

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
BUREAU OF AUDITS**



**REPORT ON
WELLSBORO ELECTRIC COMPANY**

**STATEMENTS OF
GENERATION SUPPLY SERVICE RATE
FOR THE 12-MONTH PERIODS ENDED
MARCH 31, 2024, MARCH 31, 2023,
AND MARCH 31, 2022**

**JANUARY 12, 2026
DOCKET NO. D-2025-3054889**

**PA PUC BUREAU OF AUDITS
DOCKET NO. D-2025-3054889**

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Background

Wellsboro Electric Company (Wellsboro or Company) furnishes electric distribution, transmission, and default supply services to approximately 6,470 customers in Wellsboro, Pennsylvania, and the surrounding area. Wellsboro is a wholly-owned subsidiary of C&T Enterprises, Inc. (C&T). C&T is an unregulated utility holding company owned in equal partnership by Claverack Rural Electric Cooperative and Tri-County Rural Electric Cooperative. According to Wellsboro's annual reports filed with the Pennsylvania Public Utility Commission (PUC or Commission), for the years 2024, 2023, 2022, and 2021, Wellsboro's total electric distribution revenue from residential, commercial, industrial, and public lighting customers was \$12,919,658, \$14,393,037, \$13,410,980 and \$11,145,885; respectively.

By Order entered on October 29, 2020, at Docket No. P-2020-3019384, the PUC approved the continued application of the Generation Supply Service Rate (GSSR) Tariff Rider for the period of June 1, 2021 through May 31, 2025. The GSSR Tariff Rider for the period of June 1, 2025 through May 31, 2029 was approved by Order entered on January 23, 2025 at Docket No. P-2024-3049359.

The GSSR Tariff Rider permits Wellsboro to recover the costs incurred for providing electric energy to customers within its service territory that do not elect to receive energy from an alternate electric generation supplier. Wellsboro's GSSR Tariff Rider includes two classes of customers, residential/small commercial (GSSR-1) and large commercial/industrial (GSSR-2), and allows real time pricing for GSSR-2 customers. As part of its June 1, 2018 through May 31, 2021 Default Service Plan, de minimis GSSR-2 over/under collections of administrative costs were to be refunded to, or recouped from, GSSR-1 customers through the E-Factor. In the Default Service Plan effective June 1, 2025 through May 31, 2029, a GSSR-2 E-Factor is being implemented on a pilot basis.



Independent Auditor's Report to the Pennsylvania Public Utility Commission

Opinion

We have audited Wellsboro Electric Company's Statements of Generation Supply Service Rate Over/Under Collections for the 12-month periods ended March 31, 2024, March 31, 2023, and March 31, 2022.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Wellsboro Electric Company's Statements of Generation Supply Service Rate Over/Under Collections for the 12 month periods ended March 31, 2024, March 31, 2023 and March 31, 2022 and the results of its operations for the years then ended in accordance with accounting principles generally accepted in the United States of America and the requirements of the Pennsylvania Public Utility Commission.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the **Auditor's Responsibilities for the Audit of the Financial Statements** section of our report. We are required to be independent of Wellsboro Electric Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

control. Misstatements are considered material if, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

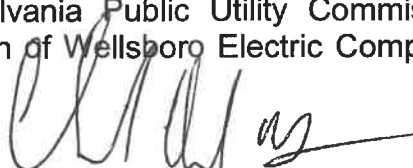
In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Wellsboro Electric Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Wellsboro Electric Company's ability to continue as a going concern for a reasonable period of time.

The auditor is required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that the auditor identified during the audit.

Report on Other Legal and Regulatory Requirements

The accompanying statements were prepared for the purpose of complying with the rules and regulations of the Pennsylvania Public Utility Commission and are not intended to be a complete presentation of Wellsboro Electric Company's revenue and expenses.



Chris Yother, CPA
Director
Bureau of Audits
Harrisburg, PA
January 12, 2026

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**Generation Supply Service Rate (GSSR)¹
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2024²**

<u>Month</u>	<u>GSSR-1 Revenue</u>	<u>GSSR-1 Costs</u>	<u>GSSR-1 Over/(Under) Collections</u>	<u>GSSR-2 Revenue</u>	<u>GSSR-2 Costs</u>	<u>GSSR-2 Over/(Under) Collections</u>
	(1)	(2)	(3) = (1) - (2)	(4)	(5)	(6) = (4) - (5)
April 2023	\$ 670,391	\$ 573,454	\$ 96,937	\$ 43,036	\$ 43,615	\$ (579)
May	554,200	579,260	(25,060)	51,831	49,443	2,388
June	556,802	581,225	(24,423)	42,247	44,688	(2,441)
July	602,940	694,386	(91,446)	54,513	58,537	(4,024)
August	679,193	631,713	47,480	62,141	52,080	10,061
September	647,441	584,875	62,566	59,932	50,226	9,706
October	537,839	602,751	(64,912)	57,129	52,383	4,746
November	587,389	656,987	(69,598)	51,199	46,975	4,224
December	549,963	552,124	(2,161)	49,980	41,682	8,298
January 2024	569,678	507,713	61,965	53,553	86,421	(32,868)
February	559,444	447,451	111,993	52,484	62,199	(9,715)
March	533,178	436,887	96,291	47,375	60,399	(13,024)
Total	<u>\$ 7,048,456</u>	<u>\$ 6,848,826</u>	<u>\$ 199,630</u>	<u>\$ 625,420</u>	<u>\$ 648,648</u>	<u>\$ (23,228)</u>

¹ As reported to the Commission at Docket No. M-2024-3048832. Arithmetical differences are due to rounding.

² Notes to the Financial Statements are an integral part of this report.

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**Generation Supply Service Rate (GSSR)³
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2023⁴**

<u>Month</u>	<u>GSSR-1 Revenue</u> (1)	<u>GSSR-1 Costs</u> (2)	<u>GSSR-1 Over/(Under) Collections</u> (3) = (1) - (2)	<u>GSSR-2 Revenue</u> (4)	<u>GSSR-2 Costs</u> (5)	<u>GSSR-2 Over/(Under) Collections</u> (6) = (4) - (5)
April 2022	\$ 410,463	\$ 389,757	\$ 20,706	\$ 33,569	\$ 38,898	\$ (5,329)
May	340,792	388,540	(47,748)	44,287	49,643	(5,356)
June	424,560	486,962	(62,402)	130,793	133,822	(3,029)
July	488,404	546,039	(57,635)	130,083	146,814	(16,731)
August	533,413	534,799	(1,386)	152,485	161,962	(9,477)
September	487,985	455,302	32,683	136,970	124,563	12,407
October	414,435	474,838	(60,403)	87,671	91,068	(3,397)
November	430,965	500,863	(69,898)	103,582	109,906	(6,324)
December	664,521	777,782	(113,261)	157,323	223,060	(65,737)
January 2023	824,871	727,769	97,102	149,238	64,107	85,131
February	718,671	651,027	67,644	42,250	39,139	3,111
March	647,678	685,389	(37,711)	46,287	44,875	1,412
Total	<u>\$ 6,386,757</u>	<u>\$ 6,619,067</u>	<u>\$ (232,311)</u>	<u>\$ 1,214,539</u>	<u>\$ 1,227,859</u>	<u>\$ (13,320)</u>

³ As reported to the Commission at Docket No. M-2023-3040287. Arithmetical differences are due to rounding.

⁴ Notes to the Financial Statements are an integral part of this report.

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**Generation Supply Service Rate (GSSR)⁵
Over/(Under) Collections (Section 1307(e))
for the 12 months ended March 31, 2022⁶**

<u>Month</u>	<u>GSSR-1 Revenue</u> (1)	<u>GSSR-1 Costs</u> (2)	<u>GSSR-1 Over/(Under) Collections</u> (3) = (1) - (2)	<u>GSSR-2 Revenue</u> (4)	<u>GSSR-2 Costs</u> (5)	<u>GSSR-2 Over/(Under) Collections</u> (6) = (4) - (5)
April 2021	\$ 330,350	\$ 321,769	\$ 8,581	\$ 19,312	\$ 20,076	\$ (764)
May	269,095	337,317	(68,222)	21,869	24,497	(2,628)
June	328,892	377,938	(49,047)	27,590	30,022	(2,432)
July	380,600	405,242	(24,642)	31,505	33,864	(2,359)
August	394,399	419,246	(24,847)	35,182	39,968	(4,786)
September	398,178	357,330	40,848	38,227	37,396	831
October	334,649	363,625	(28,976)	39,708	42,100	(2,392)
November	334,873	385,975	(51,102)	37,857	39,318	(1,461)
December	402,567	436,313	(33,746)	30,242	27,464	2,778
January 2022	442,267	485,522	(43,255)	32,228	40,652	(8,424)
February	473,190	423,645	49,546	31,612	28,065	3,547
March	412,424	430,922	(18,498)	28,253	29,953	(1,700)
Total	<u>\$ 4,501,484</u>	<u>\$ 4,744,846</u>	<u>\$ (243,361)</u>	<u>\$ 373,585</u>	<u>\$ 393,378</u>	<u>\$ (19,793)</u>

⁵ As reported to the Commission at Docket No. M-2022-3032263. Arithmetical differences are due to rounding.

⁶ Notes to the Financial Statements are an integral part of this report.

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Notes to the Financial Statements

1 – Statements

The Generation Supply Service Rate (GSSR) Over/(Under) Collections presented in this report are condensed from the officially filed statements. The audit was conducted on Wellsboro’s officially filed 1307(e) statements submitted to the PUC in accordance with Section 1307(e)(1) of the Public Utility Code on April 30, 2024, April 28, 2023, and April 29, 2022. The statements are available on the PUC’s website (<http://www.puc.pa.gov>) at Docket Nos. M-2024-3048832, M-2023-3040287, and M-2022-3032263.

2 – GSSR Revenue

GSSR Revenue is calculated by multiplying the applicable GSSR rate, excluding the E-Factor, to each kilowatt-hour (kWh) of energy delivered to customers who receive default service from Wellsboro.

3 – GSSR Costs

GSSR Costs are the total direct and indirect costs incurred by Wellsboro to acquire generation supply on behalf of default service customers.

4 – Over/(Under) Collections

The Over/(Under) Collection is the difference between the GSSR Revenue and the GSSR Costs. The resulting amount represents the portion of GSSR Revenue refundable to or GSSR Costs recoverable from customers through subsequent GSSR rates. Differences arise for two primary reasons:

- Variations between the actual volumes billed to customers and the estimates used to determine the GSSR rates; and,
- Variations between the actual GSSR costs and the estimates used to determine the GSSR rates.

5 – Adjustment Clause Operation

The operation of Wellsboro’s GSSR was approved as part of its Default Service Plan at Docket No. P-2020-3019384. It includes two classes of customers, residential/small commercial (GSSR-1) and large commercial/industrial (GSSR-2). The adjustment clause allows real time pricing for GSSR-2 customers. Unlike other mechanisms, and as specified by the Default Service Plan, de minimis GSSR-2 over/under collections of administrative costs are to be refunded to, or recouped from, GSSR-1 customers through the E-Factor.