

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	R-2025-3054394
Office of Consumer Advocate	:	C-2025-3055103
Office of Small Business Advocate	:	C-2025-3055186
	:	
v.	:	
	:	
Citizens' Electric Company of Lewisburg	:	

RECOMMENDED DECISION

Before
Mary D. Long
Administrative Law Judge

INTRODUCTION

This decision recommends partial approval of the Non-Unanimous Joint Petition for Settlement. This decision recommends approval of the Parties agreements regarding Citizens' revenue requirement and certain customer policy issues. The Joint Petition will permit Citizens' Electric Company of Lewisburg (Citizens' or Company) to increase its annual revenue by \$1.39 million instead of \$ 1.8 million requested in the Company's initial filing, which was revised to \$1.6 million in rebuttal.

However, this decision rejects the settlement provision regarding the proposed tariff definition of Billing Demand, which would change the definition to reflect a customer's demand based on energy distributed from the Company's system as well as energy exported to the Company's system. Intervenor Solar Projects objected to the Company's initial proposal which would base demand on "Gross Generator

Capacity.” Citizens’ and the Office of Consumer Advocate agreed to a revision which would base demand upon “bi-directional demand.” Solar Projects objected to this definition as well. The revised definition would require an investment in additional equipment and administrative resources; the Commission should reject the revised definition in favor of the originally proposed tariff amendment.

The suspension deadline is January 29, 2026, and the last reasonable public meeting before the deadline is January 15, 2026.

HISTORY OF THE PROCEEDINGS

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

On May 12, 2025, and May 14, 2025, the Office of Consumer Advocate (OCA) and the Office of Small Business Advocate (OSBA), respectively, filed Formal Complaints to the Company’s rate filing. On May 15, 2025, the Bureau of Investigation and Enforcement (I&E) entered an appearance.

Kelly Road Solar, LLC, Lancaster Avenue Solar, LLC, and Twilight Renewables, LLC (collectively, Solar Projects), filed a petition to intervene on May 21, 2025.

By order entered on May 22, 2025, the Commission suspended the proposed tariff until January 29, 2026, and directed an investigation to determine the

lawfulness, justness, and reasonableness of the rates, rules, and regulations contained in the rate filings.

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

On June 2, 2025, Wellsboro Electric Company¹, along with Valley Energy, Inc.² and Citizens' moved to consolidate all three base rate proceedings.

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

The Prehearing Conference was convened as scheduled. Counsel for Citizens', I&E, OCA, OSBA, Solar Projects and Joint Solar Advocates appeared. I granted the petition to intervene of Solar Projects. I did not rule on the Joint Petition to Intervene of the Joint Solar Advocates because the Companies requested an opportunity to file an answer to the Joint Petition to Intervene of the Joint Solar Advocates.

I also granted the Company's request to consolidate the base rate cases of Citizens', Wellsboro and Valley Energy for the purposes of discovery and litigation. However, I stated that each rate request must be supported by its own record.

¹ R-2025-3054392.

² R-2025-4054393.

At the Prehearing Conference, the Parties agreed to a schedule for the exchange of written testimony and for evidentiary hearings. I denied the OCA's request for public input hearings.

On June 23, 2025, the Companies filed an Opposition to the Joint Petition to Intervene of the Joint Solar Advocates. By Initial Decision served on July 7, 2025, I granted the Companies' motion and denied the intervention of the Joint Solar Advocates.³

The Companies filed a Motion for a Protective Order on June 20, 2025. I granted the motion on July 1, 2025.

The evidentiary hearing was convened on September 4, 2025. Counsel for each of the Parties appeared.

At the September 4, 2025, Evidentiary Hearing in this matter, Citizens' made an oral motion to strike page 37, line 6 through page 43, line 20 of Solar Projects Statement 2-SR, Surrebuttal Testimony of Kevin Lucas. Following oral argument from Citizens' and Solar Projects, I denied the motion. However, I granted Citizens' leave to respond to the surrebuttal material by offering supplemental rejoinder testimony. *See* Interim Order entered September 4, 2025.

Four witnesses appeared at the September 4, 2025, hearing, and were subject to cross-examination. Howard Gorman and Nathan Johnson appeared on behalf of Citizens' and were cross-examined by Solar Projects. Brett Nolt and Kevin Lucas appeared on behalf of Solar Projects and were cross-examined by Citizens'. No other Party cross-examined witnesses. The Parties agreed to waive cross-examination of the remaining Citizens' witnesses as well as the witnesses of I&E, OCA, and OSBA. The

³ Final Order entered July 30, 2025.

written testimony and exhibits of all Parties were identified and admitted into the record without objection.

A further day of hearing convened on September 10, 2025, for the limited purpose of the cross-examination of Nathan Johnson regarding his written supplemental rejoinder testimony. No Party had cross-examination of Mr. Johnson, and his additional written testimony was admitted into the record without objection.

On September 9, 2025, I issued an interim order which set forth the requirements for the filing of the non-unanimous settlement and briefs on the litigated issues. On September 26, 2025, the parties to the settlement filed a Non-Unanimous Joint Petition for Settlement, including statements in support. Citizens' and Solar Projects each filed a Main Brief in support of their positions. The Company, Solar Projects and Citizens' filed Reply Briefs on October 17, 2025. Solar Projects also filed Objections to the Non-Unanimous Joint Petition for Settlement. In accordance with September 10, 2025, Interim Order, the record closed on October 28, 2025.

PUBLIC INPUT HEARINGS

By letter dated July 17, 2025, the Chairman of the Commission directed the scheduling of public input hearings. Accordingly, by notice dated July 23, 2025, two telephone public input hearings were scheduled for August 19, 2025, and two in-person hearings were scheduled in Wellsboro, Pennsylvania on August 21, 2025. As instructed, the Company published notice of the hearings in a newspaper of general circulation, *The Daily Item*, on August 5, 2025, and August 12, 2025.⁴

No witnesses testified regarding the rate filing of Citizens'.

⁴ The Company filed a proof of publication on September 10, 2025.

LEGAL STANDARDS

The purpose of this investigation is to establish rates for Wellsboro’s customers that are just and reasonable pursuant to Section 1301 of the Public Utility Code.⁵ Section 1301(a) of the Code requires “[e]very rate made, demanded, or received by any public utility . . . shall be just and reasonable, and in conformity with [the] regulations or orders of the [C]ommission.”⁶ 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.⁷ There is no single way to arrive at just and reasonable rates. The Commission has broad discretion in determining whether rates are reasonable and to decide what factors it will consider in setting or evaluating a utility’s rates.⁸

The Commission encourages parties in contested on-the-record proceedings to settle cases.⁹ The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest.¹⁰ To approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest.¹¹ The Commission has

⁵ 66 Pa.C.S. § 1301.

⁶ 66 Pa.C.S. § 1301(a).

⁷ *City of Lancaster Sewer Fund v. Pa. Pub. Util. Comm’n*, 793 A.2d 978, 982 (Pa. Cmwlth. 2002).

⁸ *Pa. Pub. Util. Comm’n v. City of Bethlehem - Water Dep’t*, Docket No. R-2020-3020256 (Opinion and Order entered Apr. 15, 2021) (*City of Bethlehem*) (citing *Popowsky v. Pa. Pub. Util. Comm’n*, 683 A.2d 958 (Pa. Cmwlth. 1996)). *See also* *Popowsky v. Pa. Pub. Util. Comm’n*, 665 A.2d 808 (Pa. 1995) (The Commission possesses a great deal of flexibility in its ratemaking function.).

⁹ *See* 52 Pa. Code § 5.231.

¹⁰ *Pa. Pub. Util. Comm’n v. MXenergy Elec. Inc.*, Docket No. M-2012-2201861 (Opinion and Order entered Dec. 5, 2013).

¹¹ *Pa. Pub. Util. Comm’n v. UGI Utils., Inc. – Gas Division*, Docket No. R-2015-2518438 (Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm’n v. CS Water & Sewer Assoc.*, 74 Pa.P.U.C. 767 (1991).

concluded that settlements eliminate the time, effort, and expense of litigating a matter to its ultimate conclusion, which may entail review of the Commission’s decision by the appellate courts of Pennsylvania. Such savings benefit not only the individual parties, but also the Commission and all ratepayers of a utility, who otherwise may have to bear the financial burden such litigation necessarily entails. For a unanimous settlement, the Joint Petitioners share the burden of proving that the terms and conditions of the Settlement are supported by substantial evidence and are in the public interest.¹²

While the Commission has adopted a policy which encourages settlements at 52 Pa. Code Section 5.231(a), a non-unanimous settlement is not entitled to deference under the Commission’s policy of supporting settlements because, a previously adopted “policy cannot be made a substitute for evidence in a proceeding before” the Commission and “[t]he [C]ommission must remain free at all times in order to carry out the objectives of the utility law.”¹³ The Commission’s policy that encourages settlements does so only to the extent that the results achieved from a negotiated settlement are preferable to those secured at the conclusion of a fully litigated proceeding.¹⁴

Proponents of an order bear the burden of proof.¹⁵ Because the Settlement 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.¹⁶

¹² *City of Bethlehem* at 13.

¹³ *Aizen v. Pa. Pub. Util. Comm’n*, 60 A.2d 443, 449 (Pa. Super. 1948).

¹⁴ 52 Pa. Code § 69.401.

¹⁵ 66 Pa.C.S. § 332(a).

¹⁶ 66 Pa.C.S. § 332(a); *City of Bethlehem* at 13.

DESCRIPTION OF THE NON-UNANIMOUS JOINT PETITION FOR SETTLEMENT

The Non-Unanimous Joint Petition for Settlement (Joint Petition or Settlement) includes the terms and conditions agreed to by Citizens', I&E, OCA and OSBA (Settlement Parties). The Joint Petition also includes an inventory of all testimony and exhibits that were admitted into the record. The Joint Petition includes Appendix A (Summary of Proposed Increase to Distribution Revenue); Appendix B (Summary of Present and Proposed Rates); Appendix B1 (Bill Comparisons (including GSSR effective June 1, 2025)); and Appendix B2 (Bill Comparisons (excluding GSSR)). The Settlement Parties' statements in support are attached to the Joint Petition as Appendices C through F.

Solar Projects objects to the Settlement in its entirety. Solar Projects' litigation position and objections to the Settlement are discussed below.

TERMS AND CONDITIONS OF THE NON-UNANIMOUS SETTLEMENT

The Settlement Parties have agreed to the settlement terms as set forth below. These terms are stated verbatim and for ease of reference retain the same paragraph numbers as they appear in the Settlement.

17. The Parties agree to a stipulated increase in the Company's annual revenue requirement of \$1,390,000, which is an approximately 23% increase in the Company's distribution revenues at present rates, using a FPFTY ending December 31, 2026. The rate increase 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. Table A includes the current, originally proposed, and stipulated rates that result from this settlement.

18. 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.

19. The Settlement 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.

20. 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.

21. 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 29 and any subsequent request to implement a Distribution System Improvement Charge ("DSIC").

22. The General Light and Power – 1 ("GLP-1") and General Light and Power – 3 ("GLP-3") billing determinants for the Company will be set as included in the original filing.

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.

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.

25. The Company will implement a Residential Service (RS") fixed Customer Charge of \$15.00 per month, a 14.5% increase from the existing \$13.10 monthly charge. The Company will also implement a current GLP-1 customer

charge of \$18.00 per month, a 12.5% increase from the existing \$16.00 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 tracking of payment plans that includes the following possible resolutions of the payment arrangements: Completed—by Customer; Completed—Third-party Payment; Renegotiated—Change in Income; Renegotiated—Other (including voluntary company renegotiation); Abandoned by Customer (e.g., moved out of territory, etc.); and Not Completed—Termination Pursued.

28. 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.

29. 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.

30. The Company's proposals for the distribution charges and net metering of customer-generators are modified as follows:

- a. The Company shall use the peak bi-directional demand in place of the originally proposed Gross Generator Capacity.

b. The Company shall establish the placement of the account on the GSSR-1 or GSSR-2 in June of each year based on the peak bi-directional demand for the prior June to May period, with the account classified as GSSR-2 if the 400-kW demand threshold was achieved in any of the months during the period.

c. The net metering compensation for accounts on GSSR-2 shall be as stated in Citizens' Statement No. 4R.

31. 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.

The Settlement also included the following terms and conditions:

35. 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.

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

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

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

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

FINDINGS OF FACT ON THE CONTESTED ISSUE

1. Currently, Citizens' classifies customer generators for distribution and generation purposes based on amount of peak electricity that the electric distribution company supplied to the customer generator's account. Citizens' St. 4 at 17.

2. From a distribution perspective, Citizens' must plan the same for a customer that is exporting 400 kW to the system as for a customer that is receiving 400 kW from the system. Citizens' St. 4 at 17.

3. Planning for the export of power is more complicated because of potential variability, voltage sags/surges and other issues. Citizens' St. 4 at 17.

4. If the rates are not designed to customer-generators to account for their use of the system when they export power, then only a fraction of customers (i.e. users of electricity) would pay all the costs. Citizens' St. 1R at 16.

5. Not charging customer-generators for their use of the system for both importing and exporting power does not change the Company's distribution costs; it merely puts the burden onto other customers. Citizens' St. 1R at 16-17.

6. Mr. Brett Nolt, owner of Twilight Renewables LLC, confirmed that five of the six solar projects currently in operation or under development in Citizens' service territory have essentially zero electric usage. Solar Projects St. 1 at 6.

7. The six solar projects currently in operation or under development by Twilight Renewables, LLC in Citizens' service territory have a combined generation capacity of over 2.22 MW. Solar Projects St. 1 at 2.

8. The smallest of the six projects currently under operation or under construction by Twilight Renewables LLC in Citizens' service territory has a generation capacity of 180 kW. Solar Projects St. 1 at 2.

9. Customer generators exporting load do not impose additional costs on the distribution system compared to customers consuming load, but rather that the customer-generators exporting load should pay their share of the distribution system costs. Citizens' St. 4R at 45.

10. Citizens' projects that the adoption of distributed energy resources, electric vehicles, and other technological advancements will only increase within its territory. Citizens' St. 4R at 17.

11. New technologies continue to be introduced that are changing the nature of the distribution system to become increasingly bi-directional. Citizens' St. 4R at 24.

12. Citizens' has not performed a marginal cost of service study for its distribution system regarding the marginal cost of exports from distributed generation. Solar Projects' St. 2SR at 25.

13. Customer-generators placed in the GSSR-2 would receive an annual cash out at a weighted average locational marginal price (“LMP”), rather than the Price to Compare (“PTC”) under GSSR-1. Citizens’ St. 4 at 17.

14. The GSSR-2 default service rate, which large customer-generators would fall into under the new definition of Billing Demand, is a retail rate. Citizens' St. 4R at 31.

15. Under Citizens’ Billing Demand proposal, the 13 customer-generators on the GLP-1 tariff will see an increase in distribution costs, while non-customer-generators will benefit from reduced demand charges. Solar Projects’ St. 2SR, at 23-24.

16. The average demand for GLP customers in Citizens' service territory is 26.2 kW, with 93% of all GLP customers registering maximum demand of less than 50 kW. Citizens' St. 4R at 31.

17. For Citizens' non-residential GSSR-1 customers, the average demand is 18 kW and 93% of GSSR-1 customers have demand of less than 50 kW. Citizens’ St. 4R at 29.

18. Citizens' GSSR-1 is a fixed per-kWh charge for NITS, Capacity, and RTEP/TEC based on projected kWh load. Citizens' St. 4SR at 4.

19. Citizens' GSSR-2 is a variable rate including hourly priced energy with NITS, Capacity, and RTEP/TEC costs passed through on a per-kW basis, reflecting the individual PJM allocations for each customer. Citizens' St. 4SR at 6.

20. Allowing large customer-generators to remain on GSSR-1 means the annual excess output cashout for net metering will continue to be paid out at the higher PTC rate of GSSR-1, which will increase costs for the remaining residential and small commercial customers on GSSR-1. Citizens' St. 4R at 23.

21. Allowing large customer-generators to remain on GSSR-1 shifts transmission and capacity costs to residential and small commercial customers on GSSR-1. Citizens' St. 4SRJ at 4.

DISCUSSION OF THE REVENUE REQUIREMENT

As explained above, the Settlement Parties each provided a Statement in Support of each Party's position that the Commission should approve the Settlement as a just and reasonable result for Citizens' customers. Not every Party took a position on every issue. To the extent a Settling Party expressed a specific reason for supporting the Settlement, those reasons are discussed below.¹⁷

A. Revenue Increase

The Settlement Parties agree to a stipulated increase in the Company's annual revenue requirement of \$1,390,000, effective on one day's notice. Citizens' original filing requested an increase of approximately \$1,795,000 per year and its Rebuttal filing requested an increase of approximately \$1,641,000 per year. For a Residential customer using 1,250 kWh per month, the proposed original, rebuttal and settlement rates represented increases in distribution bills (excluding GSSR) of 31.9%, 29.3% and 24.5% respectively. The corresponding total distribution bill increases

¹⁷ Paragraphs 23 and 31 of the Joint Petition are not discussed because those terms speak for themselves and, in my view, do not significantly contribute to the value of the Settlement.

(including GSSR) are 10.8%, 9.9% and 6.8%. The corresponding monthly distribution bill increase amounts are \$17.63, \$16.16 and \$13.54.

The Company notes that since Citizens' last base rate increase in February 2023, Citizens' has had to replace much of its aging distribution infrastructure, including replacing poles, increasing conductor size, replacing underground cable, reconductoring to increase capacity and reliability, and relocating lines for reliability improvement. At the same time, Citizens' has faced declining sales and revenues. Additionally, Citizens' has completed numerous small line extensions and upgrades. In comparison to the last rate case, the Company will have increased its utility rate base by \$4 million by the end of the Fully Projected Future Test Year ("FPFTY"). Citizens' investments in reliability and infrastructure are occurring as Citizens' faces declining kWh. Citizens' expects its customers to continue improving energy efficiency through continued proliferation and use of efficiency measures such as solar generation, LED lighting, higher-efficiency appliances, and variable speed heat pumps.¹⁸ Finally, Citizens' Operations and Maintenance ("O&M") costs are over \$1.4 million higher for the FPFTY when compared to the last rate case due to inflation and cost increases for most major components required to operate and maintain our distribution system.¹⁹

The Company supports the proposed revenue increase because the proposed distribution rates will promote the continued provision of safe and reliable service by ensuring that Citizens' will have an opportunity to earn a fair and reasonable return on the resources invested in the distribution system. Citizens' 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

¹⁸ See Statement of Reasons at 3; Citizens' St. 4 at 12-14; Citizens' Exhibit HSG-1, Schedule WP1_D.

¹⁹ Citizens' St. 4. at 4.

reliable service for customers.²⁰ The new rates will also enhance Citizens' ability to obtain capital, when necessary, to fund major system improvement projects that may be necessary in the future.

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.²¹ Although Citizens' 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 Testimony, in the interest of avoiding the expense and uncertainty of continued litigation in this matter, Citizens' has agreed to accept an annual revenue increase in the amount of \$1,390,000. The compromise will also moderate the impact of the revenue increase upon the rates charged to Citizens' customers.

I&E explains that its witness, Zachari Walker, recommended in direct testimony a rate increase of \$1,478,944 based on adjustments made to Citizens' operating and maintenance ("O&M") expense, cash working capital, rate base, and rate of return claims,²² and recommended in surrebuttal testimony a rate increase of \$1,504,829 based on the Company's updated request presented in rebuttal testimony.²³ According to I&E, the \$1.39 million rate increase represents a compromise among the Joint Petitioners' proposals and is therefore in the public interest.

²⁰ See Citizens' St. 4 at 9-12. Witness Johnson discusses multiple factors that contribute to high company performance including, a low number of customer complaints, favorable customer feedback, high responsiveness to customer support calls, high responsiveness to energizing new service locations, excellent reliability metrics, zero reportable injuries, new technology adoption, increased pole attachment billing, "Tree Line USA" designation, and significant capital investment.

²¹ See Citizens' Joint St. 2 at 10-13, 47-51.

²² I&E St. 1 at 3-5.

²³ I&E St. 1-SR at 3-5.

OCA also notes that the settlement revenue increase is a result of compromise and is a reasonable result. In this case, OCA witness Greg R. Meyer recommended in rebuttal testimony that Citizens' rate increase in annual distribution revenues should be limited to \$927,033 based on OCA's revenue adjustments, which is \$714,439 less than the Company's revised claim of \$1,641,472.²⁴ Mr. Meyer recommended downward adjustments to Citizens' claimed costs in the FPFTY by factoring in a Return on Equity (ROE) of 9.5% as recommended by OCA witness Christopher C. Walters.²⁵ Mr. Meyer's proposed adjustments to the Company's claims included electricity sales, uncollectible expenses, labor, lobbying, non-labor operation and maintenance expenses, state corporate net income tax rate, and rate case normalization.²⁶

Under the Settlement, Citizens' will be permitted to increase annual operating revenues by \$1.39 million, an approximately 23% increase over annual distribution revenues at present rates.²⁷ The agreed upon increase is \$405,000 less than the Company's as-filed request. The OCA submits that the Settlement revenue requirement increase provides sufficient funds for the Company to provide and maintain adequate, efficient, safe, and reasonable service and facilities while ensuring customers pay no more than is necessary for the same. Based on OCA's analysis of the Company's filing, discovery responses received, testimony filed, and the other terms contained in the Settlement, the revenue increase under the Settlement represents a result that is within the range of likely outcomes in the event of full litigation of the case. As a result, this provision of the Settlement is supported by substantial evidence in the record and consistent with the requirement that rates be just and reasonable.

²⁴ OCA St. 1R at 3.

²⁵ Corrected OCA St. 2 at 3.

²⁶ OCA St 1, Exhibit GRM-1, OCA St. 1R, Exhibit GRM-1R.

²⁷ Settlement ¶ 17.

According to OCA, when viewed as a whole, the Settlement includes important customer service enhancements explained herein that might not otherwise be achieved by and through litigation of this case. The revenue requirement increase in the Settlement, when accompanied by other important conditions in the Settlement, yields a result that is in the public interest.

OSBA also believes that the proposed revenue increase is a reasonable compromise of competing positions. As set forth in the testimony of OSBA witness Justin B. Farr, OSBA recommended a series of adjustments to Citizens' overall revenue increase request. Mr. Farr testified that the Company's proposed Return on Equity should be lowered; eliminating the Company's proposed size factor adjustment; and correcting Citizens' Corporate Net Income Tax rate, as well as other downward adjustments in the Company's proposed generation-related expense, the Company's proposed general inflationary factor, and the Company's requested rate case expense.²⁸

The reduced distribution revenue increase, proposed by the Joint Petition, closely aligns with the recommendations set forth in the testimony of Mr. Farr. Therefore, OSBA submits that the Settlement's resolution of the rate increase issue is a just and reasonable result.

B. Rate Case Expense Normalization

In its initial filing the Company proposed to amortize rate case expenses over a multi-year period and include any remaining balance not paid down in rate base. In rebuttal testimony, Company witness Howard Gorman said the Company structured its

²⁸ OSBA St. 1 at 3-18.

rate case expense this way because the Company pays its rate case expense on a real-time basis during the proceeding, then collects the projected amount in rate case expense over the normalization period.²⁹

I&E and OCA both objected to the proposed treatment of rate case expense. I&E witness Walker accepted the Company's proposed 36-month (3-year) period but recommended that rate case expense be normalized as opposed to amortized as that is the Commission's traditional treatment of this expense and it is appropriate for ratemaking purposes.³⁰ Similarly, OCA's witness, 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. Mr. Meyer added that shareholders tend to benefit from rate case proceedings; therefore, there is no reason to allow them to earn additional profit on those expenses.³¹

The Company has agreed to 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 Citizens' to recover its actual rate case expense over time.

C. Pennsylvania Corporate Net Income Tax

I&E witness Walker recommended that a Pennsylvania Corporate Net Income ("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 2022.³² OCA supported the recommendation.

²⁹ Citizens' St. 1R at 5-6.

³⁰ I&E St. 1 at 9-10.

³¹ OCA St. 1R at 6.

³² I&E St. 1 at 9-10.

The Company agreed and the Settlement Parties memorialized term that the Pennsylvania 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.

D. Credit Card Payment Fees

In Direct Testimony, 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. Ms. Wise testified that this would bring online payments in line with the other fee free payment options, like paying with cash or check.³³ 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.³⁴ In Rebuttal testimony, Company witness Kathy Stauder disagreed and believed the current fee structure is the most fair and equitable way to recover its cost.³⁵

Based on OCA witness Wise's above recommendation, OCA witness Greg Meyer calculated Ms. Wise's proposal would require an upward revenue adjustment of \$43,014.³⁶ Company witness Kathy Stauder testified that based on a case study from a utility in New York that eliminated credit and debit fees, customer use would increase and therefore Mr. Meyer underestimated the actual cost required to implement Ms.

³³ OCA St. 4 at 6-7.

³⁴ OCA St. 4 at 3.

³⁵ Citizens' St. 5R at 12.

³⁶ OCA St. 1 at 5.

Wise's proposal. Ms. Stauder testified that if the Commission were to accept Ms. Wise's proposal, Citizens' should be allowed to be kept whole if the annual cost to administer fee-free electronic bill payments is greater than the assumed revenue requirement, and as such, the Company should be permitted to book excess fees as a regulatory asset for recovery in its next rate proceeding.³⁷

In the Settlement, 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. This settlement term will provide the Settlement Parties with an empirical basis to meaningfully consider the credit card fee issues raised by OCA in this proceeding.³⁸

According to OCA, 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.³⁹ This would particularly be beneficial for customers who make multiple payments during a month using credit cards.⁴⁰ Citizens' 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.

³⁷ Citizens' St. 5R at 13-14.

³⁸ See OCA St. 4 at 4-7.

³⁹ OCA St. 4SR at 5-6.

⁴⁰ OCA St. 4 at 13.

E. Utility Plant Balance

Paragraph 29 of the Settlement memorializes 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 29 of the Settlement and any subsequent request to implement a Distribution System Improvement Charge ("DSIC"). Although neither I&E nor OSBA took a position on this term of the Settlement, OCA supports the settlement term because 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 with regard to 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.

F. Billing Determinants

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

22. The General Light and Power – 1 ("GLP-1") and General Light and Power – 3 ("GLP-3") billing determinants for the Company will be set as included in the original filing.

As explained below, the Company filed changes to the definition of Billing Demand in its tariff. Paragraph 22 of the Settlement is the Settling Parties' agreement to maintain the billing determinants from the original filing. The General Light and Power – 1 ("GLP-1") and General Light and Power – 3 ("GLP-3") billing determinants for purposes of rate design will be as included in the original filing; as Mr. Gorman explained in his Rebuttal Testimony, those billing determinants do not include customer generators' Gross Generator Capacities or bi-directional demand.⁴¹

⁴¹ See Citizens' St. 1R at 3-4; see also Citizens' St. 4R at 25.

OCA supports this settlement term in the context of its support for the Company's new definition of Billing Demand. Solar Projects does not specifically object to Paragraph 22 of the Settlement.

DISCUSSION OF REVENUE ALLOCATION AND RATE DESIGN

A. Customer Charges

In its filing, Citizens' proposed to increase the residential customer charge from \$13.10 to \$16.50 per month, an increase of \$3.40 or approximately 26%.⁴² Company witness Howard Gorman testified that the requested increase is justified based on the Company's allocated cost of service study.⁴³

In opposition, 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. Mr. Deupree conducted an analysis of other regional electric utilities and found that Citizens' current residential customer charge of \$13.10 per month is the highest among the nine electric utilities included in his survey, with the average being \$9.14.⁴⁴

The Settlement Parties agreed to Customer Charges for each rate class. The Company will implement a Residential Service ("RS") fixed Customer Charge of \$15.00 per month, a 14.5% increase from the existing \$13.10 monthly charge. The Company will also implement a current GLP-1 customer charge of \$18.00 per month, a 12.5% increase from the existing \$16.00 monthly charge.

⁴² Citizens' St. 1 at Exhibit HSG-1, Schedule B7.

⁴³ Citizens' St. 1R at 14.

⁴⁴ OCA St. 3 at 30-31.

The Company contends that these customer charge increases balance affordability concerns raised by OCA with the cost-of-service positions raised by the Company.⁴⁵

I&E states that 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.

OCA also supports the Settlement customer charges. According to OCA, the compromise contained in Settlement Paragraph 25 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 \$1.90 represents a 15% increase over the Company's existing charge, which is less than the 26% increase proposed by Citizens' in its initial filing. This reduced increase to the customer charge addresses OCA's position that only 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.⁴⁶ Accordingly, the OCA submits this Settlement provision is reasonable, in the public interest, and should be approved.

⁴⁵ See I&E St. 3 at 8; OCA St. 3 at 3; *see also* Citizens' St. 1R at 14.

⁴⁶ OCA St. 3 at 32-33.

B. Revenue Allocation

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 Appendix B to the Joint Petition. According to the Company, the Settlement revenue allocation combines parts of various Parties' proposals and makes reasonable progress towards cost of service.⁴⁷

I&E states that the agreed upon rate structure and rate design represents a compromise among the Joint Petitioners' proposals and is therefore in the public interest.

OCA also supports the Settlement revenue allocation as a reasonable compromise and explains the basis for its support in detail. 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. 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.⁴⁸

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.⁴⁹ According to Mr. Deupree, the results of the Company's ACOS demonstrated an incorrect classification of secondary voltage plant. Mr. Deupree testified that the impact of the Company's ACOS would skew the allocation of costs and

⁴⁷ See OCA St. 3 at 17-18; *see also* Citizens' St. 1R at 11.

⁴⁸ OCA St. 3 at 4.

⁴⁹ Citizens' St. 1 at 15.

revenue responsibilities away from larger customers and onto residential and small commercial customers.⁵⁰

According to OCA, 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 Citizens'. 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."⁵¹

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.

OSBA specifically supports this provision of the Settlement. OSBA observes that, as originally filed by Citizens', small commercial and industrial ("Small C&I") rate GLP-1 was receiving a 22.9% increase in its distribution rate. The Settlement proposes a distribution rate increase for GLP-1 of 17.8%. When the distribution rate is combined with the Generation Supply Service Rate ("GSSR"), Citizens' originally requested 6.0% increase was reduced to 4.6%.

Mr. Farr also testified that he supported the cost-of-service study methodology employed by Citizens' in this proceeding.⁵² However, OCA proposed

⁵⁰ OCA St. 3 at 2.

⁵¹ *Pa. Pub. Util. Comm'n v. Columbia Gas of Pa., Inc.* Docket R-2022-3031211 at 106-07 (Opinion and Order entered Dec. 8, 2022).

⁵² OSBA St. 1 at 18.

changes to the Company's cost of service methodology. Mr. Farr rejected the OCA proposal as being unsound and would result in unreasonable shifting of costs.⁵³ Specifically, the OCA methodology would shift the allocation of revenue in a manner that would have increased rates for the small business GLP-1 customers.

The negotiated allocation proposed by the Settlement is a just and reasonable solution.⁵⁴

DISCUSSION OF CUSTOMER ISSUES

A. Security Deposit Policy

OCA witness LeeAnn Wise reviewed Citizens' customer service policies and how they impact 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. If an income-eligible customer is charged a security deposit, the Company issues a refund. However, Ms. Wise found that the Company does not have written policies for how customer service employees should handle security deposits. Ms. Wise recommended that the Company formally document the policies in writing.⁵⁵

Company witness Kathy Stauder responded that because only a handful of employees handle new customer accounts, no written policies and procedures are necessary for employee training or to assure consistent practices.⁵⁶

⁵³ OSBA St. 1R at 3-6.

⁵⁴ Settlement ¶ 24.

⁵⁵ OCA St. 4 at 8-9.

⁵⁶ Citizens' St. 5R at 14-15.

In the Settlement, the Company agreed to 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. According to Citizens', this settlement term supports the Company's goal of providing responsive and helpful customer service.

OCA agrees and observes that Settlement Paragraph 26 serves the interests of residential consumers because, as OCA witness Wise explained, even in small organizations, having written policies and procedures promotes consistency, transparency, and accountability.⁵⁷ This is a benefit for Citizens' customers because this lessens the risk for misunderstandings, inconsistent application, or reliance on individual interpretation of Company policy.

B. Payment Plans

OCA witness Wise examined how Citizens' administers payment plans for customers who have difficulty paying their bills. In her analysis, Ms. Wise found that the Company's Manager of Customer Service directly negotiates and establishes all long-term payment arrangements, including Commission payment arrangements, and follows Commission regulations and guidelines. For short-term payment arrangements, no longer than two months, Citizens' Customer Service Representatives are authorized and trained to negotiate short-term payment arrangements. 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.⁵⁸ She suggested that Citizens'

⁵⁷ OCA St. 4SR at 2.

⁵⁸ OCA St. 4 at 10-12.

establish metrics for measuring success for payment plans and to document payment plan policies.⁵⁹ Company witness Nathan Johnson defended the Company's current practices, saying it works well and that Citizens' small staff keeps watch over billings, collections, and payment plans while adhering to Commission guidelines.⁶⁰

Ms. Wise testified in surrebuttal that creating metrics to track the success of payment plans will help ensure that Citizens' practices work for both the Company and its customers.⁶¹

In the Settlement, Citizens' agreed to establish tracking of payment plans that includes the following possible resolutions of the payment arrangements: Completed—by Customer; Completed—Third-party Payment; Renegotiated—Change in Income; Renegotiated—Other (including voluntary company renegotiation); Abandoned by Customer (e.g., moved out of territory, etc.); and Not Completed—Termination Pursued. The Company will also 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.

The OCA supports these settlement terms because these provisions benefit customers because they can bring forth new insights and promote equity, particularly for those facing financial hardship. Therefore, this provision is in the public interest and should be approved.

⁵⁹ *Id.*

⁶⁰ Citizens' St. 4R at 14.

⁶¹ OCA St. 4SR at 3-4.

POST-CASE REPORTING

In the Settlement, 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.

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 Citizens' projected investments in future proceedings.

The OCA contends that this settlement term is designed to allow the parties and Commission to track how the Company is meeting its projections and allows the Parties to gauge the accuracy of Citizens' projected investments in future proceedings. Therefore, this provision is in the public interest and should be approved.

RECOMMENDATION ON UNCONTESTED SETTLEMENT TERMS

I agree with the Settling Parties that the Joint Petition for Settlement, except for Paragraph 30 (discussed below), is a reasonable resolution of the Parties' disputes regarding Citizens' initial rate filing. The Settlement represents a fair compromise of the serious issues raised in this proceeding. After substantial investigation and discovery, the Settling Parties have achieved a reasoned accord on a broad array of issues resulting in just and reasonable rates for service rendered by Citizens.

Resolution of this proceeding by negotiated settlement removes the uncertainties of litigation. In addition, all Settling Parties obviously benefit by the reduction in rate case expense and the conservation of resources made possible by adoption of the proposed Settlement in lieu of litigation. Acceptance of the Settlement will negate the need for the filing of additional testimony by all parties, participation at in-person hearings, the filing of main and reply to briefs, exceptions and reply exceptions, and potential appeals. This savings in rate case expense serves the interests of Citizens' and its ratepayers, as well as the parties themselves.

Also of note, the Settlement finds support from a range of parties with diverse interests. The Company advocates on behalf of their corporate interests and shareholders.

In their Statements in Support, each of the public advocates assure the Commission that the interests of their respective constituencies have been adequately protected and they assert that the terms of the Settlement are in the public interest.

The Bureau of Investigation and Enforcement is tasked with balancing these various interests and concerns on behalf of the general public interest.⁶² In its Statement in Support, 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. According to I&E, 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

⁶² *Implementation of Act 129 of 2008; Organization of Bureaus and Offices*, Docket No. M-2008-2071852, at 5 (Order Entered Aug. 11, 2011).

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.

The Office of Consumer Advocate is tasked with advocacy on behalf of consumers in matters before the Commission.⁶³ 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 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. Accordingly, OCA asserts 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.

The Small Business Advocate represents the interests of the Commonwealth's small businesses.⁶⁴ OSBA also assures the Commission that it believes the Settlement to be in the interests of its stakeholders and in the public interest. According to OSBA, the 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.

⁶³ 71 P.S. § 309-4.

⁶⁴ Act 181 of 1988, 73 P.S. §§ 399.41 - 399.50.

Therefore, I recommend approval of the Joint Petition for Settlement as modified below.

CONTESTED ISSUE: DEFINITION OF BILLING DEMAND

A. Initial Filing

Citizens' witness Nathan Johnson testified that as part of the planning process for the preparation of a rate filing, the Company reviews each provision of the tariff to determine where updates or changes may be appropriate.⁶⁵ Part of the tariff review included tariff rules regarding "customer-generators"⁶⁶ and the effect of net metering on the Company's system. During this process, the Commission issued its decision in *Petition of UGI Utilities – Inc. – Electric Division for Approval of a Default Service Plan for the period of June 1, 2025 through May 31, 2029*.⁶⁷ In that case, the Commission approved UGI's tariff rule which would classify default service customers by their "Supply Peak Load Impact" which considered not only a customer-generator's net power flow *from* the company's distribution system, but also a customer-generator's net power flow *into* the company's distribution system.⁶⁸

⁶⁵ Citizens' St. 4 at 16.

⁶⁶ A "customer-generator" is defined as:

A nonutility owner or operator of a net metered distributed generation system with a nameplate capacity of not greater than 50 kilowatts if installed at a residential service or not larger than 3,000 kilowatts at other customer service locations, except for customers whose systems are above 3 megawatts and up to 5 megawatts who make their systems available to operate in parallel with the electric utility during grid emergencies [with certain conditions met].

73 P.S. § 1648.2.

⁶⁷ Docket No. P-2024-3049343 (Opinion and Order entered Feb, 20, 2025) (*UGI DSP V*).

⁶⁸ *UGI DSP V* at 53.

Citizens' current tariff classifies customers solely by the measurement of power flowing from the grid to the end-user. The result is that Citizens' classifies customer-generators for distribution and generation purposes based on the amount of peak electricity that the Company supplied to the customer-generator's account.⁶⁹ This means that customer-generators are often placed in the same rate classifications as residential and small business customers.

But customer-generators, particularly large customer-generators, are unique users of a utility's system. They use the system in two directions: they both "import" energy and "export" energy. That is, they use the system "bi-directionally." Some customer-generators export more energy than they use, and do not incur distribution charges at all.

However, from a distribution perspective, Citizens' must plan the same for a customer that is exporting 400 kW to the system as for a customer that is receiving 400 kW from the system. Planning for the export of power is more complicated because of potential variability, voltage sags/surges and other issues. If the rates are not designed to hold customer-generators to account for their use of the system when they export power, then only a fraction of customers (i.e., users of electricity) would pay all the costs.

Like UGI, Citizens' has experienced an increased use of its system by customer-generators, and expects increased adoption of distributed energy resources, electric vehicles and other technological advancements in its service territory.⁷⁰ There is an increasing expectation that the distribution utility will accommodate Distributed Energy Resources ("DERs"), electric vehicles, and other advancements. There is also a current trend of large customer-generators exporting substantially more power than they

⁶⁹ Citizens' St. 4 at 17.

⁷⁰ Citizens' St. 4R at 24.

use.⁷¹ Indeed, Solar Projects Witness Nolt, admits in Direct Testimony that under the current tariff definition (i.e., measuring demand based solely on withdrawals of energy from the system), demand for 5 of his 6 projects is "essentially 0."⁷²

Following the logic of the Commission's *UGI DSP V* decision, Citizens' proposed tariff changes which would classify customer-generators net power flow from or onto the Company's distribution system to establish distribution charges for the account, and eligibility for default service rates.⁷³ In Citizens' view, classifying customers according to their bi-directional power flow provides a more accurate reflection of a customer-generator's use of the distribution system.⁷⁴

Accordingly, Citizens' proposed to define "Billing Demand" in Rule 26 as:

Billing Demand shall reflect the Customer's use of the distribution system, which will be the greater of Gross Generator Rating (kW(AC)) as stated in the generator interconnection application or the maximum demand of the customer during any 15-minute period during the current month.

For distribution rate classes GLP-1 and GLP-3, the Billing Demand sections of each would be revised to state:

"Billing Demand" is defined in Rule 26(a), but not less than 50% of the highest Billing Demand during the preceding eleven months.^[75]

⁷¹ See Citizens' Main Brief at 11.

⁷² Solar Projects St. 1 at 6.

⁷³ Citizens' St. 4 at 17.

⁷⁴ *Id.*

⁷⁵ Collectively, these tariff changes will be referenced as the Company's "Billing Demand Proposal."

Solar Projects strongly opposed the Billing Demand Proposal, in part, because the new definition of billing demand would not be based on “net power flow,” but on the Gross Generator Capacity (or nameplate capacity) of the customer’s generating facilities, regardless of the actual power flow from or onto Citizens’ distribution system. This change would substantially increase costs to customer-generators and decrease compensation for electricity exported to the Company’s system.⁷⁶

OCA supported the Company’s Billing Demand Proposal because it agreed with Citizens’ that the change would be more fair to residential and small business ratepayers.⁷⁷ OCA’s position was based on the notion that customer-generators do not use the system in the same manner as residential and small business customers, which logically resulted in those customer classes underwriting the costs to serve customer-generators.⁷⁸

B. Settlement Term

In the Settlement, the Company agreed to modify its proposed definition of Billing Demand to use “bi-directional demand” rather than Gross Generator Capacity:

- a. The Company shall use the peak bi-directional demand in place of the originally proposed Gross Generator Capacity.
- b. The Company shall establish the placement of the account on the GSSR-1 or GSSR-2 in June of each year based on the

⁷⁶ Solar Projects St. 1 at 3-6.

⁷⁷ See OCA St. 5-R.

⁷⁸ Although the tariff change would affect both residential and small business customers as well as customer-generators, neither I&E nor OSBA took a position on the proposed tariff change.

peak bi-directional demand for the prior June to May period, with the account classified as GSSR-2 if the 400-kW demand threshold was achieved in any of the months during the period.

- c. The net metering compensation for accounts on GSSR-2 shall be as stated in Citizens' Statement No. 4R.^[79]

The Company agreed to the modification, but in its Statement in Support it explained that changing the definition of billing demand in terms of bi-directional demand rather than Gross Generator Rating requires meter programming changes and/or new meters; these costs were not included in the revenue requirement in the Company's original filing (or in the Settlement). The bi-directional demand compromise also increases the Company's administrative activities to evaluate annually the default service classification for each customer generator based on the prior year peak bi-directional demand and may result in customer generators changing between the GSSR-1 and GSSR-2 each year, as the bi-directional demand is more variable and unpredictable than the Gross Generator Capacity.

In its Statement in Support, OCA explained that utilizing “bi-directional metered demand,” as described in Settlement Paragraph 30(a), would help allay the issues raised by Solar Projects by utilizing usage data to determine a customer-generator’s true peak demand as opposed to a customer-generator’s theoretical capacity for peak demand.

Solar Projects, in its Main Brief, Reply Brief and Objection to the Settlement, explained its opposition to the originally proposed tariff definition change based on a customer-generator’s Gross Generator Capacity. Among other things, Solar

⁷⁹ Settlement ¶ 30.

Projects argued that it is unjust and unreasonable to base a customer's class determination on a "hypothetical" use of Citizens' system because most customer-generators do not use the system up to nameplate capacity. In Solar Projects view, classifying customer-generators based on nameplate capacity is discriminatory and contrary to cost-causation principles. Solar Projects also argues that the effect of the definition would reclassify customer-generators eligibility for a default service rate and violate the AEPS Act⁸⁰ and Act 129.⁸¹ In its Reply Brief, Solar Projects maintains that the Settlement shift from defining Billing Demand from "Gross Generator Capacity" to "bi-directional demand," is not responsive to its opposition to the tariff change and does not change its position that the tariff language change is unreasonably discriminatory, violates the AEPS Act and inappropriately affects Citizens' default service plan.

C. Recommendation

I recommend that the Commission reject Paragraph 30 of the Non-Unanimous Joint Petition for Settlement. The Company points out that to implement a customer classification based on "bi-directional demand" requires increases in the Company's administrative activities and meter costs to evaluate annually the default service classification for each customer generator based on the prior year peak bi-directional demand, and may result in customer generators changing between the GSSR-1 and GSSR-2 each year, as the bi-directional demand is more variable and unpredictable than the Gross Generator Capacity.⁸² Neither the Company nor OCA quantify these additional equipment and administrative costs in even ballpark figures, nor do they explain how or when these additional costs will be recovered in the future. The support of the Company and OCA in their respective statements in support are not discernably

⁸⁰ Alternative Energy Portfolio Standards Act, Act of November 30, 2004, P.L. 1672, *as amended*, 73 P.S. §§ 1648.1-1648.8 (AEPS Act).

⁸¹ 66 Pa.C.S. § 2807(e)(7).

⁸² *See* Citizens' St. 1.

different from each party's support for the original proposal. Indeed, OCA witness Teti, agreed with the original Billing Demand Proposal.⁸³ While parties often accept compromises in the spirit of settlement, the party objecting to the tariff language – Solar Projects – clearly rejected this compromise. Therefore, there is no articulated benefit to any stakeholder achieved by this settlement provision.

However, I do recommend that the Commission approve Citizens' original Billing Demand Proposal. According to Citizens, these changes collectively modified the Billing Demand definition to reflect the higher of the customer's monthly demand or Gross Generator Rating and applied confirming changes to ensure the revised definition applies consistently across the relevant tariff rules. The new definition 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. New technologies continue to be introduced that are changing the nature of the distribution system to become increasingly bi-directional. There is an increasing expectation that the distribution utility will accommodate Distributed Energy Resources ("DERs"), electric vehicles, and other advancements. There is also a current trend of large customer-generators exporting substantially more power than they use. The new definition allows the Company to begin adjusting to the changing landscape, while ensuring that it is providing non-discriminatory treatment to technology adopters and non-adopters. The tariff changes also ensure 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.

Accordingly, in my view, the Billing Demand Proposal is a reasonable response to the changing use of the Company's distribution system and protects the interests of its customer base as a whole. The Company explained in testimony that its

⁸³ OCA St. 5R.

assets must be built, operated and maintained to meet a customer’s needs, regardless of whether they are importing power, exporting power, or both. The change in the definition of Billing Demand captures exported load on the Company’s system. This modification of the definition of Billing Demand does not change any rate but affects the classification of customers and harmonizes these customer class definitions for both distribution and default service purposes. Citizens’ is not introducing any changes to the actual demand thresholds or default service rates previously approved by the Commission.⁸⁴ Measuring a customer-generator’s qualification for a rate class to reflect their unique bi-directional use of the Company’s system reflects the reality of providing distribution service to solar generation systems that are interconnected to the distribution system. Citizens’ included a proposed revised definition of Billing Demand in its rate request to ensure that cost of service aligns with cost causation, particularly with differing capacities from customer generators.⁸⁵

Solar Projects argues at great length that this tariff change is unfair because the Company did not perform a cost-of-service study to determine that customer-generators are not, in fact, paying their fair share of costs of the assets used to provide them with utility service. According to Solar Projects, moving large customer-generators to a different rate class is discriminatory without a cost-of-service study that clearly demonstrates that the Citizens’ incurs costs related to customer-generator use of the system.

Citizens’ explains that its Billing Demand Proposal rationally classifies “like with like” because large customer-generators are more similar to load of similar size

⁸⁴ See *Joint Petition of Citizens’ Electric Company of Lewisburg, PA and Wellsboro Electric Company for Approval of Default Service Plan and Waiver of Commission Regulations for the Period June 1, 2025, Through May 31, 2029*, Docket No. P-2024-3049357 (Final Order entered Jan. 23, 2025).

⁸⁵ Citizens’ Main Brief at 4; Citizens’ Main Brief at 37-38.

than they are to very small commercial accounts. These differences are not “speculative” as Solar Projects argues.⁸⁶ Measuring power flow bi-directionally comports with the practical realities of how distribution equipment is designed and built. It is clear from testimony that the transformers, substations, feeders, poles, lines, and services must be sized to meet the power flow—regardless of which way it is flowing. Put simply, a customer drawing a maximum of 5 kW from the grid should not be treated like a flower shop or a small office building when it is *also* delivering 1,000 kW *onto* the grid—with all the equipment, services, maintenance, and system impacts entailed by such a substantial delivery.

OCA addresses Solar Project’s argument in their reply brief, by explaining that costs to serve are only one factor that a utility can consider in grouping customers into customer classes:

Furthermore, Solar Projects’ rate discrimination analysis is incomplete. A benefit-detriment paradigm is one method to consider when analyzing a claim of unreasonable rate proposals, though as described above, Solar Projects fail to present an argument that warrants disapproval of Citizens’ Billing Demand proposal. The Commonwealth Court in [*Phila. Suburban Transp. Co. v. Pa. PUC*, 281 A.2d 179, 186-87 (Pa. Cmwlth. 1971)] offers numerous additional factors to consider:

Differences in rates between classes of customers based on such criteria as the quantity of electricity used, the nature of the use, the time of the use, the pattern of the use, or based on differences of conditions of service, or cost of service are not only permissible but often are desirable and even necessary to achieve reasonable efficiency and economy of operation. Rate structure, which is an essential, integral component of ratemaking, is not merely a mathematical exercise applying theoretical principles. Rate structure must be based on the hard economic facts of life and a complete and thorough knowledge and understanding

⁸⁶ See Citizens' St. 1R at 17.

of all the facts and circumstances which affect rates and services; and the rates must be designed to furnish the most efficient and satisfactory service at the lowest reasonable price for the greatest number of customers, i.e., the public generally. Since each public utility has different problems of supply, production, distribution, competition, geographic conditions, etc., there need be and there can be no absolute equality and uniformity of rates between utilities or between classes of service within the same utility.

Take for example the criteria “the quantity of electricity used.” The Commission established differences between large-scale and small-scale solar installations based on nameplate capacity. Under Section 69.2902 of the Commission’s regulations, a large-scale solar project is defined as “[a]n alternative energy generation system employing solar photovoltaic technology with a nameplate capacity of 200kW or more.” [52 Pa. Code § 69.2902.] Similarly, small-scale solar project is defined as “[a]n alternative energy generation system employing solar photovoltaic technology with a nameplate capacity of less than 200kW.” [Id.] Though nameplate capacity can potentially be different than peak capacity used, it is useful for the purpose of this discussion to show that at 400 kW, Citizens’ is doubling the rate the Commission considers large-scale solar installations. The Commission lead the way in the regulations by creating delineation between large-scale solar installations versus smaller solar installations, and further allowed in the *UGI [DSP V] Order* for peak capacity usage to be measured based on the actual use of the distribution system measured by power delivered from and sent onto the distribution system; and in this case Citizens is applying the same concept to its tariff.

Take for another example, “pattern of the use.” As Solar Projects points out, this Billing Demand definition creates a difference between “supply-only” customers and “net-customer-generators.” [Solar Projects Main Brief at 25] One type of customer only has electricity delivered to them; the other receives electricity from the EDC and sends electricity

to the EDC. That is a clear expression of two different use patterns justifying a difference in rate application.^[87]

In short, Solar Projects narrow view of the role of ‘cost causation’ is not persuasive. The fact that the Billing Demand Proposal may increase costs for customer-generators and reduce compensation does not by itself demonstrate that Citizens’ Billing Demand Proposal is unreasonably discriminatory.

Solar Projects argues that the Commission’s decision in *UGI DSP V* is not binding on the Commission here. Solar Projects further contends that it is not appropriate to make changes that affect the Company’s default service plan in a base rate proceeding.

I agree with Solar Projects that *UGI DSP V* is not binding precedent on my recommendation here, because, as Solar Projects observes, that decision involved a petition for a default service plan, and UGI is a different utility with different needs and characteristics. However, in *UGI DSP V*, the Commission recognized that including customers with large on-site generators attached to their loads in the same rate group as residential customers results in unreasonable subsidization by residential customers. That is, customer generators use a utility’s system much differently than residential and small business customers. Accordingly, the Commission reasoned, it is not unreasonable to reclassify them to recognize this important difference.⁸⁸ It is not inappropriate to recognize the guidance from the *UGI DSP V* decision. The logic supporting the Commission’s view that UGI could classify a customer according to bi-directional use of UGI’s system is persuasive to the disposition in this case.

⁸⁷ OCA Reply Brief at 9-11.

⁸⁸ *UGI DSP V* at 60.

Further, there is nothing in Sections 1307, 1308 or 2807 of the Public Utility Code⁸⁹ which precludes Citizens’ from proposing the change in tariff definition in this proceeding. Many utilities in the past have requested permission to change the language in their tariffs outside the purview of both base rate requests and default service plan petitions. The Commission has approved these tariff supplements, often without opposition or a hearing, even where customer bills will be affected by the change.⁹⁰ Here, Citizens’ elected to propose the change in the context of its base rate proceeding where all parties had an opportunity to support or oppose the new language.

Solar Projects also argues that the change in classification of customer-generators violates the AEPS Act because they will not be paid for their exported energy at a “retail rate” as required by the Act:

Citizens’ net metering proposal violates Section 5 of the AEPS Act which requires that customer-generators be compensated for excess generation at full retail value. Specifically, 73 P.S. § 1648.5 states that “[e]xcess generation from net-metered customer-generators shall receive *full retail value* for all energy produced on an annual basis.” The statute does not define “full retail value,” but in the net metering regulations, the Commission clarified that “[a]n EDC and DSP shall credit a customer-generator at the full retail kilowatt-hour rate, *which shall include generation, transmission and distribution charges*, for each kilowatt-hour produced...” [52 Pa. Code § 75.13(d)] Citizens’ Billing Demand proposal blatantly violates both the statute and the regulations by compensating excess

⁸⁹ 66 Pa.C.S. §§ 1307, 1308 and 2807.

⁹⁰ For example, *see Pa. Power Co, Supp. No. 6 to Tariff Electric Pa. P.U.C. No. 36*, Docket No. R-2105-2496898 (Order entered Nov, 19, 2015) (approving amending, among other things, definitions of Billing Demand and other substantive changes to tariff language); *Peoples Natural Gas Co, LLC Supp, No. 79 to Tariff Gas Pa. P.U.C. No. 45*, Docket No. R-2017-2594327 (Opinion and Order entered June 14, 2017) (approving change in definition of small business customer and creation of a new Supplier Choice Rider).

generation for certain customer-generators at the LMP, which is indisputably a wholesale rate.^[91]

According to Citizens, the GSSR-2 default service rate, which large customer-generators would fall into under the new definition of Billing Demand, is a retail rate.⁹² In its Main Brief, the Company explains:

[T]he AEPS Act does not delineate any restrictions on how electric distribution utilities classify large customer-generators within default service programs. Customer-generators must receive, for excess generation, "full retail value for all energy produced on an annual basis." [73 P.S. § 1648.5] The AEPS Act does not, however, define "full retail value" and thus empowers the Commission to define the calculation of "full retail value" through its regulations.

The Commission acted on such authority and defined the method for calculating "full retail value" as follows:

An EDC and DSP shall credit a customer-generator at the full retail kilowatt-hour rate, which shall include generation, transmission and distribution charges, for each kilowatt-hour produced by a Tier I or Tier II resource installed on the customer-generator's side of the electric revenue meter, up to the total amount of electricity used by that customer during the billing period. If a customer-generator supplies more electricity to the electric distribution system than the EDC and DSP deliver to the customer-generator in a given billing period, the excess kilowatt hours shall be carried forward and credited against the customer-generator's kilowatt-hour usage in subsequent billing periods at the full retail rate. Any excess kilowatt hours that are not offset by electricity used by the customer in subsequent billing periods shall continue to accumulate until the end of the year.[52 Pa. Code § 75.13(d).]

The Commission's Regulations further clarify that customer-generators shall be compensated for excess generation at the PTC, which in turn is defined as the "sum of all unbundled generation and transmission-related charges to a default service

⁹¹ Solar Projects Reply Brief at 48-49.

⁹² Citizens' St. 4-R at 31.

customer for that month of service." [52 Pa. Code § 75.13(e); *see also* 52 Pa. Code § 54.181.]

The Company's proposal complies fully with these regulations, as the GSSR-2 is the PTC applicable to Citizens' large default service customers.[52 Pa. Code § 75.13(e).] Mr. Johnson explained the monthly netting as beginning with the company crediting the customer-generator for each hour of net exports during the month at the real-time LMP for that hour and carrying forward any monthly excess between the export credit and the hourly consumption charges.⁹³At the end of the year, the annual excess export cashout will be equal to any remaining credit following the last bill of the energy year (May). [Citizens' St. 4SR at 8.] As Mr. Johnson explains, this process would be used for any GSSR-2 customer with imports exceeding 400 kW under the current tariff provisions.

As Mr. Johnson further explains, the GSSR-2 is a time of use rate as discussed in the regulations. [Id. at 2-3] Using actual hourly usage and export data is the most accurate load profile that is available to the utility, consistent with the Commission's recent guidance recognizing it is appropriate, particularly for small EDCs, to classify customer-generators with similarly-situated customers to protect residential and small commercial customers from paying rates in violation of Section 1304 of the Public Utility Code.[66 Pa. C.S. § 1304; *see generally* *UGI [DSP V] Order.*]⁹⁴

A customer-generator in *UGI DSP V* made a similar argument that the company's default service rate when applied to customer-generators was not a retail rate. This argument was flatly rejected by the Commission. The Commission approved the conclusion of the ALJs that,

While Penn Renewables is correct that the [AEPS Act] is meant to promote alternative energy, Penn Renewables

⁹³ Citizens' St. 4SR at 8.

⁹⁴ Citizens' Main Brief at 32-34.

misinterprets the [AEPS Act] to require de facto subsidization of alternative energy sources.^[95]

The Commission approved this analysis and held “the ALJs considered and properly rejected Penn Renewables’ argument that large customers would not receive full retail value under the GSR-2 default service rate.”⁹⁶

In sum, I recommend that the Commission approve the Company’s Billing Demand Proposal as set forth in its initial filing. Citizens’ approach is reasonable. While a customer-generator’s system may not operate at full capacity due to a myriad of factors, Citizens’ still will have to plan for full power output to the distribution system. Citizens also have to consider worst-case scenarios in its distribution system planning. It may be true that this reality changes the operating climate for large customer-generators and negatively impacts on the profit margins for those businesses, but the Company cannot simply ignore it’s responsibility to plan for the future or the impact of the changing use of its system on *all* of its customers. The tariff change is reasonable and in the public interest.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the Parties to this proceeding. 66 Pa.C.S. §§ 1301, 1308(d).
2. A public utility’s rates must be just and reasonable. 66 Pa.C.S. § 1301.
3. The burden of proving the justness and reasonableness of every element of the utility’s rate increase rests solely upon the public utility. 66 Pa.C.S. §

⁹⁵ *UGI DSP V*, Recommended Decision at 29.

⁹⁶ *UGI DSP V*, Opinion and Order at 54.

315(a); *Lower Frederick Twp. v. Pa. Pub. Util. Comm'n*, 409 A.2d 505 (Pa. Cmwlth. 1980).

4. No public utility shall make or grant any unreasonable preference to any person, corporation No public utility shall establish or maintain any unreasonable difference as to rates, either as between localities or as between classes of service. 66 Pa.C.S. § 1304.

5. The Commission has broad discretion in determining whether rates are reasonable and to decide what factors it will consider in setting or evaluating a utility's rates. *Pa. Pub. Util. Comm'n v. City of Bethlehem - Water Dep't*, Docket No. R-2020-3020256 (Opinion and Order entered Apr. 15, 2021) (citing *Popowsky v. Pa. Pub. Util. Comm'n*, 683 A.2d 958 (Pa. Cmwlth. 1996)). *See also*, *Popowsky v. Pa. Pub. Util. Comm'n*, 665 A.2d 808 (Pa. 1995).

6. The application of science and policy to the allocation of a revenue increase is within the Commission's discretion: There is no set formula for determining proper ratios among the rates of different customer classes. What is reasonable under the circumstances, the proper difference among rate classes, is an administrative question for the Commission to decide. *Peoples Nat. Gas Co. v. Pa. Pub. Util. Comm'n*, 409 A.2d 446 (Pa. Cmwlth. 1979); *see also*, *Pa. Pub. Util. Comm'n v. Comty. Utils. Inc.*, Docket R-2021-3025206 (Opinion and Order entered January 13, 2022)(citations omitted).

7. Commission policy promotes settlements. 52 Pa. Code § 5.231.

8. Settlement results 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 determine that the proposed terms and conditions are in the public interest. *Pa. Pub. Util. Comm'n v. UGI Utils., Inc. – Gas Division*, Docket No. R-2015-2518438 (Order entered Oct. 14, 2016); *Pa. Pub. Util. Comm'n v. CS Water & Sewer Assoc.*, 74 Pa.P.U.C. 767 (1991).

10. The joint petitioners have the burden to prove that the Settlement is in the public interest. *Pa. Pub. Util. Comm'n v. City of Bethlehem - Water Dep't*, Docket No. R-2020-3020256 (Opinion and Order entered Apr. 15, 2021).

ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Petition for Non-Unanimous Settlement is approved, except for Paragraph No. 30.

2. That the Citizens' Electric Company of Lewisburg, Pennsylvania shall not place into effect the rates, rules, and regulations contained in Supplement No. 172 to Tariff Electric-Pa. PUC No. 14 regarding its cost recovery base rates for electric service revenues within its service territory.

3. That Citizens' Electric Company of Lewisburg, Pennsylvania 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 Non-Unanimous Settlement, to produce an annual increase in electric distribution base rate operating revenues of approximately \$1.39 million.

4. That Citizens' Electric Company of Lewisburg, Pennsylvania's tariffs and/or tariff supplements may be filed on at least one day's notice to become effective on January 29, 2025, after entry of the Commission's Order approving the Settlement as modified.

5. That the Formal Complaints of the Office of Consumer Advocate, Docket C-2025-3055103 and the Office of Small Business Advocate, Docket C-2025-3055186, are satisfied and shall be marked closed by the Commission's Secretary's Bureau.

6. That upon Commission approval of the tariff or tariff supplement filed by Citizens' Electric Company of Lewisburg, Pennsylvania in compliance with the Commission's Opinion and Order, the investigation at Docket R-2025-3054394 be marked closed.

Date: November 13, 2025

_____/s/
Mary D. Long
Administrative Law Judge