

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17120

PA Public Utility Commission, et al.
vs.
Wellsboro Electric Company

Public Meeting of January 15, 2026
3054392-OSA
Docket No. R-2025-3054392, et al.

STATEMENT OF VICE CHAIR KIMBERLY BARROW

Before us for consideration are the Exceptions of Wellsboro Electric Company (Wellsboro or Company), filed on November 20, 2025, to the Recommended Decision (R.D.) of Administrative Law Judge (ALJ) Mary D. Long, issued on November 13, 2025, in the Company's rate proceeding. Also before us is the Joint Petition for Unanimous Settlement (Settlement), filed on October 17, 2025, by Wellsboro, the Bureau of Investigation and Enforcement (I&E), the Office of Consumer Advocate (OCA), and the Office of Small Business Advocate (OSBA) (collectively, the Joint Petitioners).

Wellsboro proposed an increase of \$2,848,804, representing a final proposed increase of approximately 44.7% over updated electric distribution operating revenues at present rates.¹ In litigating this matter, I&E proposed an overall annual increase in operating revenue of \$2,602,840. The OCA, on the other hand, proposed an overall annual increase in operating revenue of approximately \$2.09 million.

According to the Company, since its last base rate increase in May 2020, it has replaced much of its aging distribution infrastructure, including reconductoring and installing three-phase tie-points on select lines, increasing pole replacements, replacing aging porcelain equipment, installing switches and vacuum reclosers to automate the isolation of faults to reduce customer outages, performing improvements that will enable future voltage conversions, and completing other reliability-enhancing improvements. Statement of Reasons at 3; Wellsboro St. 4 at 4-7, 10-11; Wellsboro Exhibit HSG-1, Schedules WP_B2, WP_C1. Wellsboro has also completed an upgrade of the FirstEnergy Mid-Atlantic Interstate Transmission Company transmission facility that serves the Wellsboro service territory, and the Company is nearing completion of its aging office building. Wellsboro stated that its Operations and Maintenance costs are over \$1.8 million higher for the FPFTY when compared to the last rate case. Wellsboro also referenced inflation and cost increases for most major components required to operate and maintain its distribution system as a reason for the rate request. Statement of Reasons at 3.

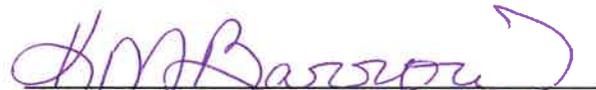
¹ Wellsboro last filed for an increase in electric distribution base rates in 2019, which the Commission addressed in *Pa. PUC, et al. v. Wellsboro Electric Company*, Docket Nos. R-2019-3008208, *et al.* (Opinion and Order entered April 29, 2020) (*Wellsboro 2020 Rate Case*). The rates the Commission approved in the *Wellsboro 2020 Rate Case* took effect on May 1, 2020. Following, a fully litigated proceeding, the Commission approved an annual revenue increase of \$950,243, or approximately 18.15%.

In the Settlement filed on October 17, 2025, the Joint Petitioners agreed to an increase of approximately \$2,500,100 or 39.0% in additional annual electric distribution base rate operating revenues for Wellsboro based upon the *pro forma* level of operations for the FPFTY ending December 31, 2026. The total agreed-upon revenue increase of \$2.5 million will be implemented in two phases: (1) a Phase I increase of \$1.8 million in year 1 (72.0% increase), effective January 29, 2026; and (2) a Phase II increase of an additional \$700,000 in year 2 (28.0%), effective January 29, 2027. For a Residential customer using 1,000 kWh per month, the proposed original, rebuttal, and Settlement rates increases in monthly electric distribution bills (including GSSR) are \$35.52 (17.9%), \$35.03 (21.2%), and \$30.28 (18.1%), respectively. The Settlement also allows the Company to implement a Residential Customer Charge of \$15.00 per month, approximately a 25% increase from the existing \$12.00 monthly charge.

The ALJ found the Settlement to be a fair compromise of the serious issues raised in the proceeding and noted the Joint Petitioners' achievement of a reasoned agreement on a broad array of issues, resulting in just and reasonable rates for service.² R.D. at 27. Specifically, the ALJ noted that the two-year phase implementation structure of the rate increase will temper the impact on Wellsboro's customers and provide them with a period to plan for the increase.

It is important to note that Wellsboro's last rate increase was about 6 years ago in a fully litigated base rate case proceeding. I am cognizant of the fact that this is a smaller distribution company that has and continues to experience loss of load, therefore, there are less accounts and kilowatts over which to spread fixed costs which are increasing due to inflationary economics.³ I acknowledge that by the end of the FPFTY Wellsboro would have spent \$12 million of infrastructure repair work since its last rate case and commend the Company for investing to improve reliability. That being said, I caution Wellsboro to fully litigate the next rate request proceeding as it is time for this Commission to evaluate an up-to-date cost of service study.

January 15, 2026


Kimberly Barrow, Vice Chair

² The ALJ noted that each of the Joint Petitioners have indicated that the Settlement protects its constituency and is in the public interest, with I&E confirming that its issues were resolved, the OCA deeming the outcome to a reasonable compromise, and the OSBA highlighting the benefits to small businesses. R.D. at 27-29.

³ The annual energy usage (GWh) for Wellsboro is as follows: 2019 – 104 GWh; 2020 – 103 GWh; 2021 – 104 GWh; 2022 – 102 GWh; 2023 – 98 GWh. The Report indicated that the Year-over-year (YOY) energy usage decreased by approximately -4.14%, and that over the next five years, the total energy usage is projected to remain essentially flat at an average annual rate of 0.0% for residential, commercial and industrial customers. The Report further noted that Wellsboro expects little to no load growth over the next five years. Wellsboro's highest peak load in 2023 was 18.9 MW. This represents a YOY decrease of -12.9% from the previous year's peak of 21.7 MW. The five-year peak load forecast is projected to increase by an average of 0.52% per year. See, PA PUC Electric Power Outlook at 49-50, pub. 2025.