

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

Public Meeting held December 4, 2025

Commissioners Present:

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

Docket Nos.:

Securities Certificate of Citizens' Electric
Company of Lewisburg, PA for the Issuance of a
Loan Agreement up to \$350,000

S-2025-3057846

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

G-2025-3057849

ORDER

BY THE COMMISSION:

On October 6, 2025, Citizens' Electric Company of Lewisburg, PA ("Citizens" or the "Company") filed for registration pursuant to Chapter 19 of the Pennsylvania Public Utility Code, 66 Pa. C.S. §§ 1901, *et seq.*, and the Pennsylvania Public Utility Commission's (Commission) regulations at 52 Pa. Code § 3.601, the above-docketed securities certificate for the assumption of up to \$350,000 of a long-term loan from C&T Enterprises, Inc. (C&T) to fund a property acquisition and initial improvements to the

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

The Commission extended the consideration period of the affiliated interest application until further order of the Commission.¹ Citizens' voluntarily extended the consideration period of the securities certificate until December 4, 2025.²

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

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

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

¹ See Secretarial Letter dated October 7, 2025, at Docket No. G-2025-3057849.

² See Application cover letter requesting extension of consideration period, dated October 3, 2025, at Docket No. S-2025-3057846.

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

Agreement) for \$350,000 under which Citizens', as C&T's subsidiary, will execute a guaranty for the total amount outstanding under the NCSC Loan Agreement. In addition to Citizens' guaranty, NCSC has requested as security a first mortgage lien on C&T and on stock that C&T owns in the Company. Citizens' will also execute a loan agreement with C&T (Citizens' Loan Agreement), along with one or more Secured Promissory Notes, with similar terms to the NCSC Loan Agreement. If the requested securities certificate is registered, Citizens' will have access to and be able to draw upon the money available in the NCSC Loan Agreement to fund initial improvements for the property acquisition for utility purposes.

Citizens' has arranged the long-term debt to provide funding to acquire an undeveloped lot adjacent to its existing offices, which will be used for utility purposes. The initial plans for the lot include parking, material and equipment storage, training poles and an employee eating area. The Company's current property includes parking, material and equipment storage, administrative offices and crew facilities. The Company's operations on the existing property are becoming congested, validating the acquisition of additional land in the adjacent lot.

C&T avers that it is able to obtain favorable interest rates from NCSC. Under the proposed arrangement, Citizens' will assume contingent liability through a guarantee with a maximum borrowing limit of \$350,000. All obligations to C&T, including outstanding principal, accrued interest, and fees related specifically to draws requested by Citizens' will be directly charged to the Company. The Citizens' Loan Agreement passes through any charges associated with borrowed amounts as assessed by NCSC, without modification or mark-up.

Citizens' believes that the financing for which the Securities Certificate will be issued is already authorized by its Affiliated Interest Agreement at Docket No. G-2008-2020732. Nevertheless, Citizens' is requesting further Commission approval of the

affiliated interest transaction in accordance with the requirements of Section 2102 of the Public Utility Code, 66 Pa. C.S. § 2102. The Commission agrees that this method of allocating general costs relating to the Citizens' Loan Agreement appears both fair and reasonable and remains consistent with the handling of cost allocation issues in past matters.

With the instant filing, Citizens' provided audited financial statements as of December 31, 2024. Commission rules require that a public utility seeking a securities certificate provide a balance sheet of the public utility dated within at least three months of the date of the securities certificate.⁴ Citizens' avers that there have been no recent transactions that substantially impact the financial status of the Company and requests a waiver of the requirement pursuant to 52 Pa. Code § 5.43. The Commission agrees that the additional cost of producing an audited balance sheet within the three months prior to the filing date would be an unreasonable burden and will grant the request for a waiver of this requirement.

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

Upon examination of the instant securities certificate filed by Citizens', we have determined that the proposed indebtedness of up to \$350,000 of a long-term loan from C&T to fund a property acquisition and initial improvements is necessary or proper for the present and probable future capital needs of the utility and as a result, the securities certificate should be registered. We also find that the instant affiliated interest agreement for transaction between Citizens' and C&T, appears to be reasonable and consistent with

⁴ See 52 Pa. Code § 3.601(c)(9)(i).

the public interest under Section 2102(b) of the Public Utility Code, 66 Pa. C.S. § 2102(b); **THEREFORE,**

IT IS ORDERED:

1. That the securities certificate filed by Citizens' Electric Company of Lewisburg, PA for up to \$350,000 of a long-term loan for indebtedness to C&T Enterprises, Inc. is hereby registered.
2. That the proposed agreement for the affiliated interest transaction between Citizens' Electric Company of Lewisburg, PA and C&T Enterprises, Inc., is hereby approved.
3. That approval of the affiliated interest agreement does not preclude the Commission from investigating during any formal proceeding the reasonableness of any charges under the arrangement.
4. That the requirement in 52 Pa. Code § 3.601(c)(9)(i) that a public utility seeking a securities certificate provide a balance sheet of the public utility dated within at least three months of the date of the securities certificate is hereby waived for this security registration.
5. That within 60 days of the borrowing of debt pursuant to the instant registration, Citizens' Electric Company of Lewisburg, PA shall file notice with the Commission of the principal borrowed together with a summary of the interest rate, maturity and call provisions.
6. That registration of the subject securities certificate will end on December 4, 2026, if no borrowings have taken place by that date.

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

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

BY THE COMMISSION,

A handwritten signature in black ink, reading "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: December 4, 2025

ORDER ENTERED: December 4, 2025