

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

Public Meeting held June 18, 2026

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, Wellsboro Electric Company, and Valley Energy, Inc for the assumption of primary liability for indebtedness in an aggregate amount of up to \$15 million through a line of credit agreement with C&T Enterprises, Inc.

S-2026-3061832  
S-2026-3061838  
S-2026-3061839

Affiliated Interest Agreement between Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company, and Valley Energy, Inc and C&T Enterprises, Inc., for the approval of cost allocation methodologies associated with this transaction.

G-2026-3061835

**ORDER**

**BY THE COMMISSION:**

On April 14, 2026, Citizens' Electric Company of Lewisburg, PA (Citizens'), Wellsboro Electric Company (Wellsboro), and Valley Energy, Inc (Valley) (each a "Company" and collectively, the "Companies") filed for registration pursuant to Chapter 19 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 1901-1903, and the Commission's regulations at 52 Pa. Code § 3.601, the above-docketed securities certificates to assume primary liability for indebtedness to C&T Enterprises, Inc. (C&T)

through a Line of Credit Loan Agreement in the amount of \$15 million of aggregate principal indebtedness, plus accrued interest and fees (C&T Agreement). The Companies also filed for approval pursuant to Chapter 21 of the Pennsylvania Public Utility Code, 66 Pa.C.S. §§ 2101-2102, the above-docketed affiliated interest agreement related to the issuance of the indebtedness between the Companies and C&T.

The Commission extended the consideration period of the affiliated interest agreement until further order of the Commission.<sup>1</sup> The Companies voluntarily extended the 30-day consideration period for the securities certificate and have requested action by the Commission on or before the June 18, 2026, Public Meeting.

Citizens', utility code 110050, is a Pennsylvania corporation headquartered in Lewisburg, Union County, Pennsylvania and is wholly owned by C&T. It provides electric distribution service to approximately 7,241 customers across its service territory in and around Lewisburg, Pennsylvania.

Wellsboro, utility code 111200, is a Pennsylvania corporation headquartered in Wellsboro, Tioga County, Pennsylvania and is wholly owned by C&T. It provides electric distribution service to approximately 6,497 customers across its service territory in and around Wellsboro, Pennsylvania.

Valley, utility code 125100, is a Pennsylvania corporation headquartered in Sayre, Bradford County, Pennsylvania and is wholly owned by C&T. It supplies and distributes natural gas to approximately 7,564 customers across its service territory in and around Sayre, Pennsylvania.

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<sup>1</sup> See Secretarial Letter dated April 16, 2026, at Docket No. G-2026-3061835.

C&T is a Pennsylvania holding company and management services company with its principal office in Lewisburg, Union County, Pennsylvania. It is a jointly owned subsidiary of Tri-County Rural Electric Cooperative and Claverack Rural Electric Cooperative, both member-owned electric cooperatives incorporated under the laws of Pennsylvania.

C&T currently has a line of credit agreement with CoBank, ACB (CoBank) in the amount of \$14 million, which was approved by the Commission on September 11, 2014 and expires as of June 30, 2026.<sup>2</sup> They have entered into a new Line of Credit Loan Agreement, renewing the existing line of credit and increasing the total amount to \$15 million, with an effective date of July 1, 2026.

Each Company will execute and furnish to C&T a Promissory Note for the following individual maximum borrowing limits under the C&T Agreement: Citizens' \$4 million, Wellsboro \$4 million, and Valley \$7 million. The amounts for Citizens' and Valley are identical to the existing line of credit, while Wellsboro will see a \$1 million increase, which the Companies contend is necessary to address Wellsboro's increased payments for default service supply due to the recent increases in wholesale energy market costs. Each Company will be solely and individually responsible for repayment of any outstanding principal borrowed by C&T on behalf of the respective Company. The C&T Agreement further requires each Company to reimburse C&T for all accrued interest and fees charged. The reimbursement payments, fees, interest, and charges due from each Company shall be due and payable to C&T within thirty (30) days of the date of written notice from C&T.

According to the Companies, proceeds from the issuance of the line of credit will be used to obtain adequate cash flow for public utility operations, including payment of

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<sup>2</sup> See Docket Nos. S-2014-2429816, S-2014-2429828, S-2014-2429829, and G-2014-2429851.

Gross Receipts Tax and satisfaction of Default Service Provider and Supplier of Last Resort obligations.

C&T will recover the costs it incurs from CoBank from the Companies without mark-up, and all obligations to C&T, including outstanding principal, accrued interest, and fees, will be directly allocated to each Company based on the specific draws requested by the individual affiliate. Any other costs that may arise will be split evenly in recognition of the overall benefit to all three Companies and the collective nature of the C&T Agreement. As such, the Companies state that the C&T Agreement is in accordance with the requirements of Section 2102 of the Public Utility Code and the Affiliated Interest Agreements previously approved by the Commission.<sup>3</sup> Nevertheless, the Companies are requesting further Commission approval of the affiliated interest transactions related to the proposed methodology for allocating costs associated with the instant securities certificate.

As of December 31, 2025, Citizens' capital structure consists of 26.3% debt and 73.7% equity. It projects that its capital structure will consist of 23.4% debt and 76.6% equity for the period ending December 31, 2026, and 23.6% debt and 76.4% equity for the period ending December 31, 2027. Wellsboro's current capital structure consists of 82% debt and 18% equity. It projects that its capital structure will consist of 78.3% debt and 21.7% equity for the period ending December 31, 2026, and 71.0% debt and 29.0% equity for the period ending December 31, 2027. Valley's current capital structure consists of 34% debt and 66% equity. It projects that its capital structure will consist of 33.9% debt and 66.1% equity for the period ending December 31, 2026, and 30.3% debt and 69.7% equity for the period ending December 31, 2027.

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<sup>3</sup> See Docket Nos G-2022-3031753, G-2022-3031755 and G 2022-3031756.

With the instant filing, the Companies provided audited financial statements as of December 31, 2025. However, Commission rules require that a public utility seeking a securities certificate provides a balance sheet of the public utility dated within at least three months of the date of the securities certificate.<sup>4</sup> Therefore, the Companies are requesting a waiver of this requirement pursuant to 52 Pa. Code § 5.43. Given the Companies' assertion that there have been no transactions subsequent to December 31, 2025, that have substantially impacted their financial status and the fact that the instant filing was made a mere 14 days after the expiration of the three month deadline, the Commission will grant the Companies' waiver request.

Compliance checks found that Citizens', Wellsboro, and Valley are current with their annual financial, quarterly earnings, and Security Planning and Readiness reports and have no outstanding Commission fines, fees, or assessments due.

Upon examination of the instant securities certificate filed by the Joint Applicants, we have determined that the proposed indebtedness of up to \$15,000,000 in the form of a line of credit issued to C&T is necessary or proper for the present and probable future needs of the utility and, as a result, the securities certificate should be registered. We also find that the instant affiliated interest agreement for cost allocation methodologies associated with the C&T Agreement is consistent with the Companies' handling of cost allocation issues in past matters and appears to be reasonable and consistent with the public interest under Section 2102(b) of the Public Utility Code, 66 Pa. C.S. § 2102(b); **THEREFORE,**

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<sup>4</sup> See 52 Pa. Code § 3.601(c)(9)(i).

**IT IS ORDERED:**

1. That the securities certificate filed by Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company, and Valley Energy, Inc for the assumption of primary liability for indebtedness in an aggregate amount of up to \$15 million through a line of credit agreement with C&T Enterprises, Inc., is hereby registered.

2. That the affiliated interest agreement between Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company, and Valley Energy, Inc and C&T Enterprises, Inc., for cost allocation methodologies associated with this transaction, 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 within 30 days of the issuance of the securities pursuant to the instant registration, Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company, and Valley Energy, Inc shall file notice with the Commission of such issuance together with a summary of terms.

5. That registration of the subject securities certificate will end on December 31, 2027.

6. 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.

7. That upon receipt of the notice required in Ordering Paragraph No. 4, above, this case be marked closed.

**BY THE COMMISSION,**

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

Matthew L. Homsher  
Secretary

(SEAL)

ORDER ADOPTED: June 18, 2026

ORDER ENTERED: June 18, 2026