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October 17, 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 Joint Petition for Settlement in the above-referenced docket. In addition to the traditional supporting tables, appendices, and statements in support, the filing includes Joint Findings of Fact, Conclusions of Law and Ordering Paragraphs as Exhibits 1-3, respectively.

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 light blue horizontal line.

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**

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Adeolu A. Bakare

Counsel to Wellsboro Electric Company

Dated this 17<sup>th</sup> day of October, 2025, in Harrisburg, Pennsylvania.

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**JOINT PETITION FOR SETTLEMENT**

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**I. INTRODUCTION**

Wellsboro Electric Company ("Wellsboro" or "Company"), the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OBSA") (individually, "Party," and collectively, "Parties"), submit this Joint Petition for Settlement ("Joint Petition" or "Settlement") of the above-captioned proceeding and respectfully request that Administrative Law Judge ("ALJ") Mary D. Long and the Commission approve all of the terms and conditions set forth in this Settlement.

**II. BACKGROUND**

1. On April 30, 2025, Wellsboro filed with the Commission proposed Supplement No. 162 to Tariff Electric – Pa. P.U.C. No. 8 ("Supplement No. 162"). The purpose of Supplement No. 162, which requested an overall rate increase of \$2,899,000 per year. In support of this filing, Wellsboro submitted a Statement of Reasons, the

supporting information required by 52 Pa. Code § 53.52(a), (b), and (c), and various other information.

2. On April 30, 2025, Wellsboro also submitted to the I&E, OCA, and OSBA its prepared direct testimony, consisting of the following statements:

- Direct Testimony of Howard S. Gorman (Wellsboro Statement No. 1)
- Direct Testimony and Exhibits of Dylan W. D'Ascendis and Ryan M. Kucan (Joint Statement No. 2)
- Direct Testimony of Melissa Sullivan (Joint Statement No. 3)
- Direct Testimony of Byron Farnsworth, Jr. (Wellsboro Statement No. 4)
- Direct Testimony of Jill Campbell (Wellsboro Statement No. 5).

3. By Order entered May 22, 2025, the Commission allowed Supplement No. 162 to be suspended by operation of law until January 29, 2026, and ordered that the Company's rate increase filing and its existing rates, rules, and regulations be investigated. The Commission also ordered that this matter be assigned to the Office of Administrative Law Judge for scheduling of hearings. As a result, the Commission assigned this proceeding to ALJ Long. On June 2, 2025, in compliance with the Commission's Order entered on May 22, 2025, Wellsboro filed tariff suspension Supplement No. 163 to Tariff Electric – Pa. P.U.C. No. 8 ("Supplement No. 163"), which suspended proposed Supplement No. 162 until January 29, 2026.

4. I&E filed a notice of appearance in this proceeding on May 15, 2025.
5. OCA filed a Formal Complaint in this proceeding on May 12, 2025.
6. OSBA filed a Formal Complaint in this proceeding on May 14, 2025.
7. On June 2, 2025, Wellsboro, along with Valley Energy, Inc. ("Valley") and Citizens' Electric Company of Lewisburg, PA ("Citizens") moved to consolidate the

proceedings with Valley's and Citizens' 2025 Base Rate Filings, located at docket numbers R-2025-4054393 and R-2025-4054394.

8. On June 2, 2025, the Solar Energy Industries Association ("SEIA") and the Coalition for Community Solar Access ("CCSA") filed a Joint Petition to Intervene.

9. On June 5, 2025, ALJ Long issued an Order granting the motion for consolidation and ordering the parties to engage in discovery.

10. On June 25, 2025, Citizens' and Wellsboro filed a Joint Answer opposing the Joint Petition to Intervene of SEIA and CCSA.

11. On July 2, 2025, pursuant to the Prehearing Order, Wellsboro submitted revised prepared direct testimony to replace Joint Statement No. 2 with statements sponsored separately by Dylan W. D'Ascendis and Ryan M. Kucan, respectively.

Wellsboro submitted the following:

- Direct Testimony of Dylan W. D'Ascendis (Revised Joint Statement No. 2)
- Direct Testimony of Ryan M. Kucan (Joint Statement No. 2A)

12. On July 7, 2025, ALJ Long issued an Initial Decision denying SEIA and CCSA's Petition to Intervene.

13. On July 15, 2025, OCA, I&E, and OSBA submitted direct testimony. OCA submitted the following:

- Direct Testimony of Greg R. Meyer (OCA Statement No. 1)
- Direct Testimony of Christopher C. Walters (OCA Statement No. 2)
- Direct Testimony of Michael Deupree (OCA Statement No. 3)
- Direct Testimony of LeeAnn Wise (OCA Statement No. 4).

I&E submitted the following:

- Direct Testimony of Zachari Walker (I&E Statement No. 1)
- Direct Testimony of Christopher Keller (I&E Statement No. 2)
- Direct Testimony of Ethan Cline (I&E Statement No. 3).

OSBA submitted the following:

- Direct Testimony of Justin B. Farr (OSBA Statement No. 1).

14. On August 13, 2025, Wellsboro, OCA, and OSBA served prepared rebuttal testimony. Wellsboro submitted the following rebuttal statements:

- Rebuttal Testimony of Howard S. Gorman (Wellsboro Statement No. 1R)
- Rebuttal Testimony of Dylan W. D'Ascendis (Joint Statement No. 2R)
- Rebuttal Testimony of Byron Farnsworth, Jr. (Wellsboro Statement No. 4R)
- Rebuttal Testimony of Jill Campbell (Wellsboro Statement No. 5R).

OSBA submitted the following rebuttal statement:

- Rebuttal Testimony of Justin B. Farr (OSBA Statement No. 1-R).

OCA submitted the following rebuttal statements:

- Rebuttal Testimony of Greg R. Meyer (OCA Statement No. 1R)
- Rebuttal Testimony of Christopher C. Walters (OCA Statement No. 2R)
- Rebuttal Testimony of Michael Deupree (OCA Statement No. 3R).

15. On August 28, 2025, Wellsboro, OCA, I&E, and OSBA submitted surrebuttal testimony. Wellsboro submitted the following statements:

- Surrebuttal Testimony of Howard Gorman (Wellsboro Statement No. 1SR)
- Surrebuttal Testimony of Byron Farnsworth, Jr. (Wellsboro Statement No. 4SR).

OCA submitted the following statements:

- Surrebuttal Testimony of Greg R. Meyer (OCA Statement No. 1SR)
- Surrebuttal Testimony of Christopher C. Walters (OCA Statement No. 2SR)
- Surrebuttal Testimony of Michael Deupree (OCA Statement No. 3SR)
- Surrebuttal Testimony of LeeAnn Wise (OCA Statement No. 4SR).

I&E submitted the following statements:

- Surrebuttal Testimony of Zachari Walker (I&E Statement No. 1-SR)
- Surrebuttal Testimony of Christopher Keller (I&E Statement No. 2-SR)
- Surrebuttal Testimony of Ethan Cline (I&E Statement No. 3-SR).

OSBA submitted the following statement:

- Surrebuttal Testimony of Justin B. Farr (OSBA Statement No. 1-SR).

16. During this proceeding, numerous settlement discussions were held among the Parties. As a result of those discussions, a settlement-in-principle was reached among the Parties. The agreement of the Parties is embodied in this Settlement.

### **III. TERMS OF SETTLEMENT**

The terms of the Settlement are as follows:

17. The Parties agree to a stipulated increase in the Company's annual revenue requirement of \$2,500,000, which is an approximately 39% increase in the Company's distribution revenues at present rates, using a FPFTY ending December 31, 2026.

18. The Parties agree that the Company will implement the increase in two phases for rate gradualism purposes. Phase I will be an increase of \$1,800,000 in year 1, effective January 29, 2026, and Phase II will be a further increase of \$700,000 in year 2, effective January 29, 2027. Each phase of rate increases may be implemented by the Company via a compliance tariff effective on one day's notice that is in compliance with

the Commission's final order entered in this proceeding.<sup>1</sup> Tables A and B include the current, originally proposed, and stipulated rates that result from this settlement.

19. The Company will normalize rate case expense over three years. No unamortized rate case expense will be claimed in rate base in the settlement rates.

20. The Parties agree that the Pennsylvania Corporate Net Income ("CNI") Tax rate in this proceeding will be set at 7.49%. The Company will reflect the actual CNI tax rates for the post-2026 tax years through the State Tax Adjustment Surcharge and via future base rate proceedings.

21. The Company's revenue requirement does not include costs for one-time credit card payments, which will continue to be the responsibility of the customers who use this bill payment option. However, the Company will further evaluate the fee issue raised by the OCA in testimony in this proceeding and agrees that in its direct testimony in the next rate case it will provide an estimate of what annual costs would be if the one-time fee were to be absorbed into revenue requirement.

22. The Company's Utility Plant balances for the FPFTY and FTY are accepted as filed for purposes of the post-test year reporting agreed to in Paragraph 28 and any subsequent request to implement a Distribution System Improvement Charge ("DSIC").

23. Except as provided above, the revisions to the proposed revenue requirement shall not otherwise be ascribed to any specific proposed adjustment or position of any Party.

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<sup>1</sup> All tariff changes other than Phase II of the rate increase will be included with the Phase I Compliance Filing.

24. The Company's revenue requirement increase will be allocated among the Company's rate classes in accordance with the allocation methodology set forth in Appendix A to this Settlement. The distribution rates and bill comparisons for each class are set forth in Appendices B, B1, and B2 (for Phase I) and Appendices C, C1, and C2 (for Phase II).

25. The Company will implement a Residential Service ("RS") fixed Customer Charge of \$15.00 per month, a 25% increase from the existing \$12.00 monthly charge. The Company will also implement a fixed Customer Charge of \$15.00 per month for commercial rates Non-Residential Service ("NRS") and Non-Residential Service Space Heating ("NRH"), an approximately 23% increase from the existing \$12.22 monthly charge.

26. The Company will memorialize written internal operating procedures that provide applicants with the ability to explore, in conjunction with the request for the deposit, whether the applicant may qualify for a waiver due to the household income and train its customer service representative employees based on the written procedures.

27. The Company will establish written internal operating procedures addressing how Federal Poverty Income Guideline ("FPIG") ranges are used, what verification is needed for low-income verification, and how payments and terms are calculated.

28. The Company will provide OCA, I&E and OSBA an update to Company Exhibit\_\_ (HSG-1), Schedule C3 for the years 2024-2025 no later than April 1, 2026, and an update for the years 2025-2026 no later than April 1, 2027. These updates will be

filed under the docket number of this proceeding. The updated schedules will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2025, and December 31, 2026, respectively.

29. The Company will include the following information about OSBA.
  - a. Information about OSBA will be included in a newsletter or bill insert at least once per year, with the first communication occurring by June 1, 2026.
  - b. Information about the OSBA will be added to the Company website with a hyperlink.

#### **IV. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

30. This Settlement was achieved by the Parties after an extensive investigation of the Company's base rate filing, including formal and informal discovery and the submission of direct testimony, rebuttal testimony, surrebuttal testimony, and rejoinder testimony by certain of the Parties. The Settlement is lawful and supported by the record of this proceeding.

31. With the approval of the Settlement, the Parties and the Commission avoid the time, expense and uncertainty that would occur if the Parties were required to fully litigate the issues in this proceeding.

32. The Parties are providing support of the Settlement via Statements in Support, which are attached to the Settlement as Appendices D through G. These statements will set forth additional arguments and reasons supporting approval of this Settlement without modification as appropriate and in the public interest.

## V. CONDITIONS OF SETTLEMENT

33. This Settlement is conditioned upon the Commission's approval of terms and conditions contained herein without modification. If the Commission modifies the Settlement, any Party may elect to withdraw from this Settlement and may proceed with litigation, and, in such event, this Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon the other Parties within five (5) business days after the entry of an order modifying the Settlement.

34. The Settlement is proposed by the Parties to settle all issues in the instant proceeding and is made without any admission against, or prejudice to, any position that any Party may adopt during any subsequent litigation of this proceeding or any other proceeding.

35. If the ALJ adopts the Settlement without modification, the Parties waive their rights to file exceptions and reply exceptions.

36. If the Commission does not approve the Settlement, and the proceeding continues to further hearings, the Parties reserve their respective rights to present testimony and to conduct full cross-examination, briefing, and argument.

37. The Commission's approval of this Settlement shall not be construed to represent approval of any Party's position on any issue.

38. It is understood and agreed among the Parties that this Settlement is the result of compromises and does not necessarily represent the position(s) that would be advanced by any Party if this proceeding were fully litigated.

## VI. CONCLUSION

**WHEREFORE**, the Parties respectfully request as follows:

1. That the ALJ and the Commission make the following findings (and any other findings and conclusions as may be required or appropriate):
  - a. The Company's proposed base rate increase and tariff, as modified by the terms of this Settlement, are compliant with the requirements of the Pennsylvania Public Utility Code.
  - b. Approval of this Settlement is in the public interest.
  - c. The Company shall submit two compliance filings implementing the rate and tariff changes agreed to in this Settlement; the first filing, implementing Phase I, to be effective on January 29, 2026, and the second filing, implementing Phase II, to be effective on January 29, 2027.
2. That the ALJ recommends and the Commission approve this Settlement including all terms and conditions thereof.

3. That the Commission enter an Order consistent with this Settlement, approving the Company's proposed rate increase and other tariff changes.

Dated: October 17, 2025

Respectfully submitted,



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*/s/ Steven C. Gray*

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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	
1	<b>Schedule RS- Residential Service</b>							
2	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%	25.0%
3								
4	Energy Charge, per kWh	\$0.058640	\$0.089660	\$0.077130	\$0.031020	\$0.018490	52.9%	31.5%
5	<b>Schedule RSAE- Residential Service All Electric</b>							
6	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%	25.0%
7								
8	Energy Charge, per kWh	\$0.051270	\$0.084730	\$0.071260	\$0.033460	\$0.019990	65.3%	39.0%
9	<b>Schedule NRS- Non-Residential Service</b>							
10	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%	22.7%
11								
12	Energy Charge, per kWh	\$0.076300	\$0.116010	\$0.099290	\$0.039710	\$0.022990	52.0%	30.1%
13	<b>Schedule NRH- Non-Residential Service Space Heating</b>							
14	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%	22.7%
15								
16	Energy Charge, per kWh	\$0.084690	\$0.157580	\$0.124010	\$0.072890	\$0.039320	86.1%	46.4%
17	<b>Schedule CS- Commercial Service (Minimum 7 kW)</b>							
18	Customer Charge per Bill	\$32.03	\$32.03	\$32.03	\$0.00	\$0.00	0.0%	0.0%
19								
20	Energy Charge, per kWh- All	\$0.022680	\$0.033570	\$0.029450	\$0.010890	\$0.006770	48.0%	29.9%
21								
22	Demand Charge, per kW-Mth	\$6.60	\$9.24	\$8.57	\$2.64	\$1.97	40.0%	29.8%
23	<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>							
24	Customer Charge per Bill	\$45.81	\$45.81	\$45.81	\$0.00	\$0.00	0.0%	0.0%
25								
26	Energy Charge, per kWh	\$0.066280	\$0.173130	\$0.125150	\$0.106850	\$0.058870	161.2%	88.8%
27	<b>Schedule IS- General Service (Minimum 2300 volts, 50 kW)</b>							
28	Customer Charge per Bill	\$85.00	\$150.00	\$150.00	\$65.00	\$65.00	76.5%	76.5%
29								
30	<u>Energy Charge, per kWh</u>							
	First 130 kWh X Billed							
31	Demand kW	\$0.02078	\$0.02881	\$0.02583	\$0.00803	\$0.00505	38.6%	24.3%
32	Additional kWh	\$0.00130	\$0.00182	\$0.00162	\$0.00052	\$0.00032	40.0%	24.6%
33								
34	Demand Charge, per kW-Mth	\$10.00	\$14.00	\$12.43	\$4.00	\$2.43	40.0%	24.3%

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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates
35	<b>Schedule MSL</b>						
36	Per Lamp per Month						
37							
38	20000 lumens (HG)	\$10.76	\$15.67	\$13.91	\$4.91	\$3.15	45.6% 29.3%
39							
40							
41							
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$6.00	\$5.33	\$1.88	\$1.21	45.6% 29.4%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$16.10	\$14.30	\$5.04	\$3.24	45.6% 29.3%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$23.34	\$20.72	\$7.31	\$4.69	45.6% 29.3%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$6.83	\$6.06	\$2.14	\$1.37	45.6% 29.2%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$16.92	\$15.02	\$5.30	\$3.40	45.6% 29.3%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$8.46	\$7.51	\$2.65	\$1.70	45.6% 29.3%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$18.56	\$16.48	\$5.81	\$3.73	45.6% 29.3%
49							

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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	
35POL	<b>Schedule POL</b>							
36POL	Per Lamp per Month							
37POL								
38POL	20000 lumens (HG)	\$8.81	\$10.19	\$9.71	\$1.38	\$0.90	15.7%	10.2%
39POL								
40POL								
41POL	LED 50W, 5000 lumens OH	\$8.33	\$9.64	\$9.19	\$1.31	\$0.86	15.7%	10.3%
42POL	Cobra							
43POL	LED 50W, 5000 lumens UG	\$11.06	\$12.79	\$12.20	\$1.73	\$1.14	15.6%	10.3%
44POL	Cobra							
45POL	LED 50W, 5000 lumens UG	\$16.03	\$18.54	\$17.68	\$2.51	\$1.65	15.7%	10.3%
46POL	Colonial							
47POL	LED 70W, 15000 lumens OH	\$8.89	\$10.28	\$9.80	\$1.39	\$0.91	15.6%	10.2%
48POL	Cobra							
49POL	LED 70W, 15000 lumens UG	\$11.62	\$13.44	\$12.81	\$1.82	\$1.19	15.7%	10.2%
50POL	Cobra							
51POL	LED 140W, 20000 lumens	\$10.02	\$11.59	\$11.05	\$1.57	\$1.03	15.7%	10.3%
52POL	OH Cobra							
53POL	LED 140W, 20000 lumens	\$12.75	\$14.75	\$14.06	\$2.00	\$1.31	15.7%	10.3%
54POL	UG Cobra							
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92POL								
93POL								
94POL								
95POL								
96POL								
97POL								
98POL								
99POL								
100POL								
50	<b>Schedule EU- Exchange of Service</b>							
51	Energy Charge, per kWh- All	\$0.08732	\$0.11866	\$0.10643	\$0.03134	\$0.01911	35.9%	21.9%



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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- Starting January 29, 2027  
All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- Starting January 29, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates
35	<b>Schedule MSL</b>						
36	Per Lamp per Month						
37							
38	20000 lumens (HG)	\$10.76	\$15.67	\$15.13	\$4.91	\$4.37	45.6%
39							
40							
41							
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$6.00	\$5.79	\$1.88	\$1.67	45.6%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$16.10	\$15.56	\$5.04	\$4.50	45.6%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$23.34	\$22.55	\$7.31	\$6.52	45.6%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$6.83	\$6.60	\$2.14	\$1.91	45.6%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$16.92	\$16.34	\$5.30	\$4.72	45.6%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$8.46	\$8.17	\$2.65	\$2.36	45.6%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$18.56	\$17.93	\$5.81	\$5.18	45.6%
49							

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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- Starting January 29, 2027  
All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- Starting January 29, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	
35POL	<b>Schedule POL</b>							
36POL	Per Lamp per Month							
37POL								
38POL	20000 lumens (HG)	\$8.81	\$10.19	\$10.07	\$1.38	\$1.26	15.7%	14.3%
39POL								
40POL								
41POL								
42POL	LED 50W, 5000 lumens OH Cobra	\$8.33	\$9.64	\$9.52	\$1.31	\$1.19	15.7%	14.3%
43POL	LED 50W, 5000 lumens UG Cobra	\$11.06	\$12.79	\$12.64	\$1.73	\$1.58	15.6%	14.3%
44POL	LED 50W, 5000 lumens UG Colonial	\$16.03	\$18.54	\$18.32	\$2.51	\$2.29	15.7%	14.3%
45POL	LED 70W, 15000 lumens OH Cobra	\$8.89	\$10.28	\$10.16	\$1.39	\$1.27	15.6%	14.3%
46POL	LED 70W, 15000 lumens UG Cobra	\$11.62	\$13.44	\$13.28	\$1.82	\$1.66	15.7%	14.3%
47POL	LED 140W, 20000 lumens OH Cobra	\$10.02	\$11.59	\$11.45	\$1.57	\$1.43	15.7%	14.3%
48POL	LED 140W, 20000 lumens UG Cobra	\$12.75	\$14.75	\$14.57	\$2.00	\$1.82	15.7%	14.3%
49POL								
50	<b>Schedule EU- Exchange of Service</b>							
51	Energy Charge, per kWh- All	\$0.08732	\$0.11866	\$0.11387	\$0.03134	\$0.02655	35.9%	30.4%

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

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4	Appendix B1	Bill Comparisons (including GSSR) FPFTY 2026
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6	Appendix C	Summary Of Present And Proposed Rates Starting January 29, 2027
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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  
Future Year 2027

Line	Rate Class	Distribution Total- Present Rates	Distribution - Proposed Increase 2026	Distribution - Proposed Total 2026	Distribution - Proposed Increase Total	Distribution Total- Proposed Rates 2027	Increase 2027 Over 2026
1	<u>Residential Customers</u>						
2	Schedule 1- RS	3,357,674	1,010,386	4,368,060	1,402,763	4,760,437	392,377
3	Schedule 2- RSAE	24,383	8,924	33,308	12,395	36,778	3,470
4	Schedule RS- Residential Service	3,382,057	1,019,311	4,401,368	1,415,158	4,797,216	395,848
5							
6	<u>Commercial and Industrial Customers</u>						
7	Schedule 3- NRS	490,753	137,875	628,628	191,527	682,281	53,653
8	Schedule 3- NRH	676	279	956	388	1,064	109
9	Schedule 4- CS	1,510,082	406,463	1,916,545	565,159	2,075,241	158,696
10	Schedule 4- CSH	1,028	425	1,453	590	1,618	165
11	Schedule 5- IS	880,700	221,538	1,102,239	307,448	1,188,148	85,909
12		2,883,240	766,580	3,649,821	1,065,112	3,948,352	298,531
13							
14	Schedule 6- Municipal Street Lights	13,496	3,954	17,450	5,482	18,979	1,528
15	Schedule 7- Private Outdoor Lights	81,371	8,366	89,737	11,624	92,995	3,258
16	Lighting	94,867	12,321	107,188	17,107	111,974	4,786
17							
18	Schedule 8- Exchange Utility	8,957	1,961	10,917	2,723	11,680	763
19							
20	TOTAL	\$6,369,121	\$1,800,172	\$8,169,293	\$2,500,100	\$8,869,221	\$699,928

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

Summary Of Present And Proposed Rates FPFTY 2026  
Fully Projected Future Test Year 2026 (Starting January 29, 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	<b>Schedule RS- Residential Service</b>					
2	Customer Charge per Bill	\$12.00	\$12.00	\$15.00	\$15.00	25.0%
3						
4	Energy Charge, per kWh- All	\$0.058640	\$0.15529	\$0.077130	\$0.17378	31.5% 11.9%
5	<b>Schedule RSAE- Residential Service All Electric</b>					
6	Customer Charge per Bill	\$12.00	\$12.00	\$15.00	\$15.00	25.0%
7						
8	Energy Charge, per kWh- All	\$0.051270	\$0.14792	\$0.071260	\$0.16791	39.0% 13.5%
9	<b>Schedule NRS- Non-Residential Service</b>					
10	Customer Charge per Bill	\$12.22	\$12.22	\$15.00	\$15.00	22.7%
11						
12	Energy Charge, per kWh- All	\$0.076300	\$0.17295	\$0.099290	\$0.19594	30.1% 13.3%
13	<b>Schedule NRH- Non-Residential Service Space Heating</b>					
14	Customer Charge per Bill	\$12.22	\$12.22	\$15.00	\$15.00	22.7%
15						
16	Energy Charge, per kWh- All	\$0.084690	\$0.18134	\$0.124010	\$0.22066	46.4% 21.7%
17	<b>Schedule CS- Commercial Service (Minimum 7 kW)</b>					
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	\$0.029450	\$0.12610	29.9% 5.7%
21						
22	Demand Charge, per kW-Mth- All	\$6.60	\$6.60	\$8.57	\$8.57	29.8%
23	<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>					
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	\$0.125150	\$0.22180	88.8% 36.1%
27	<b>Schedule IS- General Service (Minimum 2300 volts, 50 kW)</b>					
28	Customer Charge per Bill	\$85.00	\$85.00	\$150.00	\$150.00	76.5%
29						
30	<u>Energy Charge, per kWh</u>					
31	First 130 kWh X Billed Demand kW	\$0.02078	\$0.11743	\$0.02583	\$0.12248	24.3% 4.3%
32	Additional kWh	\$0.00130	\$0.09795	\$0.00162	\$0.09827	24.6% 0.3%
33						
34	Demand Charge, per kW-Mth- All	\$10.00	\$10.00	\$12.43	\$12.43	24.3% 24.3%

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

Summary Of Present And Proposed Rates FPFTY 2026  
Fully Projected Future Test Year 2026 (Starting January 29, 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	<b>Schedules MSL, POL</b>					
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	\$13.91	\$9.71	29.3% 10.2%
39						
40						
41						
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$8.33	\$5.33	\$9.19	29.4% 10.3%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$11.06	\$14.30	\$12.20	29.3% 10.3%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$16.03	\$20.72	\$17.68	29.3% 10.3%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$8.89	\$6.06	\$9.80	29.2% 10.2%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$11.62	\$15.02	\$12.81	29.3% 10.2%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$10.02	\$7.51	\$11.05	29.3% 10.3%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$12.75	\$16.48	\$14.06	29.3% 10.3%
49		<b>MSL, POL rates are Distribution only</b>		<b>MSL, POL rates are Distribution only</b>		
50	<b>Schedule EU- Exchange of Service</b>					
51	Energy Charge, per kWh- All	\$0.08732	\$0.18397	\$0.106430	\$0.20308	21.9% 10.4%





**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (including GSSR) FPFTY 2026**  
**Fully Projected Future Test Year 2026 (Starting January 29, 2026)**

**Schedule CS- Commercial Service (Minimum 7 kW)**

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Month	%
41	<b>7 kW</b> Minimum	78.23		92.02		13.79	17.6%
42	Load factor 10%	511	0.27242	156.46	0.30618	17.25	12.4%
43	Load factor 20%	1,022	0.19588	220.89	0.21614	20.71	10.3%
44	Load factor 35%	1,789	0.16307	317.55	0.17755	25.90	8.9%
45	Load factor 50%	2,555	0.14995	414.21	0.16212	31.09	8.1%
46	Load factor 60%	3,066	0.14485	478.64	0.15611	34.55	7.8%
47	Load factor 75%	3,833	0.13974	575.30	0.15011	39.74	7.4%
48							
49	<b>10 kW Demand</b> Minimum	98.03		117.73		19.70	20.1%
50	Load factor 10%	730	0.25362	209.78	0.28737	24.64	13.3%
51	Load factor 20%	1,460	0.18647	301.84	0.20674	29.58	10.9%
52	Load factor 35%	2,555	0.15770	439.92	0.17218	37.00	9.2%
53	Load factor 50%	3,650	0.14619	578.00	0.15835	44.41	8.3%
54	Load factor 60%	4,380	0.14171	670.05	0.15298	49.35	8.0%
55	Load factor 75%	5,475	0.13724	808.13	0.14760	56.77	7.6%
56							
57	<b>25 kW Demand</b> Minimum	197.03		246.28		49.25	25.0%
58	Load factor 10%	1,825	0.22729	476.41	0.26105	61.61	14.9%
59	Load factor 20%	3,650	0.17331	706.55	0.19357	73.96	11.7%
60	Load factor 35%	6,388	0.15018	1,051.74	0.16466	92.49	9.6%
61	Load factor 50%	9,125	0.14092	1,396.94	0.15309	111.03	8.6%
62	Load factor 60%	10,950	0.13732	1,627.08	0.14859	123.38	8.2%
63	Load factor 75%	13,688	0.13372	1,972.27	0.14409	141.91	7.8%
64							
65	<b>40 kW Demand</b> Minimum	296.03		374.83		\$78.80	26.6%
66	Load factor 10%	2,920	0.22071	743.04	0.25447	98.57	15.3%
67	Load factor 20%	5,840	0.17002	1,111.25	0.19028	118.34	11.9%
68	Load factor 35%	10,220	0.14830	1,663.57	0.16278	147.99	9.8%
69	Load factor 50%	14,600	0.13961	2,215.89	0.15177	177.64	8.7%
70	Load factor 60%	17,520	0.13623	2,584.10	0.14749	197.41	8.3%
71	Load factor 75%	21,900	0.13285	3,136.42	0.14322	227.06	7.8%

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

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		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	267.61	\$0.26761	58.87	28.2%
74	24,000	3,956.13	0.16484	5,369.01	0.22371	1,412.88	35.7%

**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (including GSSR) FPFTY 2026**  
**Fully Projected Future Test Year 2026 (Starting January 29, 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	<b>Monthly Minimum</b>		\$1,585.00		\$2,014.50		429.50	27.1%
76		<b>150 kW Demand</b>						
77	<b>Load Factors</b>	Minimum	\$1,585.00		\$2,014.50		429.50	27.1%
78	30%	32,850	5,182.52	0.15776	5,714.76	0.17397	532.25	10.3%
79	40%	43,800	6,255.07	0.14281	6,790.82	0.15504	535.75	8.6%
80	50%	54,750	7,327.62	0.13384	7,866.88	0.14369	539.26	7.4%
81	60%	65,700	8,400.18	0.12786	8,942.93	0.13612	542.76	6.5%
82	75%	82,125	10,009.00	0.12188	10,557.02	0.12855	548.01	5.5%
83								
84		<b>400 kW Demand</b>						
85	<b>Load Factors</b>	Minimum	\$4,085.00		\$5,122.00		1,037.00	25.4%
86	30%	87,600	13,678.38	0.15615	14,989.37	0.17111	1,310.99	9.6%
87	40%	116,800	16,538.52	0.14160	17,858.86	0.15290	1,320.34	8.0%
88	50%	146,000	19,398.66	0.13287	20,728.34	0.14197	1,329.68	6.9%
89	60%	175,200	22,258.80	0.12705	23,597.82	0.13469	1,339.02	6.0%
90	75%	219,000	26,549.01	0.12123	27,902.05	0.12741	1,353.04	5.1%
91								
92		<b>750 kW Demand</b>						
93	<b>Load Factors</b>	Minimum	\$7,585.00		\$9,472.50		1,887.50	24.9%
94	30%	164,250	25,572.59	0.15569	27,973.82	0.17031	2,401.24	9.4%
95	40%	219,000	30,935.35	0.14126	33,354.11	0.15230	2,418.76	7.8%
96	50%	273,750	36,298.11	0.13260	38,734.39	0.14150	2,436.27	6.7%
97	60%	328,500	41,660.88	0.12682	44,114.67	0.13429	2,453.80	5.9%
98	75%	410,625	49,705.02	0.12105	52,185.09	0.12709	2,480.08	5.0%
99								
100		<b>1500 kW Demand</b>						
101	<b>Load Factors</b>	Minimum	\$15,085.00		\$18,795.00		3,710.00	24.6%
102	30%	328,500	51,060.18	0.15543	55,797.65	0.16986	4,737.47	9.3%
103	40%	438,000	61,785.70	0.14106	66,558.21	0.15196	4,772.51	7.7%
104	50%	547,500	72,511.23	0.13244	77,318.78	0.14122	4,807.55	6.6%
105	60%	657,000	83,236.75	0.12669	88,079.34	0.13406	4,842.59	5.8%
106	75%	821,250	99,325.04	0.12094	104,220.19	0.12690	4,895.15	4.9%





**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (excluding GSSR) FPFTY 2026**  
**Fully Projected Future Test Year 2026 (Starting January 29, 2026)**  
**Schedule CS- Commercial Service (Minimum 7 kW)**

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase		
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Month	%	
41	<b>7 kW</b>	Minimum	78.23		92.02		13.79	17.6%
42	Load factor 10%	511	89.82	0.17577	107.07	0.20953	17.25	19.2%
43	Load factor 20%	1,022	101.41	0.09923	122.12	0.11949	20.71	20.4%
44	Load factor 35%	1,789	118.79	0.06642	144.69	0.08090	25.90	21.8%
45	Load factor 50%	2,555	136.18	0.05330	167.26	0.06547	31.09	22.8%
46	Load factor 60%	3,066	147.77	0.04820	182.31	0.05946	34.55	23.4%
47	Load factor 75%	3,833	165.15	0.04309	204.89	0.05346	39.74	24.1%
48								
49	<b>10 kW Demand</b>	Minimum	98.03		117.73		19.70	20.1%
50	Load factor 10%	730	114.59	0.15697	139.23	0.19072	24.64	21.5%
51	Load factor 20%	1,460	131.14	0.08982	160.73	0.11009	29.58	22.6%
52	Load factor 35%	2,555	155.98	0.06105	192.97	0.07553	37.00	23.7%
53	Load factor 50%	3,650	180.81	0.04954	225.22	0.06170	44.41	24.6%
54	Load factor 60%	4,380	197.37	0.04506	246.72	0.05633	49.35	25.0%
55	Load factor 75%	5,475	222.20	0.04059	278.97	0.05095	56.77	25.6%
56								
57	<b>25 kW Demand</b>	Minimum	197.03		246.28		49.25	25.0%
58	Load factor 10%	1,825	238.42	0.13064	300.03	0.16440	61.61	25.8%
59	Load factor 20%	3,650	279.81	0.07666	353.77	0.09692	73.96	26.4%
60	Load factor 35%	6,388	341.90	0.05353	434.39	0.06801	92.49	27.1%
61	Load factor 50%	9,125	403.99	0.04427	515.01	0.05644	111.03	27.5%
62	Load factor 60%	10,950	445.38	0.04067	568.76	0.05194	123.38	27.7%
63	Load factor 75%	13,688	507.46	0.03707	649.38	0.04744	141.91	28.0%
64								
65	<b>40 kW Demand</b>	Minimum	296.03		374.83		\$78.80	26.6%
66	Load factor 10%	2,920	362.26	0.12406	460.82	0.15782	98.57	27.2%
67	Load factor 20%	5,840	428.48	0.07337	546.82	0.09363	118.34	27.6%
68	Load factor 35%	10,220	527.82	0.05165	675.81	0.06613	147.99	28.0%
69	Load factor 50%	14,600	627.16	0.04296	804.80	0.05512	177.64	28.3%
70	Load factor 60%	17,520	693.38	0.03958	890.79	0.05084	197.41	28.5%
71	Load factor 75%	21,900	792.72	0.03620	1,019.79	0.04657	227.06	28.6%
			<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>					
			<b>Present Rates</b>		<b>Proposed Rates</b>		<b>Proposed Increase</b>	
	<b>Sales (kWh)</b>		<b>Monthly Bill</b>	<b>Cost per kWh</b>	<b>Monthly Bill</b>	<b>Cost per kWh</b>	<b>\$ per Month</b>	<b>%</b>
72	Minimum		\$45.81		\$45.81		\$0.00	-
73	1,000		112.09	\$0.11209	170.96	\$0.17096	58.87	52.5%
74	24,000		1,636.53	0.06819	3,049.41	0.12706	1,412.88	86.3%

**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (excluding GSSR) FPFTY 2026**  
**Fully Projected Future Test Year 2026 (Starting January 29, 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	<b>Monthly Minimum</b>	\$1,585.00		\$2,014.50		429.50	27.1%	
76	<b>150 kW Demand</b>							
77	<b>Load Factors</b> Minimum	\$1,585.00		\$2,014.50		429.50	27.1%	
78	30%	32,850	2,007.57	0.06111	2,539.81	0.07732	532.25	26.5%
79	40%	43,800	2,021.80	0.04616	2,557.55	0.05839	535.75	26.5%
80	50%	54,750	2,036.04	0.03719	2,575.29	0.04704	539.26	26.5%
81	60%	65,700	2,050.27	0.03121	2,593.03	0.03947	542.76	26.5%
82	75%	82,125	2,071.62	0.02523	2,619.64	0.03190	548.02	26.5%
83								
84	<b>400 kW Demand</b>							
85	<b>Load Factors</b> Minimum	\$4,085.00		\$5,122.00		1,037.00	25.4%	
86	30%	87,600	5,211.84	0.05950	6,522.83	0.07446	1,310.99	25.2%
87	40%	116,800	5,249.80	0.04495	6,570.14	0.05625	1,320.34	25.2%
88	50%	146,000	5,287.76	0.03622	6,617.44	0.04532	1,329.68	25.2%
89	60%	175,200	5,325.72	0.03040	6,664.74	0.03804	1,339.02	25.1%
90	75%	219,000	5,382.66	0.02458	6,735.70	0.03076	1,353.04	25.1%
91								
92	<b>750 kW Demand</b>							
93	<b>Load Factors</b> Minimum	\$7,585.00		\$9,472.50		1,887.50	24.9%	
94	30%	164,250	9,697.83	0.05904	12,099.06	0.07366	2,401.24	24.8%
95	40%	219,000	9,769.00	0.04461	12,187.76	0.05565	2,418.76	24.8%
96	50%	273,750	9,840.18	0.03595	12,276.45	0.04485	2,436.28	24.8%
97	60%	328,500	9,911.35	0.03017	12,365.15	0.03764	2,453.80	24.8%
98	75%	410,625	10,018.11	0.02440	12,498.19	0.03044	2,480.08	24.8%
99								
100	<b>1500 kW Demand</b>							
101	<b>Load Factors</b> Minimum	\$15,085.00		\$18,795.00		3,710.00	24.6%	
102	30%	328,500	19,310.65	0.05878	24,048.12	0.07321	4,737.47	24.5%
103	40%	438,000	19,453.00	0.04441	24,225.51	0.05531	4,772.51	24.5%
104	50%	547,500	19,595.35	0.03579	24,402.90	0.04457	4,807.55	24.5%
105	60%	657,000	19,737.70	0.03004	24,580.29	0.03741	4,842.59	24.5%
106	75%	821,250	19,951.23	0.02429	24,846.38	0.03025	4,895.15	24.5%

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

Summary Of Present And Proposed Rates Starting January 29, 2027  
After Fully Projected Future Test Year 2026 (Starting January 29, 2027)

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	<b>Schedule RS- Residential Service</b>						
2	Customer Charge per Bill	\$12.00	\$12.00	\$15.00	\$15.00	25.0%	
3							
4	Energy Charge, per kWh- All	\$0.058640	\$0.15529	\$0.085920	\$0.18257	46.5%	17.6%
5	<b>Schedule RSAE- Residential Service All Electric</b>						
6	Customer Charge per Bill	\$12.00	\$12.00	\$15.00	\$15.00	25.0%	
7							
8	Energy Charge, per kWh- All	\$0.051270	\$0.14792	\$0.080060	\$0.17671	56.2%	19.5%
9	<b>Schedule NRS- Non-Residential Service</b>						
10	Customer Charge per Bill	\$12.22	\$12.22	\$15.00	\$15.00	22.7%	
11							
12	Energy Charge, per kWh- All	\$0.076300	\$0.17295	\$0.110810	\$0.20746	45.2%	20.0%
13	<b>Schedule NRH- Non-Residential Service Space Heating</b>						
14	Customer Charge per Bill	\$12.22	\$12.22	\$15.00	\$15.00	22.7%	
15							
16	Energy Charge, per kWh- All	\$0.084690	\$0.18134	\$0.141380	\$0.23803	66.9%	31.3%
17	<b>Schedule CS- Commercial Service (Minimum 7 kW)</b>						
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	\$0.032090	\$0.12874	41.5%	7.9%
21							
22	Demand Charge, per kW-Mth- All	\$6.60	\$6.60	\$9.34	\$9.34	41.5%	
23	<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>						
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	\$0.148040	\$0.24469	123.4%	50.2%
27	<b>Schedule IS- General Service (Minimum 2300 volts, 50 kW)</b>						
28	Customer Charge per Bill	\$85.00	\$85.00	\$150.00	\$150.00	76.5%	
29							
30	<u>Energy Charge, per kWh</u>						
31	First 130 kWh X Billed Demand kW	\$0.02078	\$0.11743	\$0.02790	\$0.12455	34.3%	6.1%
32	Additional kWh	\$0.00130	\$0.09795	\$0.00175	\$0.09840	34.6%	0.5%
33							
34	Demand Charge, per kW-Mth- All	\$10.00	\$10.00	\$13.42	\$13.42	34.2%	34.2%

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

Summary Of Present And Proposed Rates Starting January 29, 2027  
After Fully Projected Future Test Year 2026 (Starting January 29, 2027)

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	<b>Schedules MSL, POL</b>					
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	\$15.13	\$10.07	40.6% 14.3%
39						
40						
41						
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$8.33	\$5.79	\$9.52	40.5% 14.3%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$11.06	\$15.56	\$12.64	40.7% 14.3%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$16.03	\$22.55	\$18.32	40.7% 14.3%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$8.89	\$6.60	\$10.16	40.7% 14.3%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$11.62	\$16.34	\$13.28	40.6% 14.3%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$10.02	\$8.17	\$11.45	40.6% 14.3%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$12.75	\$17.93	\$14.57	40.6% 14.3%
49		<b>MSL, POL rates are Distribution only</b>		<b>MSL, POL rates are Distribution only</b>		
50	<b>Schedule EU- Exchange of Service</b>					
51	Energy Charge, per kWh- All	\$0.08732	\$0.18397	\$0.113870	\$0.21052	30.4% 14.4%





**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (including GSSR) Starting January 29, 2027**  
**After Fully Projected Future Test Year 2026 (Starting January 29, 2027)**

**Schedule CS- Commercial Service (Minimum 7 kW)**

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Month	%
41	<b>7 kW</b> Minimum	78.23		97.41		19.18	24.5%
42	Load factor 10%	511	0.27242	163.20	0.31937	23.99	17.2%
43	Load factor 20%	1,022	0.19588	228.98	0.22405	28.80	14.4%
44	Load factor 35%	1,789	0.16307	327.66	0.18320	36.01	12.4%
45	Load factor 50%	2,555	0.14995	426.34	0.16687	43.22	11.3%
46	Load factor 60%	3,066	0.14485	492.13	0.16051	48.03	10.8%
47	Load factor 75%	3,833	0.13974	590.81	0.15416	55.24	10.3%
48							
49	<b>10 kW Demand</b> Minimum	98.03		125.43		27.40	28.0%
50	Load factor 10%	730	0.25362	219.41	0.30056	34.27	18.5%
51	Load factor 20%	1,460	0.18647	313.39	0.21465	41.14	15.1%
52	Load factor 35%	2,555	0.15770	454.36	0.17783	51.44	12.8%
53	Load factor 50%	3,650	0.14619	595.33	0.16310	61.75	11.6%
54	Load factor 60%	4,380	0.14171	689.31	0.15738	68.62	11.1%
55	Load factor 75%	5,475	0.13724	830.28	0.15165	78.92	10.5%
56							
57	<b>25 kW Demand</b> Minimum	197.03		265.53		68.50	34.8%
58	Load factor 10%	1,825	0.22729	500.48	0.27424	85.67	20.7%
59	Load factor 20%	3,650	0.17331	735.43	0.20149	102.85	16.3%
60	Load factor 35%	6,388	0.15018	1,087.86	0.17031	128.61	13.4%
61	Load factor 50%	9,125	0.14092	1,440.28	0.15784	154.37	12.0%
62	Load factor 60%	10,950	0.13732	1,675.23	0.15299	171.54	11.4%
63	Load factor 75%	13,688	0.13372	2,027.66	0.14814	197.30	10.8%
64							
65	<b>40 kW Demand</b> Minimum	296.03		405.63		\$109.60	37.0%
66	Load factor 10%	2,920	0.22071	781.55	0.26765	137.08	21.3%
67	Load factor 20%	5,840	0.17002	1,157.47	0.19820	164.55	16.6%
68	Load factor 35%	10,220	0.14830	1,721.35	0.16843	205.77	13.6%
69	Load factor 50%	14,600	0.13961	2,285.23	0.15652	246.99	12.1%
70	Load factor 60%	17,520	0.13623	2,661.15	0.15189	274.46	11.5%
71	Load factor 75%	21,900	0.13285	3,225.04	0.14726	315.68	10.9%

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

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase	
		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	290.50	\$0.29050	81.76	39.2%
74	24,000	3,956.13	0.16484	5,918.37	0.24660	1,962.24	49.6%

**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (including GSSR) Starting January 29, 2027**  
**After Fully Projected Future Test Year 2026 (Starting January 29, 2027)**

		Schedule IS- General Service (Minimum 2300 volts, 50 kW)					
		Present Rates		Proposed Rates		Proposed Increase	
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Month	%
	Sales (kWh)						
75	<b>Monthly Minimum</b>	\$1,585.00		\$2,163.00		578.00	36.5%
76	<b>150 kW Demand</b>						
77	<b>Load Factors</b> Minimum	\$1,585.00		\$2,163.00		578.00	36.5%
78	30% 32,850	5,182.52	0.15776	5,905.37	0.17977	722.85	14.0%
79	40% 43,800	6,255.07	0.14281	6,982.85	0.15943	727.78	11.6%
80	50% 54,750	7,327.62	0.13384	8,060.33	0.14722	732.70	10.0%
81	60% 65,700	8,400.18	0.12786	9,137.81	0.13908	737.63	8.8%
82	75% 82,125	10,009.00	0.12188	10,754.03	0.13095	745.02	7.4%
83							
84	<b>400 kW Demand</b>						
85	<b>Load Factors</b> Minimum	\$4,085.00		\$5,518.00		1,433.00	35.1%
86	30% 87,600	13,678.38	0.15615	15,497.64	0.17691	1,819.26	13.3%
87	40% 116,800	16,538.52	0.14160	18,370.92	0.15729	1,832.40	11.1%
88	50% 146,000	19,398.66	0.13287	21,244.20	0.14551	1,845.54	9.5%
89	60% 175,200	22,258.80	0.12705	24,117.48	0.13766	1,858.68	8.4%
90	75% 219,000	26,549.01	0.12123	28,427.40	0.12981	1,878.39	7.1%
91							
92	<b>750 kW Demand</b>						
93	<b>Load Factors</b> Minimum	\$7,585.00		\$10,215.00		2,630.00	34.7%
94	30% 164,250	25,572.59	0.15569	28,926.83	0.17611	3,354.24	13.1%
95	40% 219,000	30,935.35	0.14126	34,314.23	0.15669	3,378.88	10.9%
96	50% 273,750	36,298.11	0.13260	39,701.63	0.14503	3,403.51	9.4%
97	60% 328,500	41,660.88	0.12682	45,089.03	0.13726	3,428.15	8.2%
98	75% 410,625	49,705.02	0.12105	53,170.13	0.12949	3,465.11	7.0%
99							
100	<b>1500 kW Demand</b>						
101	<b>Load Factors</b> Minimum	\$15,085.00		\$20,280.00		5,195.00	34.4%
102	30% 328,500	51,060.18	0.15543	57,703.65	0.17566	6,643.48	13.0%
103	40% 438,000	61,785.70	0.14106	68,478.45	0.15634	6,692.75	10.8%
104	50% 547,500	72,511.23	0.13244	79,253.25	0.14475	6,742.02	9.3%
105	60% 657,000	83,236.75	0.12669	90,028.05	0.13703	6,791.30	8.2%
106	75% 821,250	99,325.04	0.12094	106,190.25	0.12930	6,865.21	6.9%





**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (excluding GSSR) Starting January 29, 2027**  
**After Fully Projected Future Test Year 2026 (Starting January 29, 2027)**  
**Schedule CS- Commercial Service (Minimum 7 kW)**

	Sales (kWh)	Present Rates		Proposed Rates		Proposed Increase		
		Monthly Bill	Cost per kWh	Monthly Bill	Cost per kWh	\$ per Month	%	
41	<b>7 kW</b>	Minimum	78.23		97.41		19.18	24.5%
42	Load factor 10%	511	89.82	0.17577	113.81	0.22272	23.99	26.7%
43	Load factor 20%	1,022	101.41	0.09923	130.21	0.12740	28.80	28.4%
44	Load factor 35%	1,789	118.79	0.06642	154.80	0.08655	36.01	30.3%
45	Load factor 50%	2,555	136.18	0.05330	179.40	0.07022	43.22	31.7%
46	Load factor 60%	3,066	147.77	0.04820	195.80	0.06386	48.03	32.5%
47	Load factor 75%	3,833	165.15	0.04309	220.39	0.05751	55.24	33.5%
48								
49	<b>10 kW Demand</b>	Minimum	98.03		125.43		27.40	28.0%
50	Load factor 10%	730	114.59	0.15697	148.86	0.20391	34.27	29.9%
51	Load factor 20%	1,460	131.14	0.08982	172.28	0.11800	41.14	31.4%
52	Load factor 35%	2,555	155.98	0.06105	207.42	0.08118	51.44	33.0%
53	Load factor 50%	3,650	180.81	0.04954	242.56	0.06645	61.75	34.2%
54	Load factor 60%	4,380	197.37	0.04506	265.98	0.06073	68.62	34.8%
55	Load factor 75%	5,475	222.20	0.04059	301.12	0.05500	78.92	35.5%
56								
57	<b>25 kW Demand</b>	Minimum	197.03		265.53		68.50	34.8%
58	Load factor 10%	1,825	238.42	0.13064	324.09	0.17759	85.67	35.9%
59	Load factor 20%	3,650	279.81	0.07666	382.66	0.10484	102.85	36.8%
60	Load factor 35%	6,388	341.90	0.05353	470.50	0.07366	128.61	37.6%
61	Load factor 50%	9,125	403.99	0.04427	558.35	0.06119	154.37	38.2%
62	Load factor 60%	10,950	445.38	0.04067	616.92	0.05634	171.54	38.5%
63	Load factor 75%	13,688	507.46	0.03707	704.76	0.05149	197.30	38.9%
64								
65	<b>40 kW Demand</b>	Minimum	296.03		405.63		\$109.60	37.0%
66	Load factor 10%	2,920	362.26	0.12406	499.33	0.17100	137.08	37.8%
67	Load factor 20%	5,840	428.48	0.07337	593.04	0.10155	164.55	38.4%
68	Load factor 35%	10,220	527.82	0.05165	733.59	0.07178	205.77	39.0%
69	Load factor 50%	14,600	627.16	0.04296	874.14	0.05987	246.99	39.4%
70	Load factor 60%	17,520	693.38	0.03958	967.85	0.05524	274.46	39.6%
71	Load factor 75%	21,900	792.72	0.03620	1,108.40	0.05061	315.68	39.8%
			<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>					
			<b>Present Rates</b>		<b>Proposed Rates</b>		<b>Proposed Increase</b>	
	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	193.85	\$0.19385	81.76	72.9%
74	24,000		1,636.53	0.06819	3,598.77	0.14995	1,962.24	119.9%

**Wellsboro Electric Company**  
**Rate Case with Fully Projected Future Test Year 2026**  
**Bill Comparisons (excluding GSSR) Starting January 29, 2027**  
**After Fully Projected Future Test Year 2026 (Starting January 29, 2027)**

		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	<b>Monthly Minimum</b>	\$1,585.00		\$2,163.00		578.00	36.5%	
76	<b>150 kW Demand</b>							
77	<b>Load Factors</b> Minimum	\$1,585.00		\$2,163.00		578.00	36.5%	
78	30%	32,850	2,007.57	0.06111	2,730.41	0.08312	722.85	36.0%
79	40%	43,800	2,021.80	0.04616	2,749.58	0.06278	727.78	36.0%
80	50%	54,750	2,036.04	0.03719	2,768.74	0.05057	732.70	36.0%
81	60%	65,700	2,050.27	0.03121	2,787.90	0.04243	737.63	36.0%
82	75%	82,125	2,071.62	0.02523	2,816.64	0.03430	745.02	36.0%
83								
84	<b>400 kW Demand</b>							
85	<b>Load Factors</b> Minimum	\$4,085.00		\$5,518.00		1,433.00	35.1%	
86	30%	87,600	5,211.84	0.05950	7,031.10	0.08026	1,819.26	34.9%
87	40%	116,800	5,249.80	0.04495	7,082.20	0.06064	1,832.40	34.9%
88	50%	146,000	5,287.76	0.03622	7,133.30	0.04886	1,845.54	34.9%
89	60%	175,200	5,325.72	0.03040	7,184.40	0.04101	1,858.68	34.9%
90	75%	219,000	5,382.66	0.02458	7,261.05	0.03316	1,878.39	34.9%
91								
92	<b>750 kW Demand</b>							
93	<b>Load Factors</b> Minimum	\$7,585.00		\$10,215.00		2,630.00	34.7%	
94	30%	164,250	9,697.83	0.05904	13,052.06	0.07946	3,354.24	34.6%
95	40%	219,000	9,769.00	0.04461	13,147.88	0.06004	3,378.88	34.6%
96	50%	273,750	9,840.18	0.03595	13,243.69	0.04838	3,403.51	34.6%
97	60%	328,500	9,911.35	0.03017	13,339.50	0.04061	3,428.15	34.6%
98	75%	410,625	10,018.11	0.02440	13,483.22	0.03284	3,465.11	34.6%
99								
100	<b>1500 kW Demand</b>							
101	<b>Load Factors</b> Minimum	\$15,085.00		\$20,280.00		5,195.00	34.4%	
102	30%	328,500	19,310.65	0.05878	25,954.13	0.07901	6,643.48	34.4%
103	40%	438,000	19,453.00	0.04441	26,145.75	0.05969	6,692.75	34.4%
104	50%	547,500	19,595.35	0.03579	26,337.38	0.04810	6,742.03	34.4%
105	60%	657,000	19,737.70	0.03004	26,529.00	0.04038	6,791.30	34.4%
106	75%	821,250	19,951.23	0.02429	26,816.44	0.03265	6,865.21	34.4%

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**STATEMENT IN SUPPORT OF  
JOINT PETITION FOR SETTLEMENT OF  
WELLSBORO ELECTRIC COMPANY**

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On October 17, 2025, Wellsboro Electric Company ("Wellsboro" or "Company"), the Bureau of Investigation and Enforcement ("I&E") of the Pennsylvania Public Utility Commission ("PUC" or "Commission"), the Office of Consumer Advocate ("OCA"), and the Office of Small Business Advocate ("OSBA") (collectively, "Parties"), filed with the Commission a Joint Petition for Settlement ("Joint Petition" or "Settlement") proposing a negotiated resolution of all outstanding issues in the above-captioned proceeding among the Parties. Wellsboro hereby provides a Statement in Support, which explains the background and provisions of the Settlement and establishes that approval of the Settlement without modification is appropriate and in the public interest.

**I. INTRODUCTION**

**A. Description of Wellsboro Electric Company**

1. Wellsboro is a Pennsylvania corporation with its principal office located in Wellsboro, Tioga County Pennsylvania. Wellsboro is an investor-owned, for-profit electric utility, wholly owned by C&T Enterprises, Inc. ("C&T"). C&T is a holding and

management services company that currently also owns Citizens' Electric Company of Lewisburg, PA ("Citizens") and Valley Energy, Inc. ("Valley").

## **B. Procedural Background**

2. On April 30, 2025, Wellsboro filed with the Pennsylvania Public Utility Commission ("PUC" or "Commission") Supplement No. 162 to Tariff Electric-Pa. PUC No. 8 ("Supplement No. 162"), proposing to increase annual revenues by approximately \$2,899,000 per year, with a proposed effective date of June 29, 2025.<sup>1</sup> In support of this filing, Wellsboro submitted a Statement of Reasons, the supporting information required by 52 Pa. Code § 53.52(a), (b), and (c), and various other information.

3. The OCA, OSBA, and Zachary and Ashley Wattles filed Complaints with the Commission challenging Wellsboro request.<sup>2</sup> In addition, I&E filed a Notice of Appearance.

4. By Order entered May 22, 2025, the Commission allowed Supplement No. 162 to be suspended by operation of law until January 29, 2026, and ordered that the Company's rate increase filing and its existing rates, rules, and regulations be investigated. The Commission also ordered that this matter be assigned to the Office of Administrative Law Judge for scheduling of hearings and issuance of a Recommended Decision. As a result, the Commission assigned this proceeding to Administrative Law Judge ("ALJ") Mary D. Long.

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<sup>1</sup> Wellsboro Statement No. 1, Exhibit \_\_ (HSG-1), Schedule C1.

<sup>2</sup> Zachary and Ashley Wattles did not ultimately opt to become active parties to the proceeding.

5. In compliance with the Commission's Order entered on May 22, 2025, Wellsboro filed tariff suspension Supplement No. 163 to Tariff Electric – Pa. P.U.C. No. 8 ("Supplement No. 163"), which suspended proposed Supplement No. 162 until January 29, 2026.

6. On June 2, 2025, the Solar Energy Industries Association ("SEIA") and the Coalition for Community Solar Access ("CCSA") filed a Joint Petition to Intervene.

7. On June 2, 2025, Wellsboro, along with Valley and Citizens', jointly moved to consolidate the proceedings with Valley's and Citizens' 2025 Base Rate Filings, located at docket numbers R-2025-4054393 and R-2025-4054394.

8. On June 5, 2025, ALJ Mary Long issued an Order granting the motion for consolidation, setting forth a litigation schedule, and ordering the parties to engage in discovery. A ruling on the petition to intervene of SEIA and CCSA was held in abeyance pending a written response to the petition.<sup>3</sup>

9. On June 23, 2025, Wellsboro and Citizens' filed a Joint Answer opposing the Joint Petition to Intervene of SEIA and CCSA.

10. On July 7, 2025, ALJ Long issued an Initial Decision denying SEIA and CCSA's Petition to Intervene.

11. Pursuant to the schedule set forth in ALJ Long's June 5, 2025, Order, the Parties submitted multiple rounds of testimony, as detailed in Section II of the Joint

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<sup>3</sup> 52 Pa. Code § 5.66.

Petition. The Company also responded to numerous sets of written interrogatories, providing detailed explanations of various issues related to its request.

12. The Commission has a strong policy favoring settlements. As set forth in the Commission's regulations, "[t]he Commission encourages parties to seek negotiated settlements of contested proceedings in lieu of incurring the time, expense and uncertainty of litigation."<sup>4</sup> Consistent with the Commission's policy, the Parties engaged in multiple settlement meetings and exchanged settlement proposals to amicably resolve this matter. As a result of those efforts, the Parties reached a unanimous agreement in principle, which has subsequently been memorialized in the Joint Petition.

## **II. STANDARDS FOR APPROVAL OF SETTLEMENT**

13. It is the policy of the Commission to encourage settlements.<sup>5</sup>

14. In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.<sup>6</sup>

15. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest.<sup>7</sup>

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<sup>4</sup> 52 Pa. Code § 69.391; see also 52 Pa. Code § 5.231.

<sup>5</sup> 52 Pa. Code § 5.231(a).

<sup>6</sup> 52 Pa. Code § 69.401.

<sup>7</sup> See *Pa. Pub. Util. Comm'n v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Opinion and Order entered Sept. 27, 2012); *Pa. Pub. Util. Comm'n* (cont'd footnote)

16. All Parties to this proceeding have joined in the Settlement.

17. Wellsboro believes that the Settlement is just, reasonable, in the public interest, and should be approved without modification.

### **III. SETTLEMENT TERMS AND CONDITIONS**

18. This Settlement was achieved by the Parties after an extensive investigation of the Company's base rate filing, including formal and informal discovery and the submission of direct testimony, rebuttal testimony, and surrebuttal testimony by certain of the Parties. The Settlement is lawful and supported by the record of this proceeding.

#### **A. Revenue Requirement**

##### **1. Revenue Requirement Increase**

19. The Parties agree to a stipulated increase in the Company's annual revenue requirement of \$2,500,000, to be implemented in two phases. Phase I will be an increase of \$1,800,000, effective January 29, 2026, and Phase II will be a further increase of \$700,000, effective January 29, 2027. Wellsboro's original filing requested an increase of approximately \$2,899,000 per year and its Rebuttal filing requested an increase of approximately \$2,849,000 per year. For a Residential customer using 1,000 kWh per month, the proposed original, rebuttal and settlement rates represented increases in distribution bills (excluding GSSR) of 50.3%, 49.6% and 42.9% respectively.<sup>8</sup> The

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*v. C.S. Water & Sewer Assoc.*, Docket No. R-00881147, 74 Pa. PUC 767 (Opinion and Order entered July 22, 1991).

<sup>8</sup> See Wellsboro Statement No. 1, Exhibit \_\_ (HSG-1), Schedule B8-1; Wellsboro Statement No. 1R, Exhibit \_\_ (HSG-1R), Schedule B8-1 (R); Appendix C1.

corresponding total distribution bill increases (including GSSR) are 17.9%, 21.2% and 18.1%.<sup>9</sup> The corresponding monthly distribution bill increase amounts are \$35.52, \$35.03 and \$30.28.

20. Since Wellsboro's last base rate increase in May 2020, Wellsboro has had to replace much of its aging distribution infrastructure, including reconductoring and installing three-phase tie-points on select lines, increasing pole replacements, 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.<sup>10</sup> At the same time, Wellsboro has faced declining sales and revenues. Additionally, Wellsboro has also completed an upgrade of the FirstEnergy Mid-Atlantic Interstate Transmission Company transmission facility that serves the Wellsboro service territory, and the Company is nearing completion of its aging and antiquated office building.<sup>11</sup> In comparison to the last rate case, the Company will have increased its utility rate base by \$12 million by the end of the Fully Projected Future Test Year ("FPFTY").<sup>12</sup> Wellsboro Operations and Maintenance ("O&M") costs are over \$1.8 million higher for the FPFTY when compared

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<sup>9</sup> See Wellsboro Statement No. 1, Exhibit \_\_ (HSG-1), Schedule B8; Wellsboro Statement No. 1R, Exhibit \_\_ (HSG-1R), Schedule B8 (R), Appendix C1. For purposes of percentage increase, GSSR is calculated as of the date of Direct Testimony.

<sup>10</sup> See Statement of Reasons at 3; *see also* Wellsboro Statement No. 4 at 4-7, 10-11; Wellsboro Exhibit \_\_ (HSG-1), Schedules WP\_B2, WP\_C1.

<sup>11</sup> See Statement of Reasons at 3.

<sup>12</sup> See *id.*

to the last rate case due to inflation and cost increases for most major components required to operate and maintain its distribution system.<sup>13</sup>

21. The proposed distribution rates will promote the continued provision of safe and reliable service by ensuring that Wellsboro will have an opportunity to earn a fair and reasonable return on the resources invested in the distribution system. Wellsboro will be able to continue its capital investment in system improvements, as well as the current maintenance and replacement policies that have resulted in very safe, adequate, and reliable service for customers.<sup>14</sup> The new rates will also enhance Wellsboro ability to obtain capital, when necessary, to fund major system improvement projects that may be necessary in the future.

22. In addition, this amount will permit the Company, in the short term, to cope with the enhanced business and financial risks discussed by witness Dylan D'Ascendis that exist due to the Company's size, operational characteristics, and credit obligations.<sup>15</sup> Although Wellsboro believes that, if this proceeding were fully litigated, the Commission would find that the Company is entitled to all or a substantial portion of the fully requested rate increase as calculated and supported by witness Howard Gorman in his Rebuttal

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<sup>13</sup> *See id.*

<sup>14</sup> *See* Wellsboro Statement No. 4 at 7-10. Witness Farnsworth discusses multiple factors that contribute to high company performance including: excellent reliability metrics, a low number of customer complaints, favorable customer feedback, high responsiveness to customer support calls, significant capital investment, zero reportable injuries, new technology adoption, and street light upgrades.

<sup>15</sup> *See* Revised Joint Statement No. 2 at 10–13, 47-51.

Testimony, in the interest of avoiding the expense and uncertainty of continued litigation in this matter, Wellsboro has agreed to accept an annual revenue increase in the amount of \$2,500,000. The compromise will also moderate the impact of the revenue increase upon the rates charged to Wellsboro customers.

**2. Rate Case Normalization**

23. The Company will normalize rate case expense over three years. No unamortized rate case expense will be claimed in rate base in the settlement rates. This settlement provision balances concerns raised by I&E concerning amortized rate case expense while preserving an opportunity for Wellsboro to recover its actual rate case expense over time.<sup>16</sup>

**3. Pennsylvania Corporate Net Income Tax**

24. The Parties agree that the Pennsylvania Corporate Net Income ("CNI") Tax rate in this proceeding will be set at 7.49%. The Company will reflect the actual CNI tax rates for the post-2026 tax years through the State Tax Adjustment Surcharge and via future base rate proceedings. This settlement term corrects the Company's initial proposed revenue requirement to reflect the correct CNI tax rate.<sup>17</sup>

**4. Credit Card Payment Fees**

25. The Company's revenue requirement does not include costs for one-time credit card payments, which will continue to be the responsibility of the customers who

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<sup>16</sup> See I&E Statement No. 1 at 8-10.

<sup>17</sup> *Id.* at 21-22.

use this bill payment option. However, the Company will further evaluate the fee issue raised by the OCA in testimony in this proceeding and agrees that in its direct testimony in the next rate case it will provide an estimate of what annual costs would be if the one-time fee were to be absorbed into revenue requirement. This settlement term will provide the Parties with an empirical basis to meaningfully consider the credit card fee issues raised by OCA in this proceeding.<sup>18</sup>

**5. Utility Plant Balance**

26. The Company's Utility Plant balances for the FPFTY and FTY are accepted as filed for purposes of the post-test year reporting discussed in Paragraph 32 and any subsequent request to implement a Distribution System Improvement Charge ("DSIC").

**6. Revenue Requirement Not Ascribable to Party or Adjustment**

27. Except as provided above, the revisions to the proposed revenue requirement shall not otherwise be ascribed to any specific proposed adjustment or position of any Party.

**B. Allocation of Rate Increases**

28. The Company's revenue requirement increase will be allocated among the Company's rate classes in accordance with the allocation methodology set forth in Appendix A to the Joint Petition. The distribution rates for each class are set forth in Appendices B, B1, and B2 (for Phase I) and Appendices C, C1, and C2 (for Phase II) to the Joint Petition. The

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<sup>18</sup> See OCA Statement No. 4 at 5-7.

settlement revenue allocation combines parts of various parties' proposals and makes reasonable progress towards cost of service.<sup>19</sup>

### **C. Customer Charges**

29. The Company will implement a Residential Service ("RS") fixed Customer Charge of \$15.00 per month, a 25% increase from the existing \$12.00 monthly charge. The Company will also implement a Non-Residential Service ("NRS") and Non-Residential Service Space Heating ("NRH") customer charge of \$15.00 per month, an approximately 23% increase from the existing \$12.22 monthly charge. These customer charge increases balance affordability concerns raised by OCA with the cost-of-service positions raised by the Company.<sup>20</sup> The proposed Customer Charges for other rate classes, and other information, is presented in Appendix B.

### **D. Security Deposit Policy**

30. The Company will memorialize written internal operating procedures that provide applicants with the ability to explore, in conjunction with the request for the deposit, whether the applicant may qualify for a waiver due to the household income and train its customer service representative employees based on the written procedures. This settlement term supports the Company's goal of providing responsive and helpful customer service.

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<sup>19</sup> See OCA Statement No. 3 at 3-10; *see also* Wellsboro Statement No. 1R at 12-13.

<sup>20</sup> See OCA Statement No. 3 at 37-38; *see also* Wellsboro Statement No. 1 at 14-16.

**E. Payment Plans**

31. The Company will establish written internal operating procedures addressing how Federal Poverty Income Guideline ("FPIG") ranges are used, what verification is needed for low-income verification, and how payments and terms are calculated. This settlement term addresses customer service concerns raised by OCA and will result in more detailed records of payment plans.

**F. Post-Case Reporting of Plant Addition/Retirements**

32. The Company will provide OCA, I&E and OSBA with an update to Company Exhibit HSG-1, Schedule C3 for the years 2024-2025 no later than April 1, 2026, and an update for the years 2025-2026 no later than April 1, 2027. These updates will be filed under the docket number of this proceeding. The updated schedules will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2025, and December 31, 2026, respectively. This settlement term provides additional reporting to allow parties to monitor the Company's plant-in-service beyond the FTY.

**G. OSBA Customer Notices**

33. The Company will include the following information about OSBA.
- a. Information about OSBA will be included in a newsletter or bill insert at least once per year, with the first communication occurring by June 1, 2026.
  - b. Information about the OSBA will be added to the Company website with a hyperlink.

34. These settlement terms address communication matters of interest to OSBA and are intended to increase awareness of OSBA's services for the Company's small business customers.

#### IV. OTHER ISSUES

##### A. Public Input Hearings

35. An in-person public input hearing was held on August 21, 2025, at which two customers testified: Mrs. Cheryl Kaminski regarding a billing concern and Mrs. Candace Callahan regarding tree trimming.<sup>21</sup>

36. The Company followed up with Mrs. Kaminski out of concern that a printing error might have placed an "Activation Charge" on her bill. After review, the Company determined that there was no billing error on Mrs. Kaminski's bill.<sup>22</sup> Mrs. Kaminski also checked her Wellsboro electric bill herself after the public meeting and called the Company stating that there was no "Activation Charge" on her bill and apologizing for the confusion.<sup>23</sup>

37. The Company had previously been contacted by Mr. Callahan in 2019 regarding a dead tree on his property.<sup>24</sup> Wellsboro met with Mr. Callahan and determined that the tree was 40' outside of the Company right-of-way, which is well outside the reasonable distance where the Company would consider removal of a tree for reliability

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<sup>21</sup> Wellsboro Statement No. 4SR at 1.

<sup>22</sup> Wellsboro Statement No. 4SR at 2.

<sup>23</sup> Wellsboro Statement No. 4SR at 3.

<sup>24</sup> Wellsboro Statement No. 4SR at 3.

purposes.<sup>25</sup> Mr. Callahan was informed that the tree removal was his responsibility, and the Company offered to provide contact information for tree companies to assist with removal of the tree; however, Mr. Callahan declined.<sup>26</sup>

38. Neither customer testified in opposition to the rate increase or regarding the issues agreed to in the Joint Petition for Settlement.

## **B. Customer-Generators**

39. The Company's proposal for modification of the Billing Demand definition and related tariff revisions remains as proposed in its initial filing<sup>27</sup> and is not impacted by the proposed settlement.

40. The proposed Gross Generator Rating method for determining billing demand reasonably reflects the impact on distribution costs resulting from customer-generators.<sup>28</sup>

41. Approving the Settlement ensures that customer-generators bear a fair share of the distribution system costs and are grouped with similar customers for default service pricing, net metering administration and annual cashouts.<sup>29</sup>

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<sup>25</sup> *Id.*

<sup>26</sup> *Id.*

<sup>27</sup> Wellsboro Statement No. 4 at 22-24.

<sup>28</sup> *Id.* at 23.

<sup>29</sup> *Id.* at 22-24.

42. The Settlement also ensures that residential and small commercial customers on the GSSR-1 are not paying generation rates that are unnecessarily and unreasonably inflated to compensate large customer-generators.<sup>30</sup>

## V. CONCLUSION

43. Based on all of the testimony and exhibits submitted by Wellsboro and the other Parties, the Company respectfully submits that approval of the Joint Petition without modification is appropriate and in the public interest. The Joint Petition results in a base rate increase that will allow the Company to continue to provide safe and reliable electric service to its customers. In addition, the Joint Petition represents a compromise solution that adequately addresses the needs of most of the parties to this proceeding.

44. Further, the Joint Petition results in base rates that are just, reasonable, and non-discriminatory, while also implementing provisions that result in fair and appropriate treatment of the Company and its customers. Finally, the Joint Petition avoids the expense and uncertainty of fully litigating all of the matters in this proceeding and otherwise advances the policy of this Commission to encourage parties to resolve contested proceedings through settlement processes.

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<sup>30</sup> *Id.* at 23-24.

**WHEREFORE**, Wellsboro respectfully requests that the Commission approve the Joint Petition for Settlement without modification.

Respectfully submitted,

MCNEES WALLACE & NURICK LLC

By 

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Dated: October 17, 2025

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**STATEMENT OF THE  
BUREAU OF INVESTIGATION AND ENFORCEMENT  
IN SUPPORT OF THE  
JOINT PETITION FOR SETTLEMENT  
OF RATE INVESTIGATION**

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**TO ADMINISTRATIVE LAW JUDGE MARY D. LONG:**

The Bureau of Investigation and Enforcement (“I&E”) of the Pennsylvania Public Utility Commission (“Commission”), by and through Prosecutor Michael A. Podskoch, Jr., hereby respectfully submits that the terms and conditions of the foregoing Joint Petition for Settlement (“Joint Petition” or “Settlement”) are in the public interest and represent a fair, just, reasonable and equitable balance of the interests of Wellsboro Electric Company (“Wellsboro” or “Company”) and its customers. The parties to this settlement are Wellsboro, I&E, the Office of Consumer Advocate (“OCA”), and the Office of Small Business Advocate (“OSBA”) (collectively the “Joint Petitioners”). Following extensive review of the Company’s filing and discovery responses, and participation in numerous settlement discussions, I&E is of the opinion that the terms and conditions of the Joint

Petition are in the public interest. Accordingly, I&E recommends that Administrative Law Judge (“ALJ”) Mary D. Long and the Commission approve the Settlement in its entirety.

## **I. INTRODUCTION**

### **A. I&E’s Role in Rate Proceedings**

I&E serves as the prosecutory bureau for purposes of representing the public interest in ratemaking and service matters before the Office of Administrative Law Judge.<sup>1</sup> By representing the public interest in rate proceedings before the Commission, I&E works to balance the interests of customers, utilities, and the regulated community as a whole to ensure that a utility’s rates are just, reasonable, and nondiscriminatory.<sup>2</sup> In negotiated settlements, it is incumbent upon I&E to identify how amicable resolution of any such proceeding may benefit the public interest and to ensure that the public interest is served.

### **B. Procedural Background**

On April 30, 2025, Wellsboro Electric Company filed proposed Supplement No. 162 to Tariff Electric – Pa. P.U.C. No. 8 (“Supplement No. 162”) with a proposed effective date of June 29, 2025. The rates set forth therein, if approved by the Commission, would increase Wellsboro’s annual jurisdictional revenues by \$2.9 million, or 22%.

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<sup>1</sup> *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852, p. 5 (Order Entered August 11, 2011).

<sup>2</sup> *See* 66 Pa.C.S. §§ 1301(a), 1304.

On May 7, 2025, OSBA filed its Notice of Appearance. On May 12, 2025, OCA filed a Formal Complaint and Public Statement and its Notice of Appearance. On May 14, 2025, OSBA filed a Formal Complaint and Public Statement. On May 15, 2025, I&E filed its Notice of Appearance. On May 22, 2025, the Solar Energy Industries Association and the Coalition for Community Solar Access (collectively “Joint Solar Advocates”) filed a Petition to Intervene, which was subsequently denied by ALJ Long’s Initial Decision dated July 7, 2025 and Final Order dated July 30, 2025.

On May 22, 2025, the Commission entered an Order pursuant to Section 1308(d) of the Public Utility Code suspending the implementation of the proposed rates by operation of law until January 29, 2026, and opening an investigation into the lawfulness, justness, and reasonableness of the proposed rates, rules, and regulations contained therein. The case was assigned to the Office of Administrative Law Judge for the prompt scheduling of such hearings as may be necessary culminating in the issuance of a Recommended Decision.

A telephonic Prehearing Conference was held on June 3, 2025 before ALJ Long during which a procedural schedule was established and evidentiary hearings were scheduled on September 4, 5, and 10, 2025.

The hearing on September 4, 2025 was held in Harrisburg, PA wherein the parties’ written testimonies and exhibits were entered into the record. I&E submitted the following:

- I&E Statement No. 1 – Direct Testimony of Zachari Walker
- I&E Exhibit No. 1

- I&E Statement No. 2 – Direct Testimony of Christopher Keller
- I&E Exhibit No. 2
- I&E Statement No. 3 – Direct Testimony of Ethan H. Cline
- I&E Exhibit No. 3
- I&E Statement No. 1-SR – Surrebuttal Testimony of Zachari Walker
- I&E Statement No. 2-SR – Surrebuttal Testimony of Christopher Keller
- I&E Statement No. 3-SR – Surrebuttal Testimony of Ethan H. Cline
- Verifications of Zachari Walker, Christopher Keller, and Ethan H. Cline

The hearings on September 5 and 10, 2025 were cancelled upon notification that the Joint Petitioners had reached a full settlement of all issues as set forth in the Joint Petition.

## II. STANDARDS FOR APPROVAL OF SETTLEMENT

“The prime determinant in the consideration of a proposed Settlement is whether the settlement is in the public interest.”<sup>3</sup> The Commission has recognized that a settlement “reflects a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”<sup>4</sup>

Commission policy encourages settlements because, in the Commission’s judgment, the results achieved from a negotiated settlement are often preferable to those achieved at the conclusion of a fully litigated proceeding.<sup>5</sup>

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<sup>3</sup> *Pennsylvania Public Utility Commission v. Philadelphia Electric Company*, 60 PA PUC 1, 22 (1985).

<sup>4</sup> *Pennsylvania Public Utility Commission v. C S Water and Sewer Associates*, 74 PA PUC 767, 771 (1991).

<sup>5</sup> See 52 Pa. Code §§ 5.231(a), 69.401.

### **III. SETTLEMENT TERMS AND CONDITIONS**

#### **A. Revenue Requirement (Joint Petition ¶¶ III.17-23)**

##### **1. Revenue Requirement Increase (Joint Petition ¶¶ III.17-18)**

The Settlement provides that Wellsboro shall be permitted to establish rates designed to produce additional annual operating revenue of \$2.5 million as opposed to the Company's requested \$2.9 million increase. Tables attached to this Statement in Support as Appendices A and B include the current, originally proposed, and stipulated rates that result from this settlement.

I&E witness Zachari Walker recommended in direct testimony a rate increase of \$2,279,151 based on adjustments made to Wellsboro's operating and maintenance ("O&M") expense, cash working capital, rate base, and rate of return claims,<sup>6</sup> and recommended in surrebuttal testimony a rate increase of \$2,602,840 based on the Company's updated request presented in rebuttal testimony.<sup>7</sup> The \$2.5 million rate increase represents a compromise among the Joint Petitioners' proposals and is therefore in the public interest.

The Joint Petitioners have agreed upon the additional annual revenues as a "black box" settlement. A "black box" settlement does not specifically identify the resolution of any disputed issues. Instead, an overall increase to base rates is agreed to and parties retain all rights to further challenge all issues in subsequent proceedings. A "black box" settlement benefits ratepayers as it allows for the resolution of a proceeding in a timely

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<sup>6</sup> I&E Statement No. 1, pp. 3-5.

<sup>7</sup> I&E Statement No. 1-SR, pp. 3-5.

manner while avoiding significant additional expenses. A previous Chairman of the Commission has commented on “black box” settlements and stated that:

Determination of a company’s revenue requirement is a calculation that involves many complex and interrelated adjustments affecting revenue, expenses, rate base and the company’s cost of capital. To reach an agreement on each component of a rate increase is an undertaking that in many cases would be difficult, time-consuming, expensive and perhaps impossible. Black box settlements are an integral component of the process of delivering timely and cost-effective regulation.<sup>8</sup>

This “black box” revenue increase balances the interests of ratepayers and the Company. Wellsboro will receive sufficient operating funds in order to provide safe and adequate service to ratepayers. Additionally, a black box settlement negates the need for the parties in a rate case to come to an agreement on each and every element of the Company’s filing; an undertaking that would likely not be possible. Black box settlements are an efficient and appropriate way to resolve base rate cases. As such, I&E supports the “black box” revenue increase as being in the public interest.

Pursuant to the terms of the Settlement, Wellsboro’s overall increase shall be implemented in two phases: (1) a Phase I increase of \$1.8 million (72% of total increase) effective January 29, 2026; and (2) a Phase II increase of \$700,000 (28% of total increase) effective January 29, 2027. The phase in agreed upon in the Settlement

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<sup>8</sup> See Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Wellsboro Electric Company*, Docket No. R-2010-2172662 (Order Entered January 13, 2011); See also Statement of Commissioner Robert F. Powelson, *Pennsylvania Public Utility Commission v. Citizens’ Electric Company of Lewisburg, Pennsylvania*, Docket No. R-2010-2172665 (Order Entered January 13, 2011).

supports the concept of gradualism and will lessen rate shock and is therefore in the public interest.

## **2. Rate Case Normalization (Joint Petition ¶ III.19)**

Pursuant to the terms of the Settlement, Wellsboro will normalize rate case expense over three years. No unamortized rate case expense will be claimed in rate base in the settlement rates.

I&E witness Walker recommended that rate case expense be normalized as opposed to amortized as that is the Commission's traditional treatment of this expense and is appropriate for ratemaking purposes, and recommended a normalization period of 60 months (5 years) based on the Company's historic filing frequency.<sup>9</sup> This provision represents a compromise of the parties' positions and is therefore in the public interest.

## **3. Pennsylvania Corporate Net Income Tax (Joint Petition ¶ III.20)**

Pursuant to the terms of the Settlement, the Joint Petitioners agree that the Pennsylvania Corporate Net Income ("CNI") Tax rate in this proceeding will be set at 7.49%. Wellsboro will reflect the actual CNI tax rates for the post-2026 tax years through the State Tax Adjustment Surcharge and via future base rate proceedings.

I&E witness Walker recommended that a Pennsylvania CNI Tax rate of 7.49% be in effect for the Fully Projected Future Test Year ("FPFTY") based on the passage of Act 53 of 2022.<sup>10</sup> As such, I&E supports this term as being in the public interest.

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<sup>9</sup> I&E Statement No. 1, pp. 8-13; I&E Statement No. 1-SR, pp. 6-9.

<sup>10</sup> I&E Statement No. 1, p. 22.

**4. Credit Card Payment Fees (Joint Petition ¶ III.21)**

I&E has no specific comments on the settlement provision regarding the costs for one-time credit card payments but supports the Settlement in its entirety as being in the public interest.

**5. Utility Plant Balance (Joint Petition ¶ III.22)**

I&E has no specific comments on the settlement provision regarding the utility plant balances but supports the Settlement in its entirety as being in the public interest.

**6. Revenue Requirement Not Ascribable to Party or Adjustment (Joint Petition ¶ III.23)**

I&E supports this provision as part of the “black box” revenue increase.

**B. Allocation of Rate Increases (Joint Petition ¶ III.24)**

The Joint Petitioners agree to the allocation of the settlement rate increase and a scaleback to rate classes consistent with the allocation shown in Appendix A attached to the Joint Petition. The distribution rates for each class are set forth in Appendices B, B1, and B2 (for Phase I) and Appendices C, C1, and C2 (for Phase II) attached to the Joint Petition.

The agreed upon rate structure and rate design represents a compromise among the Joint Petitioners’ proposals and is therefore in the public interest.

**C. Customer Charges (Joint Petition ¶ III.25)**

Pursuant to the terms of the Settlement, Wellsboro will implement a Residential Service (“RS”) fixed Customer Charge of \$15.00 per month, a 25% increase from the existing \$12.00 monthly charge. The Company will implement a fixed Customer Charge

of \$15.00 per month for commercial rates Non-Residential Service (“NRS”) and Non-Residential Service Space Heating (“NRH”), a 23% increase from the existing \$12.22 monthly charge.

Based on I&E’s review of the cost of service study presented in this proceeding, I&E views the Settlement to be within the range of reasonable outcomes that would result from full litigation of this case. Further, the customer charges demonstrate a compromise of the interests of the parties. As such, these provisions are in the public interest.

**D. Security Deposit Policy (Joint Petition ¶ III.26)**

I&E has no specific comments on the settlement provision regarding the establishment of procedures for a security deposit policy but supports the Settlement in its entirety as being in the public interest.

**E. Payment Plans (Joint Petition ¶ III.27)**

I&E has no specific comments on the settlement provision regarding the establishment of payment plans but supports the Settlement in its entirety as being in the public interest.

**F. Post-Case Reporting of Plant Additions/Retirements (Joint Petition ¶ III.28)**

Pursuant to the terms of the Settlement, Wellsboro will provide OCA, I&E and OSBA an update to Company Exhibit HSG-1, Schedule C3 for the years 2024-2025 no later than April 1, 2026, and an update for the years 2025-2026 no later than April 1, 2027. These updates will be filed under the docket number of this proceeding. The updated schedules will include actual capital expenditures, plant additions, and

retirements by month for the twelve months ending December 31, 2025, and December 31, 2026, respectively.

I&E supports this provision as being in the public interest because this data will allow the Commission and the parties to better gauge the accuracy of Wellsboro's projected investments in future proceedings.

**G. OSBA Customer Notices (Joint Petition ¶ III.29)**

I&E has no specific comments on the settlement provision regarding the inclusion of contact information for the OSBA but supports the Settlement in its entirety as being in the public interest.

**IV. OTHER ISSUES**

**A. Public Input Hearings**

In-person and telephonic public input hearings were held on August 19 and 21, 2025. I&E has no specific comments regarding the testimony provided at the public input hearings.

**V. CONCLUSION**

I&E's agreement to settle this case is made without any admission or prejudice to any position that I&E might adopt during subsequent litigation or the continuation of this litigation in the event the Settlement is rejected by the Commission or otherwise properly withdrawn by any of the Joint Petitioners.

If the ALJ recommends that the Commission adopt the Settlement as proposed, I&E has agreed to waive the right to file Exceptions. However, I&E has not waived its right to file Exceptions with respect to any modifications to the terms and conditions of

the Settlement, or any additional matters, that may be proposed by the ALJ in the Recommended Decision. I&E also reserves the right to file Reply Exceptions to any Exceptions that may be filed by any party to this proceeding.

The Settlement is also conditioned upon the Commission's approval of all terms and conditions contained therein, and should the Commission fail to approve or otherwise modify the terms and conditions of the Settlement, the Joint Petition may be withdrawn by I&E or any of the signatories.

I&E represents that all issues raised in testimony have been satisfactorily resolved through discovery and discussions with the Company or are incorporated or considered in the resolution proposed in the Settlement. This Settlement exemplifies the benefits to be derived from a negotiated approach to resolving what can appear at first blush to be irreconcilable regulatory differences. The Joint Petitioners have carefully discussed and negotiated all issues raised in this proceeding, and specifically those addressed and resolved in this Settlement. Further line-by-line identification of the ultimate resolution of the disputed issues beyond those presented in the Settlement is not necessary as I&E represents that the Settlement maintains the proper balance of the interests of all parties. I&E is satisfied that no further action is necessary and considers its investigation of this rate filing complete.

**WHEREFORE**, the Commission's Bureau of Investigation and Enforcement represents that it supports the Joint Petition for Settlement as being in the public interest and respectfully requests that Administrative Law Judge Mary D. Long recommend, and the Commission subsequently approve, the foregoing Settlement, including all terms and conditions contained therein.

Respectfully submitted,



Michael A. Podskoch, Jr.  
Prosecutor  
PA Attorney ID No. 330132

Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120  
[mpodskoch@pa.gov](mailto:mpodskoch@pa.gov)  
(717) 783-6151

Dated: October 17, 2025

Table A

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

Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates
<b>Schedule RS- Residential Service</b>							
1							
2	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%
3							25.0%
4	Energy Charge, per kWh	\$0.058640	\$0.089660	\$0.077130	\$0.031020	\$0.018490	52.9%
5							31.5%
<b>Schedule RSAE- Residential Service All Electric</b>							
6	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%
7							25.0%
8	Energy Charge, per kWh	\$0.051270	\$0.084730	\$0.071260	\$0.033460	\$0.019990	65.3%
9							39.0%
<b>Schedule NRS- Non-Residential Service</b>							
10	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%
11							22.7%
12	Energy Charge, per kWh	\$0.076300	\$0.116010	\$0.099290	\$0.039710	\$0.022990	52.0%
13							30.1%
<b>Schedule NRH- Non-Residential Service Space Heating</b>							
14	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%
15							22.7%
16	Energy Charge, per kWh	\$0.084690	\$0.157580	\$0.124010	\$0.072890	\$0.039320	86.1%
17							46.4%
<b>Schedule CS- Commercial Service (Minimum 7 kW)</b>							
18	Customer Charge per Bill	\$32.03	\$32.03	\$32.03	\$0.00	\$0.00	0.0%
19							0.0%
20	Energy Charge, per kWh- All	\$0.022680	\$0.033570	\$0.029450	\$0.010890	\$0.006770	48.0%
21							29.9%
22	Demand Charge, per kW-Mth	\$6.60	\$9.24	\$8.57	\$2.64	\$1.97	40.0%
23							29.8%
<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>							
24	Customer Charge per Bill	\$45.81	\$45.81	\$45.81	\$0.00	\$0.00	0.0%
25							0.0%
26	Energy Charge, per kWh	\$0.066280	\$0.173130	\$0.125150	\$0.106850	\$0.058870	161.2%
27							88.8%
<b>Schedule IS- General Service (Minimum 2300 volts, 50 kW)</b>							
28	Customer Charge per Bill	\$85.00	\$150.00	\$150.00	\$65.00	\$65.00	76.5%
29							76.5%
30	Energy Charge, per kWh						
	First 130 kWh X Billed	\$0.02078	\$0.02881	\$0.02583	\$0.00803	\$0.00505	38.6%
31	Demand kW	\$0.00130	\$0.00182	\$0.00162	\$0.00052	\$0.00032	40.0%
32	Additional kWh	\$0.00130	\$0.00182	\$0.00162	\$0.00052	\$0.00032	40.0%
33							24.6%
34	Demand Charge, per kW-Mth	\$10.00	\$14.00	\$12.43	\$4.00	\$2.43	40.0%
							24.3%

Table A

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

Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates
35	Schedule MSL						
36	Per Lamp per Month						
37							
38	20000 lumens (HG)	\$10.76	\$15.67	\$13.91	\$4.91	\$3.15	45.6%
39							
40							
41							
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$6.00	\$5.33	\$1.88	\$1.21	45.6%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$16.10	\$14.30	\$5.04	\$3.24	45.6%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$23.34	\$20.72	\$7.31	\$4.69	45.6%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$6.83	\$6.06	\$2.14	\$1.37	45.6%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$16.92	\$15.02	\$5.30	\$3.40	45.6%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$8.46	\$7.51	\$2.65	\$1.70	45.6%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$18.56	\$16.48	\$5.81	\$3.73	45.6%
49							

Table A

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

Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- January 29, 2026 through January 28, 2027  
All Rates EXCLUDE GSSR

Line	Present Rates	Originally Proposed	Proposed in Settlement- January 29, 2026-January 28, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase January 29, 2026-January 28, 2027 Over Present Rates
<b>Schedule POL</b>							
35POL							
36POL	Per Lamp per Month						
37POL							
38POL	\$8.81	\$10.19	\$9.71	\$1.38	\$0.90	15.7%	10.2%
39POL							
40POL							
41POL							
42POL	\$8.33	\$9.64	\$9.19	\$1.31	\$0.86	15.7%	10.3%
43POL	\$11.06	\$12.79	\$12.20	\$1.73	\$1.14	15.6%	10.3%
44POL	\$16.03	\$18.54	\$17.68	\$2.51	\$1.65	15.7%	10.3%
45POL	\$8.89	\$10.28	\$9.80	\$1.39	\$0.91	15.6%	10.2%
46POL	\$11.62	\$13.44	\$12.81	\$1.82	\$1.19	15.7%	10.2%
47POL	\$10.02	\$11.59	\$11.05	\$1.57	\$1.03	15.7%	10.3%
48POL	\$12.75	\$14.75	\$14.06	\$2.00	\$1.31	15.7%	10.3%
49POL							
<b>Schedule EU- Exchange of Service</b>							
51	\$0.08732	\$0.11866	\$0.10643	\$0.03134	\$0.01911	35.9%	21.9%

Table B

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

**Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- Starting January 29, 2027**  
**All Rates EXCLUDE GSSR**

Line	Present Rates	Originally Proposed	Proposed in Settlement- Starting January 29, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	
<b>Schedule RS- Residential Service</b>								
1								
2	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%	
3								
4	Energy Charge, per kWh	\$0.058640	\$0.089660	\$0.085920	\$0.031020	\$0.027280	52.9%	
5	<b>Schedule RSAE- Residential Service All Electric</b>							
6	Customer Charge per Bill	\$12.00	\$16.50	\$15.00	\$4.50	\$3.00	37.5%	
7								
8	Energy Charge, per kWh	\$0.051270	\$0.084730	\$0.080060	\$0.033460	\$0.028790	65.3%	
9	<b>Schedule NRS- Non-Residential Service</b>							
10	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%	
11								
12	Energy Charge, per kWh	\$0.076300	\$0.116010	\$0.110810	\$0.039710	\$0.034510	52.0%	
13	<b>Schedule NRH- Non-Residential Service Space Heating</b>							
14	Customer Charge per Bill	\$12.22	\$16.50	\$15.00	\$4.28	\$2.78	35.0%	
15								
16	Energy Charge, per kWh	\$0.084690	\$0.157580	\$0.141380	\$0.072890	\$0.056690	86.1%	
17	<b>Schedule CS- Commercial Service (Minimum 7 kW)</b>							
18	Customer Charge per Bill	\$32.03	\$32.03	\$32.03	\$0.00	\$0.00	0.0%	
19								
20	Energy Charge, per kWh- All	\$0.022680	\$0.033570	\$0.032090	\$0.010890	\$0.009410	48.0%	
21								
22	Demand Charge, per kW-Mth	\$6.60	\$9.24	\$9.34	\$2.64	\$2.74	40.0%	
23	<b>Schedule CSH- Commercial Service Space Heaters (Minimum 7 kW)</b>							
24	Customer Charge per Bill	\$45.81	\$45.81	\$45.81	\$0.00	\$0.00	0.0%	
25								
26	Energy Charge, per kWh	\$0.066280	\$0.173130	\$0.148040	\$0.106850	\$0.081760	161.2%	
27	<b>Schedule IS- General Service (Minimum 2300 volts, 50 kW)</b>							
28	Customer Charge per Bill	\$85.00	\$150.00	\$150.00	\$65.00	\$65.00	76.5%	
29								
30	<b>Energy Charge, per kWh</b>							
31	First 130 kWh X Billed Demand kW	\$0.02078	\$0.02881	\$0.02790	\$0.00803	\$0.00712	38.6%	
32	Additional kWh	\$0.00130	\$0.00182	\$0.00175	\$0.00052	\$0.00045	40.0%	
33								
34	Demand Charge, per kW-Mth	\$10.00	\$14.00	\$13.42	\$4.00	\$3.42	40.0%	

Table B

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

Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- Starting January 29, 2027  
All Rates EXCLUDE GSSR

Line	Present Rates	Originally Proposed	Proposed in Settlement- Starting January 29, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates
35	<b>Schedule MSL</b>						
36	Per Lamp per Month						
37							
38	20000 lumens (HG)	\$10.76	\$15.67	\$15.13	\$4.91	\$4.37	45.6%
39							
40							
41							
42	LED 50W, 5000 lumens OH Cobra	\$4.12	\$6.00	\$5.79	\$1.88	\$1.67	45.6%
43	LED 50W, 5000 lumens UG Cobra	\$11.06	\$16.10	\$15.56	\$5.04	\$4.50	45.6%
44	LED 50W, 5000 lumens UG Colonial	\$16.03	\$23.34	\$22.55	\$7.31	\$6.52	45.6%
45	LED 70W, 15000 lumens OH Cobra	\$4.69	\$6.83	\$6.60	\$2.14	\$1.91	45.6%
46	LED 70W, 15000 lumens UG Cobra	\$11.62	\$16.92	\$16.34	\$5.30	\$4.72	45.6%
47	LED 140W, 20000 lumens OH Cobra	\$5.81	\$8.46	\$8.17	\$2.65	\$2.36	45.6%
48	LED 140W, 20000 lumens UG Cobra	\$12.75	\$18.56	\$17.93	\$5.81	\$5.18	45.6%
49							

Table B

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

Summary Of Rates- Present, Originally Proposed and Proposed in Settlement- Starting January 29, 2027  
All Rates EXCLUDE GSSR

Line	Present Rates	Originally Proposed	Proposed in Settlement- Starting January 29, 2027	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates	Originally Proposed Increase Over Present Rates	Proposed in Settlement- Increase Starting January 29, 2027 Over Present Rates
35POL	<b>Schedule POL</b>						
36POL	Per Lamp per Month						
37POL							
38POL	\$8.81	\$10.19	\$10.07	\$1.38	\$1.26	15.7%	14.3%
39POL							
40POL							
41POL							
42POL	\$8.33	\$9.64	\$9.52	\$1.31	\$1.19	15.7%	14.3%
43POL	\$11.06	\$12.79	\$12.64	\$1.73	\$1.58	15.6%	14.3%
44POL	\$16.03	\$18.54	\$18.32	\$2.51	\$2.29	15.7%	14.3%
45POL	\$8.89	\$10.28	\$10.16	\$1.39	\$1.27	15.6%	14.3%
46POL	\$11.62	\$13.44	\$13.28	\$1.82	\$1.66	15.7%	14.3%
47POL	\$10.02	\$11.59	\$11.45	\$1.57	\$1.43	15.7%	14.3%
48POL	\$12.75	\$14.75	\$14.57	\$2.00	\$1.82	15.7%	14.3%
49POL							
50	<b>Schedule EU- Exchange of Service</b>						
51	\$0.08732	\$0.11866	\$0.11387	\$0.03134	\$0.02655	35.9%	30.4%

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**STATEMENT IN SUPPORT  
OF THE JOINT PETITION FOR UNANIMOUS SETTLEMENT  
OF THE OFFICE OF CONSUMER ADVOCATE**

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**TO THE HONORABLE ADMINISTRATIVE LAW JUDGE MARY D. LONG:**

The Office of Consumer Advocate (OCA), one of the signatory parties to the Joint Petition for Approval of Unanimous Settlement of all Issues (Joint Petition or Settlement), hereby files this Statement in Support of the Settlement before the Honorable Administrative Law Judge (ALJ) Mary D. Long and the Pennsylvania Public Utility Commission (Commission). The OCA requests that the Commission approve the terms and conditions of the Settlement as being in the public interest for the reasons stated further below.

## **I. INTRODUCTION**

### **A. Description of the Office of Consumer Advocate**

The OCA is a statutory advocate with the authority and duty to represent the interest of consumers as a party before the Commission in public utility rate requests.<sup>1</sup> The OCA's interest in this case is to ensure that utility consumers – who ultimately pay the revenue requirement to the utility – are paying no more than is necessary to ensure that public utility service remains adequate, reliable, and safe while allowing the utility to have the opportunity to recover its prudently incurred costs and earn a fair rate of return on its investments.

### **B. Procedural Background**

On April 30, 2025, Wellsboro filed Supplement No. 162 to Tariff Electric-Pa. P.U.C. No. 8 with the Commission to become effective on June 29, 2025. The Company's proposed tariffs would increase the Company's total annual operating revenues by approximately \$2.9 million or 45.3% in overall distribution revenue, based on a fully projected future test year (FPFTY) ending December 31, 2026.

On May 12, 2025, the OCA filed a Formal Complaint, Public Statement and Notice of Appearance in this proceeding to protect the interests of consumers in the Company's service territory and to ensure that the Company is permitted to implement only a level of rates that is just and reasonable and in accordance with sound ratemaking principles.

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<sup>1</sup> 71 P.S. § 309-4.

On May 22, 2025, the Commission entered an Order at the captioned docket, suspending the tariff by operation of law until January 29, 2026, instituting an investigation to determine the lawfulness, justness, and reasonableness of the proposed and existing rates, rules, and regulations, and assigning the rate filings to the Office of Administrative Law Judge (OALJ) for the prompt scheduling of hearings as may be necessary culminating in the issuance of a recommended decision.

There were four joint Public Input Hearings for Citizens, Valley Energy Inc., and Wellsboro Electric Company,<sup>2</sup> at which five individuals testified under oath, an overwhelming majority of them in opposition to Wellsboro's rate relief request.<sup>3</sup> The Public Input Hearings were held as follows:

- August 19, 2025, at 1:00 PM and 6:00 PM telephonic; and
- August 21, 2025, at 1:00 PM and 6:00 PM in-person in Wellsboro's service territory.<sup>4</sup>

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<sup>2</sup> Wellsboro Electric Company and Valley Energy, Inc., are affiliate utilities of Citizens under the same parent company. All three filed for rate increases at the same time and the procedural schedule was designed so all three proceedings could run parallel with each other. The Wellsboro proceeding can be found at Docket No. R-2025-3054392 and the Valley proceeding can be found at Docket No. R-2025-3054393.

<sup>3</sup> Tr. 41-288.

<sup>4</sup> No consumers testified at the telephonic Public Input Hearings. Only customers of Wellsboro testified at the in-person Public Input Hearings that were held in Wellsboro's service area. The Commission did not hold in-person Public Input Hearings in Citizens' or Valley's service territories.

Consistent with the procedural schedule issued by ALJ Long, the OCA served its written Direct, Rebuttal, and Surrebuttal Testimonies on July 15, 2025, August 13, 2025, and August 28, 2025, respectively, in which the OCA opposed and/or recommended adjustments to Wellsboro's requests. Written rejoinder testimony was submitted by the Company on September 3, 2025.

On September 4, 2025, ALJ Long held an evidentiary hearing, during which, by stipulation of counsel, the ALJ admitted into the record pre-served testimony and exhibits identified by Wellsboro, the Bureau of Investigation and Enforcement (I&E), the OCA, and the Office of Small Business Advocate (OSBA).

The Company, OCA, I&E, and OSBA engaged in extensive settlement discussions in an attempt to resolve the issues presented in this proceeding. On October 17, 2025, the Company, OCA, I&E, and OSBA (Settling Parties) filed the Settlement, representing a full, unanimous settlement of the issues litigated between the Settling Parties in the case.

In accordance with ALJ Long's September 10, 2025, Interim Order, the OCA now submits this Statement in Support of the Settlement. As explained below, the OCA submits that the Settlement is supported by substantial evidence and in the public interest. The OCA requests the settlement be approved without modification.

## II. STANDARDS FOR APPROVAL OF SETTLEMENT

The policy of the Commission is to encourage settlements, and the Commission has stated that settlement rates are often preferable to those achieved at the conclusion of a fully litigated proceeding.<sup>5</sup>

In order to be approved, the proposed rates, rules, and regulations in Wellsboro's electric tariff must be lawful, just and reasonable, in conformity with regulations and orders of the Commission, and consistent with sound ratemaking principles and public policy.<sup>6</sup> A public utility may obtain "a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers[,] as well as a reasonable rate of return on its investment."<sup>7</sup> The Commission "has broad discretion in determining whether rates are reasonable" and "is vested with discretion to decide what factors it will consider in setting or evaluating utility's rates."<sup>8</sup> The Commission's discretion to determine if a requested rate is just and reasonable includes the "power to make and apply policy" concerning the appropriate balance between rates charged to consumers and returns allowed to utility investors.<sup>9</sup>

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<sup>5</sup> 52 Pa. Code §§ 5.231, 69.401.

<sup>6</sup> 66 Pa. C.S. § 1301(a).

<sup>7</sup> *City of Lancaster Sewer Fund v. Pa. PUC*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002).

<sup>8</sup> *Popowsky v. Pa. PUC*, 683 A.2d 958, 961 (Pa. Cmwlth. 1996).

<sup>9</sup> *Popowsky v. Pa. PUC*, 665 A.2d 808, 812 (Pa. 1995).

Additionally, rates must not be unduly discriminatory among customer groups.<sup>10</sup> The Commission has discretion to determine reasonable classifications of service of rates as may be justified “by a variety of considerations including the quantity of service used, the nature of the use, the time of the use, the pattern of the use, differences of conditions of service or cost of service.”<sup>11</sup>

A utility’s cost of providing service guides the ratemaking process.<sup>12</sup> Additional important ratemaking concerns include quality of service, rate gradualism, and rate affordability.<sup>13</sup> In reaching a decision on whether to grant Citizens’ rate increase as well as its various rule and tariff changes, the Commission must give “due consideration to the interests of consumers.”<sup>14</sup>

The Commission’s policy promotes settlements.<sup>15</sup> In order to approve a Settlement, the Commission must determine that the proposed terms and conditions are in the public interest.<sup>16</sup> “It is the Commission’s duty to determine the public interest and to protect the

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<sup>10</sup> 66 Pa. C.S. § 1304.

<sup>11</sup> *Zucker v. Pa. PUC*, 402 A.2d 1377, 1382 (Pa. Cmwlth. 1979).

<sup>12</sup> *Lloyd v. Pa. PUC*, 904 A.2d 1010, 1019-21 (Pa. Cmwlth. 2006) (*Lloyd*).

<sup>13</sup> *Pa. PUC v. Columbia Gas of Pa, Inc.*, R-2020-3018835 (Order Feb. 19, 2021), at 46-47 (citing 66 Pa. C.S. §§ 523, 526(a)) (citing also *Lloyd* at 1020 and *Pa. PUC v. Twin Lakes Util., Inc.*, 2020 Pa. PUC LEXIS 340, \*46-54 (Order Mar. 26, 2020)).

<sup>14</sup> 71 P.S. § 309-5 (2).

<sup>15</sup> 52 Pa. Code §§ 5.231, 69.401

<sup>16</sup> *Pa. PUC v. Philadelphia Electric Company*, 60 Pa. P.U.C. 1, 22 (1985); *Pa. PUC v. City of Bethlehem – Water Dept.*, Docket No. R-2020-3020256 (Order entered April 15, 2021) (*City of Bethlehem*) at 13 (citing *Pa. PUC v. York Water Co.*, Docket No. R

rights of the public.”<sup>17</sup> The Commission recognizes that settlements represent “a compromise of the positions held by the parties of interest, which, arguably fosters and promotes the public interest.”<sup>18</sup> Consistent with the Commission’s other statutory responsibilities, the Commission must determine the public interest with “due consideration to the interests of consumers.”<sup>19</sup>

Proponents of an order bear the burden of proof.<sup>20</sup> Because the Settling Parties request that the Commission enter an order adopting the settlement without modification, they share the burden of proof to show that the terms and conditions of the settlement are in the public interest.<sup>21</sup>

It is well-established that the “degree of proof before administrative tribunals as well as before most civil proceedings is satisfied by establishing a preponderance of the evidence.”<sup>22</sup> For a Commission decision to be supported by substantial evidence, it must be supported by such relevant evidence as a reasonable mind might accept as adequate to

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00049165 (Order entered October 4, 2004); *Pa. PUC v. C. S. Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991) (*CS Water and Sewer*)).

<sup>17</sup> *Duquesne Light Co. v. Pa. PUC*, 715 A.2d 540, 546 (Pa. Cmwlth. Ct. 1998) (citations omitted).

<sup>18</sup> *CS Water and Sewer*, 74 Pa. P.U.C. at 771.

<sup>19</sup> 71 P.S. § 309-5 (2).

<sup>20</sup> 66 Pa.C.S. § 332(a).

<sup>21</sup> 66 Pa.C.S. § 332(a); *City of Bethlehem* at 13.

<sup>22</sup> *Lansberry v. Pa. PUC*, 578 A.2d 600, 602 (Pa. Cmwlth. Ct. 1990) (*Lansberry*).

support a conclusion.<sup>23</sup> The evidence must be substantial and legally credible, not mere “suspicion” or a “scintilla” of evidence.<sup>24</sup>

### III. SETTLEMENT TERMS AND CONDITIONS

The OCA submits that the Settlement, taken as a whole, is a reasonable compromise in consideration of likely litigation outcomes before the Commission. The OCA submits that the Settlement is in the public interest and supports Commission approval of the Settlement without modification. The OCA points to the substantial evidence in the record to support the provisions addressed by the OCA below and relies on the other parties to the Settlement to address those provisions that are significant and material to them in their respective statements in support. While the OCA does not address all issues contained within the Settlement in this Statement in Support, the OCA does not oppose terms and conditions not expressly addressed herein.

This Settlement is a “black box” settlement of all revenue requirement and cost allocation issues. Black box means that the parties did not stipulate precisely as to how they arrived at the conclusion on the settlement term.<sup>25</sup> Black box settlements provide timely resolution of disputes without the significant expense of prolonged litigation. The

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<sup>23</sup> *Dutchland Tours, Inc. v. Pa. PUC*, 337 A.2d 922, 925 (Pa. Cmwlth. 1975).

<sup>24</sup> *Lansberry*, 578 A.2d at 602.

<sup>25</sup> *Pa. PUC v. Columbia Gas of Pa, Inc.*, 2022 PA. PUC LEXIS 402, \*37 (Order entered December 8, 2022) (*Columbia*), Docket Nos. R-2022-3031211, *aff'd*, 2024 Pa. Commw. Unpub. LEXIS 525.

OCA submits that it is unlikely that the parties would have been able to reach consensus on each disputed recommendation in this matter as policy and legal positions differed widely among the parties. The Commission has routinely determined that unless an issue is resolved in a manner specifically prescribed in a settlement, how or why each party reaches agreement on a specific settlement term is of no consequence to the ultimate conclusion of whether the settlement is in the public interest so long as the settlement term is supported by the record and consistent with applicable law.<sup>26</sup>

**A. Revenue Requirement (Settlement at ¶¶17-23)**

**1. Revenue Requirement Increase (¶¶17-18)**

In Settlement Paragraphs 17, the Settling Parties agreed to settle the revenue increase issue, as follows:

17. The Parties agree to a stipulated increase in the Company's annual revenue requirement of \$2,500,000, which is an approximately 39% increase in the Company's distribution revenues at present rates, using a FPFTY ending December 31, 2026.<sup>27</sup>

18. The Parties agree that the Company will implement the increase in two phases for rate gradualism purposes. Phase I will be an increase of \$1,800,000 in year 1, effective January 29, 2026, and Phase II will be a further increase of \$700,000 in year 2, effective January 29, 2027. Each phase of rate increases may be implemented by the Company via a compliance tariff effective on one day's notice that is in compliance with the Commission's final order entered in this proceeding.<sup>28</sup> Tables A and B

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<sup>26</sup> *See Id.*

<sup>27</sup> Settlement ¶ 17.

<sup>28</sup> All tariff changes other than Phase II of the rate increase will be included with the Phase I Compliance Filing.

include the current, originally proposed, and stipulated rates that result from this settlement.<sup>29</sup>

In its initial filing, Wellsboro proposed to increase its total annual operating revenues by \$2.9 million, or 45% over the amount of annual distribution revenues at present rates, using a Fully Projected Future Test year (FPFTY) beginning in 2026.<sup>30</sup> The company revised its proposed increase down to \$2.85 million in Rebuttal after incorporating adjustments recommended from other parties' direct testimony.<sup>31</sup>

In this case, OCA Witness Greg R. Meyer recommended that Wellsboro's rate increase should be \$2.09 million.<sup>32</sup> Mr. Meyer recommended downward adjustments to Wellsboro's claimed costs in FPFTY by factoring in a Return on Equity (ROE) of 9.5% as recommended by OCA witness Christopher C. Walters.<sup>33</sup>

Under the terms of the Settlement, Wellsboro will be permitted to increase annual operating revenues by \$2.5 million which shall be implemented in two phases.<sup>34</sup> The agreed upon increase is approximately \$0.4 million less than, or 86% of, the Company's original requested increase of \$2.9 million. The distribution rate increase in the Settlement reflects

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<sup>29</sup> Settlement ¶ 18.

<sup>30</sup> Wellsboro St. No. 1 at 3.

<sup>31</sup> Wellsboro St. No. 1R at 2.

<sup>32</sup> OCA St. 1R at 3.

<sup>33</sup> Corrected OCA St. 2 at 3.

<sup>34</sup> Settlement at ¶ 18.

an increase in total annual distribution revenues of 39% percent as compared to the Company's original request of a 45% increase in distribution revenues.

The OCA submits that the Settlement revenue increase provides sufficient funds to maintain the Company's distribution system in an adequate, efficient, safe, and reasonable manner while ensuring that consumers pay no more than is necessary for the same. To further address the OCA's litigation position in this case as to a lower revenue requirement, the terms of the Settlement provide that the new rates reflecting this increase will go into effect in two phases.<sup>35</sup> Phase I will be an increase of \$1,800,000 in year 1, effective January 30, 2026, and Phase II will be an increase of \$700,000 in year 2, effective January 30, 2027.<sup>36</sup> The proposed two-year phase in of rate increases is in line with the generally accepted ratemaking principle that "to the extent possible, gradualism should be used to protect customers from rate shock."<sup>37</sup> This agreed upon term of the settlement is in the best interest of consumers as it aims to ameliorate the financial impact of a large rate increase on customers all at one time.

This Settlement is a "black box" settlement of all revenue requirement issues and the agreed-upon phase-in of the overall revenue requirement, which was established as a total increase based on projected claims using the FFPTY ending December 31, 2026, was

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<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> OCA St. 3 at 25.

material to the OCA's reaching the overall settlement agreement. Blackbox settlements provide timely resolution of disputes without the significant expense of prolonged litigation. The OCA submits that it is unlikely that the parties would have been able to reach consensus on each disputed recommendation in this matter as policy and legal positions differed widely among the parties.

Based on the OCA's analysis of the Company's filing, discovery responses received, testimony filed, and various cost of capital proposals, the revenue increase under the Settlement is \$0.4 million below the value the company filed for and represents a result that would be within the range of likely outcomes in the event of full litigation of the case. The Settlement also includes important customer service enhancements explained herein that might not otherwise be achieved by and through litigation of this case. Similarly, the phased-in revenue requirement increase, when accompanied by other important conditions in the Settlement, yields a result that is in the public interest. As such, the OCA submits that as a part of a unanimous resolution of all issues in this proceeding, this provision of the Settlement represents a reasonable compromise between the parties and is in the public interest.

## **2. Rate Case Normalization (§19)**

In Paragraph 19, the Settling Parties agreed to settle the rate case expense issue, as follows:

19. Wellsboro's rate case expense will be normalized over three years. No unamortized rate case expense will be claimed in rate base.<sup>38</sup>

In his analysis of the testimony presented in this proceeding, OCA witness Meyer supported I&E's position of normalizing Wellsboro's rate case expense.<sup>39</sup> The Company proposed to amortize rate case expense over a multi-year period and include any remaining balance not paid down in rate base.<sup>40</sup> In rebuttal testimony, Company witness Howard Gorman said the three-year normalization period is customary and reasonable.<sup>41</sup>

OCA witness Meyer testified that structuring the Company's rate case expense as described in Settlement Paragraph 19 is proper because it is a normal operating expense.<sup>42</sup> Mr. Meyer stated that by including rate case expense in rate base, the Company would be earning a profit on a normal and recurring expense.<sup>43</sup> Mr. Meyer added that shareholders tend to benefit from rate cases proceedings, therefore there is no reason to allow them to earn additional profit on those expenses.<sup>44</sup> Categorizing expenses properly is in the public interest and should be approved.

### **3. Pennsylvania Corporate Net Income Tax (¶20)**

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<sup>38</sup> Settlement ¶ 19.

<sup>39</sup> OCA St. 1R at 5.

<sup>40</sup> *Id.*

<sup>41</sup> Wellsboro St. No. 1R at 4.

<sup>42</sup> OCA St. 1R at 5 -6.

<sup>43</sup> *Id.*

<sup>44</sup> *Id.*

In Paragraph 20 the Settling Parties agreed to settle the state corporate net income tax issue, as follows:

20. The Parties agree that the Pennsylvania Corporate Net Income ("CNI") Tax rate in this proceeding will be set at 7.49%. The Company will reflect the actual CNI tax rates for the post-2026 tax years through the State Tax Adjustment Surcharge and via future base rate proceedings.<sup>45</sup>

In his rebuttal testimony, OCA witness Meyer stated support for using a state corporate tax rate of 7.49% when calculating Wellsboro's revenue requirement.<sup>46</sup> In rebuttal testimony, Company witness Gorman agreed with this adjustment, stating the original filing inadvertently used 9.99% as the state corporate tax rate for the FPFTY.<sup>47</sup>

This adjustment ensures that the state income tax rate Citizens uses for the FPFTY is in line with Pennsylvania House Bill 1342, which was signed into law as Act 53 of 2022 wherein the state corporate tax rate will step down each year until 2031 where it will reach 4.99%.<sup>48</sup> This adjustment ensures that ratepayers are not contributing funds toward a tax rate higher than what is required by law and as such, this provision should be adopted.

#### **4. Credit Card Payment Fees (¶21)**

In Paragraph 21 the Settling Parties agreed to settle the credit card payment fee issue, as follows:

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<sup>45</sup> Settlement ¶ 20.

<sup>46</sup> OCA St. 1R at 4.

<sup>47</sup> Wellsboro St. No. 1R at 3.

<sup>48</sup> OCA St. 1R at 4.

21. The Company's revenue requirement does not include costs for one-time credit card payments, which will continue to be the responsibility of the customers who use this bill payment option. However, the Company will further evaluate the fee issue raised by the OCA in testimony in this proceeding and agrees that in its direct testimony in the next rate case it will provide an estimate of what annual costs would be if the one-time fee were to be absorbed into revenue requirement.<sup>49</sup>

OCA witness LeeAnn Wise recommended that the Company remove the \$3.95 fee associated with making online payments through the web-based application called SmartHub and instead absorb the fees as an administrative expense.<sup>50</sup> Ms. Wise testified that this would bring online payments in line with the other fee free payment options, like paying with cash or check.<sup>51</sup> Ms. Wise explained that electronic and paperless transactions are normal in this economy and customers who wish to pay their electric bill this way should not be penalized.<sup>52</sup>

Based on OCA witness Wise's above recommendation, OCA witness Greg Meyer calculated Ms. Wise's proposal would require an upward revenue adjustment of \$37,645.<sup>53</sup> Company Witness Byron Farnsworth testified that based on a case study from a utility in

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<sup>49</sup> Settlement ¶ 21.

<sup>50</sup> OCA St. 4 at 6-7.

<sup>51</sup> Id at 7.

<sup>52</sup> Id at 3.

<sup>53</sup> OCA St. 1 at 17.

New York that eliminated credit and debit fees, customer use would increase and therefore Mr. Meyer underestimated the actual cost required to implement Ms. Wise's proposal.<sup>54</sup>

The Company's plan to evaluate the fee issue raised by OCA witness Wise is a reasonable compromise on the issue raised by the OCA. Incorporating credit card payment fees into the Company's revenue requirement would mean that the cost is removed from individual customers and shared among all customers, just as the administrative costs for handling cash and checks are currently treated.<sup>55</sup> This would particularly be beneficial for customers who make multiple payments during a month using credit cards.<sup>56</sup> Wellsboro's commitment to evaluating the fee issue is good for consumers because it means the Company is exploring ways to make paying their electric bills easier and more convenient.

Considering the provision in Settlement Paragraph 21 wherein Wellsboro will review the OCA's testimony and estimate the true annual cost of implementing fee-free electronic bill payments and viewing the Settlement as a whole, the OCA believes this provision of the Settlement is reasonable and serves the public interest.

#### **5. Utility Plant Balance (¶22)**

In Paragraph 22, the Settling Parties agreed to the following provision:

22. The Company's Utility Plant balances for the FPFTY and FTY are accepted as filed for purposes of the post-test year reporting agreed to in

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<sup>54</sup> Wellsboro St. No. 4R at 15.

<sup>55</sup> OCA St. 4SR at 5.

<sup>56</sup> OCA ST. 4 at 7.

Paragraph 28 and any subsequent request to implement a Distribution System Improvement Charge (“DSIC”).<sup>57</sup>

In this proceeding, the OCA’s expert witnesses did not dispute or adjust downward the Company’s Utility Plant balances for the FPFTY and FTY. This provision establishes the base level of plant investment that must be realized before any incremental expenditures can be recovered through the DSIC. The OCA submits that this provision provides clarity regarding the implementation of a DSIC and affords protection for ratepayers that the DSIC will not begin until after the FPFTY and the plant investment noted in the settlement are reached.

#### **6. Revenue Requirement Not Ascribable to Party or Adjustment (¶23)**

The OCA takes no position on the settlement term regarding revenue requirement not ascribable to party or adjustment issue.

#### **B. Allocation of Rate Increases (¶24)**

In Settlement Paragraph 24, the Settling Parties agreed to settle the revenue allocation of rate design issue, as follows:

24. The Company's revenue requirement increase will be allocated among the Company's rate classes in accordance with the allocation methodology set forth in Appendix A to this Settlement. The distribution rates and bill comparisons for each class are set forth in Appendices B, B1, and B2 (for Phase I) and Appendices C, C1, and C2 (for Phase II).<sup>58</sup>

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<sup>57</sup> Settlement ¶ 22.

<sup>58</sup> Settlement ¶ 24

According to OCA witness Michael Deupree, an allocated cost of service study (ACOS) is a modeling approach that reconciles utility costs and revenues across different customer classes.<sup>59</sup> Mr. Deupree testified that the goal of an ACOS is to evaluate the cost of providing service and revenue responsibility for each individual customer class.<sup>60</sup>

Company witness Howard Gorman testified that the Company developed its ACOS with four goals in mind: (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.<sup>61</sup> Mr. Deupree testified that the impact of the Company’s ACOS would skew the allocation of costs and revenue responsibilities away from larger customers and onto residential and small commercial customers.<sup>62</sup> Mr. Deupree produced an alternative distribution as follows:

**Table 8: Comparison of Class Revenue Allocations<sup>63</sup>**

	Total Citizens	Residential Service			Commercial and Industrial Service					Lighting Service		Exchange Service (EU)
		Residential (RS)	All Electric (RSAE)	Non-Residential (NRS)	Non-Res. Heating (NRH)	Commercial (CS)	Comm. Heating (CSH)	Industrial (IS)	Municipal (MBL)	Outdoor (OL)		
<b>Wellsboro's Proposed</b>												
Distribution Revenue Increase	\$ 2,899,388	\$1,668,860	\$ 14,885	\$ 236,093	\$ 507	\$ 601,598	\$ 771	\$ 354,548	\$ 6,155	\$ 12,757	\$ 3,214	
Percentage Increase	45.29%	49.51%	60.52%	47.35%	75.00%	39.51%	75.00%	40.29%	45.60%	15.68%	36.89%	
<b>OCA Alternative</b>												
Distribution Revenue Increase	\$ 2,899,387	\$1,582,946	\$ 13,923	\$ 212,711	\$ 383	\$ 710,279	\$ 582	\$ 354,826	\$ 6,581	\$ 14,075	\$ 3,081	
Percentage Increase	45.29%	46.96%	56.61%	42.66%	56.61%	46.65%	56.61%	40.32%	48.76%	17.30%	34.40%	

<sup>59</sup> OCA St. 3 at 4.

<sup>60</sup> *Id.*

<sup>61</sup> Wellsboro St. No. 1 at 15.

<sup>62</sup> OCA St. 3 at 7-8.

<sup>63</sup> *Id.* At 28.

According to Mr. Deupree, using his alternative ACOS is a more fair and reasonable estimation of the relative cost of service among Citizens' customer classes.<sup>64</sup>

While the Settlement does not identify a specific ACOS methodology used to determine the appropriate revenue allocation and allocates revenue on a black box basis, the revenue allocation percentage increase to the residential class is lower than originally proposed by Wellsboro. The Commission has previously stated that the use of a black box revenue allocation methodology is consistent with the Commission's policy encouraging settlements as it provides parties "a greater amount of flexibility than they would have in litigated cases to resolve contested issues."<sup>65</sup>

Rates in this Settlement were designed in a manner which addressed the OCA's concerns regarding affordable customer charges and mitigating rate shock. The Settlement represents a reasonable compromise, balancing the interests of the Company and consumers with respect to both revenue allocation and rate design.

### **C. Customer Charges (§25)**

In Settlement Paragraph 25, the Settling Parties agreed to settle the customer charge issue, as follows:

25. The Company will implement a Residential Service ("RS") Fixed Distribution Service Charge of \$15.00 per month, a 25% increase from the existing \$12 monthly charge. The Company will also implement a fixed Customer Charge of \$15.00 per month for commercial rates Non-Residential

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<sup>64</sup> *Id.* at 24

<sup>65</sup> *Columbia*, 2022 PA. PUC LEXIS 402 at 106-07, n. 30.

Service ("NRS") and Non-Residential Service Space Heating ("NRH"), an approximately 23% increase from the existing \$12.22 monthly charge.<sup>66</sup>

In its filing, Wellsboro proposed to increase the residential customer charge from \$12.00 to \$16.50 per month, an increase of \$4.50 or approximately 37.5%.<sup>67</sup> Company witness Howard Gorman testified that the requested increase is justified based off of the Company's allocated cost of service study.<sup>68</sup> OCA witness Michael Deupree testified that increasing the residential customer charge to \$16.50 significantly overstates the cost directly attributable to residential customers is unreasonable and should be rejected.<sup>69</sup> Mr. Deupree conducted an analysis and showed that Wellsboro's current residential customer charge is the third highest in the region.<sup>70</sup> The company's proposed increase to the customer charging would bring it to \$16.50 making the highest in the region by far with the average among peers being \$9.27.<sup>71</sup>

The compromise contained in the Settlement is reasonable, and within the results that might have been obtained through litigation considering the various positions of the Company, the OCA, and other parties. Increasing the residential customer charge by \$3.00 represents a 25% increase over the Company's existing charge. This increase, at a reduced

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<sup>66</sup> Settlement ¶ 25.

<sup>67</sup> Wellsboro St. No. 1 at Exhibit \_\_\_ (HSG-1) Schedule B7.

<sup>68</sup> Wellsboro St. No. 1R at 12.

<sup>69</sup> OCA St. 3 at 37.

<sup>70</sup> Id. At 30.

<sup>71</sup> Id.

rate from the Company's original request, will be closer in line with OCA's position that residential customer-related costs should be recovered through monthly customer charges. Additionally, a lower than filed customer charge will promote conservation efforts by customers and provide them the opportunity to have more control over their bill through their kilowatt-hour usage.<sup>72</sup> Accordingly, the OCA submits this Settlement provision is reasonable, in the public interest, and should be approved.

**D. Security Deposit Policy (¶26)**

In Settlement Paragraph 26, the Settling Parties agreed to settle the security deposit policy issue, as follows:

26. The Company will memorialize written internal operating procedures that provide applicants with the ability to explore, in conjunction with the request for the deposit, whether the applicant may qualify for a waiver due to the household income and train its customer service representative employees based on the written procedures.<sup>73</sup>

OCA witness LeeAnn Wise reviewed Wellsboro's customer service policies and their impact on low-income consumers. Ms. Wise found that the company verifies a customer's income and does not charge a security deposit for income-eligible customers.<sup>74</sup> If an income-eligible customer is charged a security deposit, the Company issues a refund.<sup>75</sup> However, Ms. Wise found that the Company does not have written policies for

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<sup>72</sup> OCA St. 3 at 32-33.

<sup>73</sup> Settlement ¶ 26

<sup>74</sup> OCA St. 4 at 8.

<sup>75</sup> *Id.*

how customer service employees verify income prior to charging security deposits.<sup>76</sup> Ms. Wise recommended that the Company formally document the policies in writing.<sup>77</sup> This settlement provision is good for rate payers because having written policies and procedures promotes consistency, transparency, and accountability.<sup>78</sup> This will benefit Wellsboro customers by decreasing the risk of misunderstandings, inconsistent application of company policies, or reliance on individual employee interpretation of company policies. Thus, the OCA requests the settlement term regarding the change to the company's security deposit policy be approved.

**E. Payment Plans (¶27)**

In Settlement Paragraph 27, the Settling Parties agreed to settle the payment plan issue, as follows:

27. The Company will establish written internal operating procedures addressing how Federal Poverty Income Guideline ("FPIG") ranges are used, what verification is needed for low-income verification, and how payments and terms are calculated.<sup>79</sup>

OCA Witness Wise examined how Wellsboro administers payment plans for customers who have difficulty paying their bills. In her analysis, Ms. Wise found that the payment arrangements were determined by the customer's ability to pay, the customers

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<sup>76</sup> *Id.*

<sup>77</sup> *Id.* at 11.

<sup>78</sup> OCA St. 4SR at 2.

<sup>79</sup> Settlement ¶ 27.

payment history, income level, and the length of time of the bill accumulated.<sup>80</sup> Ms. Wise expressed concern that the Company does not track the success of its payment arrangements, and therefore it is difficult to determine whether the plans are achieving their intended goals, like improving customer repayment rates and minimizing delinquencies.<sup>81</sup> She suggested that Wellsboro establish metrics for measuring success for payment plans and to document payment plan policies.<sup>82</sup>

This provision will benefit Wellsboro consumers because it can bring forth new insights for the company and promote new resolutions for consumers facing financial hardship. Therefore, this provision is in the public interest and should be approved.

**F. Post-Case Reporting of Plant Additions/Retirements (¶28)**

In Settlement Paragraph 28, the Settling Parties agreed to settle the post-case reporting of plant additions and retirement issue, as follows:

28. The Company will provide OCA, I&E and OSBA an update to Company Exhibit HSG-1, Schedule C3 for the years 2024-2025 no later than April 1, 2026, and an update for the years 2025-2026 no later than April 1, 2027. These updates will be filed under the Docket Number of this proceeding. The updated schedules will include actual capital expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2025, and December 31, 2026, respectively.<sup>83</sup>

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<sup>80</sup> OCA St. 4 at 10.

<sup>81</sup> *Id.* at 10-11.

<sup>82</sup> *Id.*

<sup>83</sup> Settlement ¶ 28.

The OCA submits that this settlement term is in the public interest because it will allow all parties, including the Commission, to track how the company is meeting its projections and allow the parties to gauge the accuracy of Wellsboro's projected investments in future proceedings. The OCA contends that increased transparency in this area will greatly benefit the ratepayers and thus, this provision is in the public interest and should be approved.

**G. OSBA Customer Notices (§29)**

The OCA takes no position on the settlement term regarding OSBA customer notices.

**IV. OTHER ISSUES**

**A. Public Input Hearings**

In this proceeding two consumers filed formal complaints. As stated above, at the in-person Public Input Hearings, five individuals testified under oath, an overwhelming majority of them in opposition to Wellsboro's rate relief request.<sup>84</sup> A consistent theme of testimony given at the Public Input Hearings was affordability.<sup>85</sup> Specifically, at the 1:00 PM hearing on August 21, 2025, all four individuals who testified referenced how the rate increase would present financial hardships on their personal lives with one individual expressing concern that the rate increase would require a cut back in their spending on food

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<sup>84</sup> Tr. 41-288.

<sup>85</sup> *Id.*

and other necessities.<sup>86</sup> Based on the testimony given by the ratepayers this settlement is in the public interest because the rates will go into effect in two phases gradually increasing the costs borne by the consumers.

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<sup>86</sup> *Id* at 79-113.

## V. CONCLUSION

The OCA submits that the terms and conditions of the proposed Settlement, taken as a whole, represent a fair and reasonable resolution of the issues and claims arising in this proceeding. The OCA further submits that, for the reasons detailed above, the Commission should approve the Settlement without modification as it is in the public interest.

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Dated: October 17, 2025

Respectfully submitted,

/s/ Melanie Joy El Atieh  
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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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

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**STATEMENT IN SUPPORT OF THE  
JOINT PETITION FOR SETTLEMENT  
ON BEHALF OF THE OFFICE OF SMALL BUSINESS ADVOCATE**

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**I. INTRODUCTION**

The Small Business Advocate is authorized and directed to represent the interests of the small business consumers of utility services in the Commonwealth of Pennsylvania under the provisions of the Small Business Advocate Act, Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

Pursuant to that statutory authority, the Office of Small Business Advocate (“OSBA”) filed a complaint on May 12, 2025, in response to the April 30, 2025, filing by Wellsboro Electric Company (“Wellsboro” or the “Company”) Proposed Supplement No. 162 to Tariff Electric - Pa. P.U.C. No. 8 (“Supplement No. 162”) with the Pennsylvania Public Utility Commission (“Commission”) which requested an overall rate increase of \$2,899,000 per year.

The OSBA actively participated in the negotiations that led to the proposed settlement and is a signatory to the Joint Petition for Settlement (“*Joint Petition*” or

“*Settlement*”). The *Joint Petition* addresses the issues raised by this office in this proceeding. Therefore, the OSBA submits this Statement in Support of the *Joint Petition*.

## II. STATEMENT IN SUPPORT

### a. Settlement Overview

Section 5.231(a) of the Commission’s regulations, 52 Pa. Code § 5.231(a) (Formal Proceedings; Hearings; Settlement and Stipulations; Offers of Settlement) states, as follows: It is the policy of the Commission to encourage settlements. Similarly, Section 69.401 of the Commission’s regulations, 52 Pa. Code § 69.104 (Settlement Guidelines and Procedures for Major Rate Cases – Statement of Policy; General) states, as follows:

In the Commission’s judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding.

#### *i. Revenue Requirement*

Upon the Commission’s approval of this *Settlement*, Wellsboro will be permitted to establish rates which will produce an overall revenue requirement increase of approximately \$2,500,000, an approximately 39% increase in the Company’s distribution revenues over FPFTY revenues at present rates, which shall be implemented in two phases for rate gradualism purposes. Phase I increase of \$1,800,000 in year 1, effective January 30, 2026, and Phase II increase of \$700,000 in year 2, effective January 30, 2027.

The OSBA submits that the *Joint Petition's* resolution of the rate increase issue is a just and reasonable result.

***ii. Customer Charges***

The Company will implement a Residential and Commercial Service (RS) Fixed Distribution Service Charge of \$15.00 per month, a 25% increase from the existing \$12 monthly charge.

The OSBA submits that the *Joint Petition's* resolution of the customer charge increase for commercial customers is a just and reasonable result.

***iii. Allocation of Rate Increase***

The parties agree to the allocation of the settlement rate increase and to a scale back to rate classes on revenue requirement increase in this settlement.

The OSBA submits that the *Joint Petition's* resolution of the allocation of rate increase issue is a just and reasonable result.

***iv. Security Deposit Policy***

The OSBA is not addressing this issue.

***v. Payment Plans***

The OSBA is not addressing this issue.

***vi. Post-Case Reporting of Plant Additions and Retirements***

The Company will provide OCA, I&E and OSBA an update to Company Exhibit HSG-1, Schedule C3 for the years 2024-2025 no later than April 1, 2026, and an update for the years 2025-2026 no later than April 1, 2027. These updates will be filed under the Docket Number of this proceeding. The updated schedules will include actual capital

expenditures, plant additions, and retirements by month for the twelve months ending December 31, 2025, and December 31, 2026, respectively.

The OSBA submits that the *Joint Petition's* resolution of the Post-Case Reporting issue is a just and reasonable result.

**vii. OSBA Customer Notices**

Information about the OSBA will be added to the Company website with a hyperlink and the Company will include information about the OSBA in a newsletter or bill insert at least once per year, with the first communication occurring by June 1, 2026.

The OSBA submits that the *Joint Petition's* resolution of providing information about the OSBA to commercial consumers is a just and reasonable result.

**viii. Customer Generators**

The OSBA is not addressing this issue.

**b. Public Interest**

This *Settlement* was achieved by the Parties after an extensive investigation of the Company's base rate filing, including formal and informal discovery. With the approval of the *Settlement*, the Parties and the Commission avoid the time, expense and uncertainty that would occur if the Parties were required to fully litigate the issues in this proceeding. This *settlement* also increases the OSBA visibility among commercial consumers.

**III. CONCLUSION**

Therefore, for the reasons set forth in the *Joint Petition*, as well as the issue set forth in this statement, the OSBA supports the proposed *Joint Petition* and respectfully requests that the ALJ and the Commission approve the *Joint Petition* in its entirety.

Respectfully submitted,

/s/ Rebecca Lyttle  
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Dated: October 16, 2025

## **EXHIBIT 1**

### **PROPOSED FINDINGS OF FACT**

#### **Black Box Revenue Requirement**

1. The Company's initial filing included a revenue requirement increase of \$2,899,000. *See* Wellsboro Statement No. 1, Exhibit\_\_ (HSG-1), Schedule C1.

2. In Rebuttal Testimony, Wellsboro provided an updated Schedule C1 showing adjustments to present and proposed revenue. *See* Wellsboro Statement No. 1R, (Exhibit\_\_ HSG-1R), Schedule C1 (R). On Rebuttal, the Company requested a revenue requirement increase of \$2,848,804.

#### **Rate Case Normalization**

3. The Company's filing included an estimated rate case expense to be amortized over three years. *See* Wellsboro Statement No. 1 at 10-11; I&E Statement No. 1 at 7. The Company's filing also included an unamortized portion of rate case expense as a regulatory asset in rate base. *See* I&E Statement No. 1 at 13.

4. I&E argued that the Company's rate case expense should be normalized for ratemaking purposes. *See* I&E Statement No. 1 at 8. I&E additionally argued that it would be inappropriate to include the unamortized rate case expense in rate base. *See* I&E Statement No. 1 at 14.

#### **PA Corporate Net Income Tax**

5. The Company's original filing inadvertently used a 9.99% PA Corporate Income Tax Rate for 2026, contrary to the 7.49% rate that will go into effect in 2026

pursuant to Pennsylvania House Bill 1342 and Act 53 of 2022. *See* Wellsboro Statement No. 1R at 3.

6. Both I&E and OSBA identified this error and recommended that the correct rate of 7.49% should be used. *See* I&E Statement No. 1 at 21-22; OSBA Statement No. 1 at 8.

7. The Company acknowledged this error in rebuttal testimony and corrected the PA Corporate Income Tax Rate for 2026 in Exhibit\_\_ (HSG-1R). *See* Wellsboro Statement No. 1R at 3.

### **Credit Card Payment Fees**

8. SmartHub is a web and mobile application administered primarily by the Company, with support provided as needed by the software vendor and C&T IT. Customers can use SmartHub to pay bills and are assessed a \$3.95 fee for such payments. *See* OCA Statement No. 4 at 4. Customers are also charged a \$3.95 fee to pay via phone using Interactive Voice Response ("IVR") technology. *See* OCA Statement No. 4 at 5. This fee is charged by a third-party payment vendor for all 'one-time' electronic payments. *See* Wellsboro Statement No. 4R at 14. The Company additionally accepts checks, money orders, or bank transfers with no processing fees to consumers. *See* OCA Statement No. 4 at 5.

9. In Direct Testimony, OCA proposed that the Company should be required to absorb the fee for SmartHub and IVR payments and the revenue requirement be adjusted accordingly. *See* OCA Statement No. 4 at 6.

10. In Rebuttal Testimony, the Company argued that its current practice of passing transaction fees through to the Customers incurring those costs is the most fair and equitable way to recover the costs. *See* Wellsboro Statement No. 4R at 14.

### **Utility Plant Balance**

11. The Company proposed utility plant balances for the FPFTY and FTY in Mr. Gorman's Direct Testimony and Exhibits. *See* Wellsboro Statement No. 1, Exhibit \_\_ (HSG-1), Schedule C3; *see also* Wellsboro Statement No. 1 at 13.

### **Customer Charges**

12. In its initial filing, the Company proposed a monthly charge for Residential customers of \$16.50. *See* Wellsboro Statement No. 1 at 31. The Company's proposed customer charge reflects its analysis of customer-related costs for inclusion in the fixed monthly charge, based on its Allocated Class Cost of Service Study ("ACOS") (Exhibit \_\_ (HSG-1R), Schedule E-1C(R)). *See* Wellsboro Statement No. 1R at 12.

13. In testimony, OCA argued that the Commission should reject the Company's proposed increase to the customer charge. *See* OCA Statement No. 3 at 39. I&E argued that any increase in customer charges should be scaled back if the Commission grants an increase less than the full increase. *See* I&E Statement No. 3 at 10.

### **Allocation of Rate Increases**

14. The Company's proposed revenue allocation was presented in Wellsboro's Statement No. 1, Exhibit \_\_ (HSG-1), Schedule B6-4. *See* Wellsboro's Statement No. 1 at 28-29.

15. OCA disagreed with the Company's revenue allocation and recommended that the Commission adopt a more reasonable revenue distribution allocation based on Witness Deupree's alternative ACOS results. *See* OCA Statement No. 3 at 3.

16. OSBA concluded that the Company's proposed revenue allocation falls within the range of reasonableness. *See* OSBA Statement No. 1 at 3.

### **Security Deposit Policy**

17. The Company assesses a security deposit when a customer does not meet credit score requirements. *See* OCA Statement No. 4 at 8.

18. The Company has collected security deposits consistently across the customer base utilizing Chapter 14 regulations based on the applicant's creditworthiness. *See* Wellsboro Statement No. 4R at 13.

19. Per the Company's current process, the Company does not verify income levels prior to requiring a security deposit, and the Company did not show that it has formal policies and procedures to support the practice of verifying income prior to charging a security deposit. *See* OCA Statement No. 4 at 8.

20. The Company does refund security deposits when the customer has provided verified low-income documentation. *See* OCA Statement No. 4 at 8.

21. OCA recommended that the Company should establish a practice of verifying income levels prior to charging a security deposit and develop and implement formal policies and procedures to formalize these practices and ensure that employees are trained in them. *See* OCA Statement No. 4 at 9.

## **Payment Plans**

22. The Company offers payment plans to their customers but does not track the outcome of the payment arrangements. *See* OCA Statement No. 4 at 10.

23. In testimony, the OCA recommended that the Company establish metrics for measuring the success of payment plans and set documented plan policies, including how the Federal Poverty Income ranges are used, what verification is needed for low-income verification, and how payments and terms are calculated. *See* OCA Statement No. 4 at 11.

## **Billing Demand / Customer-Generators**

24. The Company proposed to update the definition of Billing Demand in the tariff. Wellsboro Statement No. 4 at 22-24. The proposed definition defined Billing Demand to "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." Wellsboro Statement No. 4 at 22. The Company proposed related changes to apply the definition throughout the tariff. Wellsboro Statement No. 4 at 22-23.

25. OCA, I&E, and OSBA did not submit testimony on this topic and do not contest the proposal.

## EXHIBIT 2

### PROPOSED CONCLUSIONS OF LAW

1. Wellsboro's rates must be just and reasonable and cannot result in unreasonable rate discrimination. 66 Pa.C.S. §§ 1301, 1304.
2. Pursuant to the just and reasonable standard, a utility may obtain "a rate that allows it to recover those expenses that are reasonably necessary to provide service to its customers[,] as well as a reasonable rate of return on its investment." *City of Lancaster Sewer Fund v. Pa. P.U.C.*, 793 A.2d 978, 982 (Pa. Commw. Ct. 2002).
3. Utilities have the burden of proving that each element of the rate increase request is just and reasonable. *Univ. of Pa. v. Pa. PUC*, 485 A.2d 1217, 1226 (Pa. Cmwlth. 1984).
4. Public utilities are not, however, required to affirmatively defend claims that have gone unchallenged. *See Allegheny Ctr. Assoc.'s v. Pa. PUC*, 570 A.2d 149, 153 (Pa. Cmwlth. 1990).
5. The ultimate burden of proof does not shift from the utility seeking a rate increase; however, where a party proposes an adjustment to the utility's rate making claim, that party must present evidence or analysis that demonstrates the reasonableness of its proposed adjustment. *See e.g., Pa. PUC v. Phila. Elec. Co.*, Docket No. R-891364, *et al.*, 1990 Pa. PUC LEXIS 155 (Order dated May 16, 1990); *see also Pa. PUC v. Breezewood Tel. Co.*, Docket No. R-901666, 1991 Pa. PUC LEXIS 45, at \*10 (Order dated Jan 31, 1991).
6. A party that raises an issue that is not included in a public utility's general rate case filing bears the burden of proof. *See, e.g., Pa. PUC v. Metro. Edison Co., et al.*, Docket Nos. R-00061366, *et al.*, 2007 Pa. PUC LEXIS 5, at \*111-12 (Order entered Jan.11, 2007).
7. It is the policy of the Commission to encourage settlements. 52 Pa. Code § 5.231(a).
8. In the Commission's judgment, the results achieved from a negotiated settlement or stipulation, or both, in which the interested parties have had an opportunity to participate are often preferable to those achieved at the conclusion of a fully litigated proceeding. 52 Pa. Code § 69.401.
9. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. Windstream Pa., LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Opinion and Order entered Sept. 27, 2012); *Pa. Pub. Util. Comm'n v. C.S. Water*

*& Sewer Assoc.*, Docket No. R-00881147, 74 Pa. PUC 767 (Opinion and Order entered July 22, 1991).

10. The rates, terms and conditions of the Joint Petition are just, reasonable and in the public interest and satisfy all of the Commission's criteria for approval of a settlement.

**EXHIBIT 3**

**PROPOSED ORDERING PARAGRAPHS**

**IT IS ORDERED:**

1. That the Joint Petition is granted and the Settlement is approved, without modification.
2. That the Wellsboro Electric Company shall not place into effect the rates, rules, and regulations contained in Supplement No. 162 to Tariff Electric Pa. PUC No. 8 regarding its cost recovery base rates for electric service revenues within its service territory.
3. That Wellsboro is authorized to file a tariff or tariff supplement containing rates, rules and regulations, consistent with the findings herein, and Appendices attached to the Joint Petition for Settlement, to produce an annual increase in electric distribution base rate operating revenues of approximately \$2.5 million.
4. That Wellsboro will implement the increase in two phases. Phase I will be an increase of \$1,800,000 in year 1, effective January 29, 2026, and Phase II will be a further increase of \$700,000 in year 2, effective January 29, 2027.
5. That Wellsboro's tariffs and/or tariff supplements may be filed on at least one day's notice to become effective on January 29, 2026 (for Phase I), and January 29, 2027 (for Phase II), after entry of the Commission's Order approving the Settlement.
6. That the following formal complaints at the respective docket numbers be dismissed and marked closed by the Commission's Secretary's Bureau:

<u>Complainant</u>	<u>Docket No.</u>
Office of Consumer Advocate	C-2025-3055105
Office of Small Business Advocate	C-2025-3055193
Zachary and Ashley Wattles	C-2025-3054985

7. That upon Commission approval of the tariff or tariff supplement filed by Wellsboro in compliance with the Commission's Opinion and Order, the investigation at Docket No. R-2025-3054392 be marked closed.