Prehearing Conference must designate in writing whether they want to be treated as an active participant. A request to participate as an active party must be in writing and addressed to the Administrative Law Judge and the active participants of record.

Litigation Schedule

The Parties negotiated and agreed to the following litigation schedule:

<b>Date</b>	<b>Event</b>
June 3, 2025	Prehearing Conference
July 2, 2025	Companies to resubmit Joint Statement No. 2, in a manner which conforms to 52 Pa. Code § 5.412
July 15, 2025, <b>by noon</b>	Service of written Direct Testimony of Non-Company Parties
August 13, 2025	Service of written Rebuttal Testimony
August 28, 2025	Service of written Surrebuttal Testimony
September 3, 2025	Written Rejoinder and <b>witness matrix listing the Parties intending to cross-examine each witness and the extent of any cross-examination</b>
September 4, September 5, and September 10, 2025	Technical evidentiary hearings in Harrisburg beginning at 9 AM each day.
September 26, 2025	Filing and service of Main Briefs
October 17, 2025	Filing and service of Reply Briefs or submission of a joint settlement petition executed by representatives of Parties thereto, together with all Parties' statements in support of joint petition/settlement

The Parties are reminded of the Commission's requirements for the preparation and filing of written testimony. 52 Pa. Code § 5.412. Written testimony must be accompanied by all exhibits to which it relates. **Worksheet and calculations which are used as exhibits must be provided in Excel format by email to the Administrative Law Judge and other Parties within two business days of the testimony being served.** Technical terms and concepts are to be clearly defined and explained in the testimonies and briefs. **The Parties are to agree on a list of common acronyms and use them consistently in all written testimony and briefs.**

The above-stated dates are in-hand dates for service on the Parties and the Administrative Law Judge. The Parties at the Prehearing Conference and the Administrative Law Judge agree to

accept electronic service of such material,<sup>2</sup> so long as the subject email is received by the date due. The Administrative Law Judge's e-mail address is: Administrative Law Judge Mary D. Long ([malong@pa.gov](mailto:malong@pa.gov)).

The evidentiary hearings will begin promptly at 9:00 a.m. The Parties must confer before commencement of the hearing to schedule their witnesses to avoid “holes” or “dead time” during the hearing. If a partial settlement is achieved, the Parties should be prepared to proceed at the hearing to present evidence on the non-resolved issues on the first scheduled day of hearing.

### Public Input Hearings

The OCA requested one-in-person public input hearings in the service territory of each of the Companies, as well as two telephone public input hearings. OCA's request was based on the “magnitude of the requested rate increase, the size of the customer base, and the requests for public input hearings and complaints received thus far in this matter....”

According to Commission policy, it is appropriate to convene a public input hearing when the Commission determines that there is “substantial public interest.” 52 Pa. Code § 69.321. To date, only one consumer complaint has been filed. Although OCA reviewed the public comment file in the Secretary's Bureau, counsel could not quantify the number or describe the nature of any of the public comments. Nor have members of the public contacted the OCA with questions regarding the rate filings or requesting public input hearings.

Counsel for the Companies represented that Wellsboro Electric, Citizens' Electric and Valley Energy are very small utilities in rural areas.<sup>3</sup> In-house counsel for the Companies, Pamela Polacek, noted that due to the small size and local nature of these utilities, customers have more access to company management than might be true for larger utilities with larger service territories. She further noted that, in her approximately 20 years as counsel for the

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<sup>2</sup> For Parties accepting electronic service, the documents are to be served electronically on the date indicated, by 4:00 p.m. unless otherwise indicated.

<sup>3</sup> See April 30, 2025 filings for each company at Section I.

Companies, the Commission has not convened in-person public input hearings in their base rate cases.

At this time, there is not a substantial public interest in these rate proceedings that would justify the expense of time and resources of the Parties and the Commission.<sup>4</sup> Only one formal complaint has been filed. Based on the past experience of these utilities, it is not likely that customers would participate if public input hearings were scheduled. A review of public participation in prior base rates proceedings for these companies bears out this view. The presiding ALJs in the 2022 base rate cases for Valley Energy and Citizens Electric<sup>5</sup> convened a telephonic public input hearing. Only two people testified. Although it appears that a ‘Smart Hearing’ may have been scheduled in the Companies’ 2019 base rate,<sup>6</sup> it does not appear that a hearing was convened. I am not aware of any legislative requests for public input hearings. Therefore, at this time no public input hearings will be scheduled. If consumer interest arises, however, the Parties are hereby directed to give this matter their prompt attention and notify the Presiding ALJ immediately of the change in circumstances.

#### Issues

In their respective prehearing memoranda, the Parties identified various issues they may wish to pursue. The reader is directed to these documents to review a recitation of these issues. Additional issues may arise as the discovery process develops.

#### Discovery

The Parties shall engage in informal discovery whenever and wherever possible in an attempt to resolve any discovery disputes amicably. 52 Pa. Code § 5.322. If this process fails, the Parties have recourse to the Commission’s procedures for formal discovery, as herein modified. 52 Pa. Code §§ 5.321, et seq. The Parties must not send the Administrative Law Judge discovery material or cover letters, unless attached to a motion to compel. **All motions to**

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<sup>4</sup> Expenses incurred by scheduled public input hearings are generally recoverable by utilities in customer rates.

<sup>5</sup> R-2022-3032300 and R-2022-3032369.

<sup>6</sup> R-2019-3008208, R-2019-3008209, R-1029-3008212.

**compel must contain a certification of counsel of the informal discovery undertaken and their efforts to resolve their discovery disputes informally.** If a motion to compel fails to contain such certification, the Administrative Law Judge will contact the Parties and direct them to pursue informal discovery.

The Parties must endeavor to complete discovery upon the filing of surrebuttal testimony absent extraordinary circumstances. Motions to compel discovery filed after August 28, 2025, may not be ruled upon in advance of the evidentiary hearing.

OCA proposed modifications to the Commission's procedures for formal discovery. The Companies initially opposed the modifications. According to the Companies, due to the demonstrative responsiveness to discovery requests, no modifications are necessary. Further, the Companies' staff is relatively small, and voluminous discovery requests received to date appear to be more tailored to larger utilities and may take time to more time to fully answer.

Following negotiation and discussion, the Parties agreed to the following discovery modifications:

- A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) business days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) business days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.

- D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.
- E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.
- F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.
- G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

These modifications to discovery procedures are effective June 3, 2025

After rebuttal is served, the following modifications shall apply:

- A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.
- B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) business days of service; unresolved objections shall be served on the propounding party in writing within three (3) business days of service of the interrogatories and/or requests for production.
- C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.
- D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.

- E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.
- F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

#### Pre-Served Testimony and Exhibits

No written testimony will be admitted into evidence unless accompanied by a verification or affidavit of the witness. No written testimony sponsored by more than one witness will be admitted into the record.

Confidential Security Information (CSI) as defined by 35 P.S. § 2141 et seq. should not be transmitted by email or other electronic means. The Parties are to avoid introducing CSI into the record and should develop alternative means, such as joint stipulations or redaction when proposing testimony or exhibits. If there is no other alternative to establish a material fact other than by CSI, the Parties are to contact the Administrative Law Judge immediately and in advance of the evidentiary hearing.

#### Settlement and Stipulations

The Parties are reminded it is the Commission's policy to encourage settlements. 52 Pa. Code § 5.231(a). The Parties are strongly urged to seriously explore this possibility. Submission of a fully executed joint settlement petition, together with all Parties' statements in support of the joint petition/settlement, must be filed with the Secretary for the Commission and received in-hand by the Administrative Law Judge no later than the close of business on June 13, 2024.

The Parties must agree on a common outline for statements in support, including headings and subheadings. Each party need not address every issue, but the same headings and subheadings must be presented in the same order. Statements in support should be specific and explain the benefit of the settlement terms to your client beyond the savings of litigation time and expense.

A settlement petition must include an appendix table which sets for the following information: the current rates for each customer class in each rate zone, the rate increase proposed in the initial filing for each customer class in each rate zone and the rates proposed for each customer class in each rate zone in the petition for settlement. The presentation of rate impacts should be clear and consistent regarding whether the impacts include supply rates in effect at the time of the settlement or are exclusively related to distribution rates. All these costs and comparisons shall be stated in dollar/cents amounts and in percentages.

If settlement is not feasible, the Parties are encouraged to stipulate to any matters they reasonably can to expedite this proceeding, lessen the burden of time and expenses in litigation on all Parties and conserve precious administrative hearing resources. 52 Pa. Code §§ 5.232 and 5.234. All stipulations entered into by the Parties must be reduced to writing, signed by the Parties to be bound thereby, and moved into the record during the hearing in this case. An exception to this requirement may occur when circumstances of time and expediency warrant. If so, an oral presentation of a stipulation is permissible, if it is followed by a reduction to writing as herein directed.

#### Cross-Examination

Friendly cross-examination or cumulative cross-examination during hearings will not be permitted. 52 Pa. Code §§ 5.76; 5.243.

Briefs and Reply Briefs

The Parties must comply with 52 Pa. Code §§ 5.501, et seq., regarding the preparation and filing of briefs. Briefs must include proposed conclusions of law and proposed ordering paragraphs. Page limitations on briefs will be discussed on or before the last day of hearing. The Parties shall submit to the Administrative Law Judge one copy by email. The electronic version of a brief must be prepared in Microsoft Office Word format. If in doubt, please email the Administrative Law Judge for clarification.

IMPORTANT NOTICE: Rate Case Tables will be electronically provided to the Parties. These Tables must be used by all Parties in this proceeding. If any party fails to follow these instructions in the smallest detail, that Party's position will not be considered, regardless of where the record may support it or the position of any other party to this proceeding. Your anticipated cooperation will be appreciated.

Modification

Any of the provisions of this Prehearing Order may be modified upon motion and good cause shown by any party in interest.

Date: June 5, 2025

\_\_\_\_\_/s/  
Mary D. Long  
Administrative Law Judge

**R-2025-3054392 - PA PUBLIC UTILITY COMMISSION v. WELLSBORO ELECTRIC COMPANY**

**R-2025-3054393 - PA PUBLIC UTILITY COMMISSION v. VALLEY ENERGY INC**

**R-2025-3054394 - PA PUBLIC UTILITY COMMISSION v. CITIZENS ELECTRIC COMPANY OF LEWISBURG PA**

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