

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held October 9, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Docket Nos.:

Securities Certificate of Citizens' Electric
Company of Lewisburg, PA for the Issuance of a
Loan Agreement up to \$3 million

S-2025-3056415

Application for Approval of an Affiliated Interest
Transaction between Citizens' Electric Company of
Lewisburg, PA and C&T Enterprises, Inc.

G-2025-3056417

ORDER

BY THE COMMISSION:

On July 23, 2025, Citizens' Electric Company of Lewisburg, PA ("Citizens" or the "Company") filed for registration pursuant to Chapter 19 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.*, and the Pennsylvania Public Utility Commission's (Commission) regulations at 52 Pa. Code § 3.601, the above-docketed securities certificate for the assumption of up to \$3 million of a long-term loan from C&T Enterprises, Inc. (C&T) to fund the conversion of short-term to long-term debt. Citizens'

also filed the above-docketed application for approval of a related affiliated interest transaction.

The Commission extended the consideration period of the affiliated interest application until further order of the Commission.¹ Citizens' voluntarily extended the consideration period of the securities certificate until October 9, 2025.²

Citizens' (utility code 110050) is a Pennsylvania corporation with its principal office located in Lewisburg, Pennsylvania. The Company is an investor-owned, for-profit electric distribution company that distributes electricity to approximately 7,213 customers in and around Lewisburg, Union County. Citizens' is a wholly-owned subsidiary of C&T.

C&T is a Pennsylvania holding and management services company with its principal office located in Lewisburg, Pennsylvania. C&T also owns Wellsboro Electric Company, an electric distribution company serving customers in and around Wellsboro in Tioga County, Pennsylvania, and Valley Energy, Inc., a natural gas distribution company serving customers in and around Sayre in Bradford County, Pennsylvania. C&T is a jointly-owned subsidiary of Tri-County Rural Electric Cooperative, Inc. (Tri-County) and Claverack Rural Electric Cooperative, Inc. (Claverack), which are member-owned electric cooperatives incorporated under the laws of Pennsylvania. Tri-County and Claverack are the sole owners of C&T, each owning 50%.

The instant securities certificate is being filed because the National Cooperative Services Corporation³ (NCSC) and C&T are entering into a loan agreement (the "NCSC

¹ See Secretarial Letter dated July 23, 2025, at Docket No. G-2025-3056417.

² See Application cover letter requesting extension of consideration period, dated July 21, 2025, at Docket No. S-2025-3056415.

³ In 1981, the NCSC formed as a privately funded, member-owned cooperative association organizing and existing under the laws of the District of Columbia. The organization provides specialized financing services to electric cooperatives and telecommunications providers.

Loan Agreement”) for \$3 million under which Citizens’, as C&T’s subsidiary, will execute a guaranty for the total amount outstanding under the NCSC Loan Agreement. In addition to Citizens’ guaranty, NCSC has requested as security a first mortgage lien on C&T and on stock that C&T owns in the Company. Citizens’ will also execute a loan agreement with C&T (the “Citizens’ Loan Agreement”), along with one or more Secured Promissory Notes, with similar terms to the NCSC Loan Agreement. If the requested securities certificate is registered, Citizens’ will have access to and be able to draw upon the money available in the NCSC Loan Agreement to fund the payoff of short-term lending.

C&T extends funds it obtains through a line of credit with NCSC to Citizens’ with a maximum borrowing limit of \$3 million. Principal borrowed is payable upon demand of C&T, and Citizens’ is solely and individually responsible for repayment of outstanding principal, accrued interest and fees charged to C&T.

Citizens’ has arranged the long-term debt to provide funding to repay short-term debt as the Company seeks rate relief at Docket No. R-2025-3054394, with new rates expected to take effect on or around January 30, 2026. Until that time, Citizens’ is concerned that current cash flow from its distribution revenues will not support the repayment of its short-term line of credit as anticipated under its financing arrangement. Converting the existing short-term debt to long-term debt will enable Citizens’ to access the short-term line of credit for ordinary periodic cash-flow constraints.

Through these filings, Citizens’ proposes to assume increased indebtedness to C&T of up to \$3 million of a long-term loan through a line of credit based upon the Citizens’ Loan Agreement. The Company’s management has determined that the increased indebtedness is necessary to obtain additional access to cash flow draws for when timing differences arise between paying expenses, such as the payment of gross

receipts tax and default service provider obligations⁴, and collecting those payments from customers through rates.

All obligations to C&T, including outstanding principal, accrued interest, and fees related specifically to draws requested by Citizens' will be directly allocated to the Company. The Citizens' Loan Agreement passes through any other charges associated with borrowed amounts as assessed by NCSC, without modification or mark-up.

Citizens' believes that the financing for which the Securities Certificate will be issued is already authorized by its Affiliated Interest Agreement at Docket No. G-2008-2020732. Nevertheless, Citizens' is requesting further Commission approval of the affiliated interest transaction in accordance with the requirements of Section 2102 of the Public Utility Code. The Commission agrees that this method of allocating general costs relating to the Citizens' Loan Agreement appears both fair and reasonable and remains consistent with the handling of cost allocation issues in past matters.

With the instant filing, Citizens' provided audited financial statements as of December 31, 2024. Commission rules require that a public utility seeking a securities certificate provide a balance sheet of the public utility dated within at least three months of the date of the securities certificate.⁵ Citizens' avers that there have been no recent transactions that substantially impact the financial status of the Company and requests a waiver of the requirement pursuant to 52 Pa. Code § 5.43. The Commission agrees that the additional cost of producing an audited balance sheet within the three months prior to the filing date would be an unreasonable burden and will grant the request for a waiver of this requirement.

⁴ Citizens' is obligated to act as the default service provider for all customers in its service territory.

⁵ See 52 Pa. Code § 3.601(c)(9)(i).

Compliance checks found that Citizens' is current with its annual financial and Security Planning and Readiness Reports and has no outstanding Commission fines, fees, or assessments due.

Upon examination of the instant securities certificate filed by Citizens', we have determined that the proposed indebtedness of up to \$3 million of a long-term loan from C&T to fund the conversion of short-term to long-term debt is necessary or proper for the present and probable future capital needs of the utility and as a result, the securities certificate should be registered. We also find that the instant affiliated interest agreement for transaction between Citizens' and C&T, appears to be reasonable and consistent with the public interest under Section 2102(b) of the Public Utility Code, 66 Pa. C.S. § 2102(b); **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate filed by Citizens' Electric Company of Lewisburg, PA for up to \$3 million of a long-term loan for indebtedness to C&T Enterprises, Inc. is hereby registered.
2. That the proposed agreement for the affiliated interest transaction between Citizens' Electric Company of Lewisburg, PA and C&T Enterprises, Inc., is hereby approved.
3. That approval of the affiliated interest agreement does not preclude the Commission from investigating during any formal proceeding the reasonableness of any charges under the arrangement.
4. That the requirement in 52 Pa. Code § 3.601(c)(9)(i) that a public utility seeking a securities certificate provide a balance sheet of the public utility dated within at

least three months of the date of the securities certificate is hereby waived for this security registration.

5. That within 60 days of the borrowing of debt pursuant to the instant registration, Citizens' Electric Company of Lewisburg, PA shall file notice with the Commission of the principal borrowed together with a summary of the interest rate, maturity and call provisions.

6. That registration of the subject securities certificate will end on October 9, 2026, if no borrowings have taken place by that date.

7. That consistent with Section 1903(b) of the Public Utility Code, 66 Pa.C.S. 1903(b), the registration of the subject securities certificate does not represent Commission approval of the proposed projects for rate recovery pursuant to 66 Pa.C.S. §§ 1301-1328.

8. That upon receipt of the notice required in Ordering Paragraph No. 5, above, this case be marked closed.

BY THE COMMISSION,



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: October 9, 2025

ORDER ENTERED: October 9, 2025