COMMONWEALTH OF PENNSYLVANIA

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July 9, 2026

Via Electronic Filing
Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

Re: Petition of Pike County Light and Power Company for Approval of Its Default Service Program for the Period June 1, 2027, to May 30, 2030
Docket No. P-2026-3062915

Dear Secretary Homsher:

Attached for electronic filing please find the Office of Consumer Advocate's Prehearing Memorandum in the above-referenced proceeding.

Copies have been served on the parties as indicated on the enclosed Certificate of Service.

Respectfully submitted,

/s/ Crystal M. Zook
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Enclosures
cc: The Honorable Gail M. Chiodo (**email only:** gchiodo@pa.gov)
The Honorable Emily A. Farren (**email only:** efarren@pa.gov)
Certificate of Service

CERTIFICATE OF SERVICE

Petition of Pike County Light and Power Company for Approval of Its Default Service Program for the Period June 1, 2027, to May 30, 2030	: : : : :	Docket No. P-2026-3062915

I hereby certify that I have this day filed electronically on the Commission's electronic filing system and served a true copy of the following document, the Office of Consumer Advocate's Prehearing Conference Memorandum, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code Section 1.54 (relating to service by a participant), in the manner and upon the persons listed below.

Dated this 9th day of July 2026.

SERVICE BY E-MAIL ONLY

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Dated: July 9, 2026

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Petition of Pike County Light and Power Company for Approval of Default Service Plan for the Period June 1, 2027, to May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations	:	Docket Nos. P-2026-3062915

PREHEARING CONFERENCE MEMORANDUM
OF THE
OFFICE OF CONSUMER ADVOCATE

Pursuant to the Prehearing Conference Order issued on July 2, 2026, in the above-captioned proceeding, by Deputy Chief Administrative Law Judge (Deputy Chief ALJ) Gail M. Chiodo and Administrative Law Judge (ALJ) Emily A. Farren of the Office of Administrative Law Judge (OALJ) of the Pennsylvania Public Utility Commission (Commission), and pursuant to Section 333 of the Public Utility Code (Code), 66 Pa. C.S. Section 333, the Pennsylvania Office of Consumer Advocate (OCA) submits the following Prehearing Conference Memorandum.

I. INTRODUCTION

On June 1, 2026, Pike County Light & Power Company (Pike County, or Company) filed with the Commission a Petition for approval of its Default Service Plan (DSP) for its generation customers (Petition). The Company's existing DSP is set to expire on May 31, 2027. The proposed DSP is for the period of June 1, 2027, through May 31, 2030. This filing has been made pursuant to the Commission's Default Service Regulations, the Commission's Policy Statement on Default Service, and related Commission Orders.

In its Petition, Pike is proposing modifications to its procurement process. Pike currently procures its default supply from Orange and Rockland Utilities under a Commission-approved

Energy Supply Agreement (ESA II). The ESA II was approved by the Commission in 2021, and could be extended annually through August 2026.[1] On January 30, 2026, Pike filed a Petition to Modify its current DSP on January 30, 2026, because the ESA II is set to expire before the conclusion of Pike's 2024-2027 DSP Plan.[2] Pike's Petition to Modify was approved by the Commission on June 4, 2026,[3] after its current Petition for Approval was filed.[4]

Pike is proposing here to utilize the same procurement terms as just approved by the Commission but with two additional modifications that would: (1) allow Pike at its option and upon becoming a Load-Serving Entity (LSE) in the New York Independent System Operator (NYISO) to purchase energy directly on the NYISO market instead of utilizing an electric supplier; and (2) allow Pike at its option to continue utilizing the same supplier chosen for the period of August 2026 to May 31, 2027 without conducting a competitive solicitation, if that solicitation meets certain conditions.[5] If Pike's modifications to its procurement terms are approved as proposed, Pike would be allowed to: (1) conduct a competitive bid solicitation process to select a NYISO electricity supplier to procure its default supply; (2) become an LSE with NYISO and bring electricity procurement functions in house; or (3) continue utilizing the same supplier chosen through its competitive bid solicitation process for the remainder of its 2024-2027 DSP.[6]

With respect to the components of the default service rate mechanism, Pike proposes to make three changes to its Electric Supply Adjustment Charge to allow for more timely recovery of default service costs.[7] Specifically, Pike proposes to: (1) change the frequency of adjusting the

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[1] *Petition of Pike Cnty. Light & Power Co. to Modify Default Serv. Plan for the Period June 1, 2024, through May 31, 2027*, Docket No. P-2023-3039927, Order at 2 (June 4, 2026) (*Petition to Modify Order*).
[2] *Id.* at 1.
[3] *Id.* at 2.
[4] *See Pike DSP Petition* at 5.
[5] *Id.* at 5-6.
[6] *Id.* at 6-7.
[7] *Id.* at 10.

price and reconciling the default service charge from 6 months down to every 3 months; (2) increase the cap for recovery of its Energy Supply Adjustment Charges from 2 cents per kWh to 5 cents per kWh; and (3) be allowed the ability to more frequently adjust rates if it incurs a substantial over or under collection.[8]

Pike also proposes multiple changes to its Supplier Tariff, which has not been updated since 1999, and according to the Company, does not reflect modern practices or Commission orders regarding how Pike must interact with suppliers.[9] These proposed changes are reflected in its filing and its pro forma redline tariff supplement.[10]

In addition to the above proposals, Pike seeks approval of a Smart Meter Plan based on Act 129 and the Commission's Smart Meter Implementation Order.[11] Pike anticipates that its proposed Smart Meter Plan would be implemented over four years and would involve transitioning to the Tesco AMI platform to serve as Pike's primary platform for automated meter reading.[12] As part of its plan, Pike seeks to implement a Smart Meter Surcharge Rider to recover the costs of the plan.[13]

Consistent with its existing DSP, Pike proposes to continue to meet its Alternative Energy Portfolio Standards (AEPS) Act requirements through a competitive solicitation process or market purchases based on prevailing market conditions and adjust the timing of its credit purchases to reduce costs to customers.[14] Costs of compliance are recovered through the default service rate mechanism.[15]

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[8] *Id.* at 9-10.
[9] *Id.* at 5, 11.
[10] *Id.* at 11; Exh. ML-7.
[11] *Id* at 13.
[12] *Id.* at 13-14.
[13] *Id.* at 14.
[14] *Id.* at 15.
[15] *Id.*

Regarding the term of its proposed DSP, and consistent with its existing DSP, Pike again proposes a three-year term.[16] Additionally, Pike is again requesting the waiver of the following Public Utility Code Sections, which the Commission has previously granted in prior DSP proceedings:

- 52 Pa. Code § 69.1805(1) - 52 Pa. Code §69.1805(3) (policy statement on inclusion of short term and long term contracts in procurement mix and tailoring procurement to customer classes); and
- 52 Pa. Code §69.1807(3) (competitive bid solicitation process guidelines).

OCA notes that Pike is no longer requesting a waiver of 52 Pa. Code Section 54.185(e)(2) and 52 Pa. Code Section 54.185(e)(6), as it had done in past DSP cases. In its most recent Petition to Modify the 2024-2027 DSP, Pike requested withdrawal of the Commission's prior granted waivers of these sections, and consistent with that *Petition* and its decision to comply with the requirements, does not seek to reinstitute them here.[17]

II. PROCEDURAL HISTORY

The Company's Petition was assigned to the Office of Administrative Law Judge and further assigned to Deputy Chief ALJ Gail M. Chiodo and ALJ Emily A. Farren. On June 9, 2026, the Office of Administrative Law Judge issued a Notice scheduling a Call-In Telephonic Prehearing Conference for July 13, 2026, at 1:00 p.m. On June 11, 2026, the OCA filed its Notice of Intervention and Public Statement.

On July 2, 2026, Deputy Chief ALJ Chiodo and ALJ Farren issued a Prehearing Conference Order setting forth the parties' obligations with respect to the Prehearing Conference and directing the parties to prepare and distribute prehearing memorandums by July 9, 2026.

On July 9, 2026, the OCA filed its Answer in response to the Company's Petition.

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[16] *Id.* at 16.
[17] *Petition to Modify Order* at 5.

III. ISSUES

The OCA seeks to ensure that the DSPs and any rates approved as a result of this proceeding are reasonable and consistent with Pennsylvania law, the Commission's regulations, and related orders. Based upon a preliminary analysis of Pike's Petition, the OCA has compiled a list of issues that it anticipates including in its investigation of the DSP. The OCA may pursue other issues that may arise as discovery proceeds. The OCA has initially identified the following issues that may require further review:

A. Supply Procurement: The OCA intends to examine the details of the Company's financial hedging strategy to determine whether what is proposed is reasonable, in accord with the hedging strategies employed by other Pennsylvania electric distribution companies, and suited to provide the price stability the Company seeks. The OCA will analyze the amount of load hedged, and the increased volatility in Pike's default service price over the past couple of years. The OCA additionally intends to review Pike's proposed modifications to its procurement terms recently approved by the Commission through Pike's Petition to Modify and to assess whether those modifications would be in the best interest of customers.

B. Rate Design: Pike proposes making several changes to the default service rate mechanism currently in place. The OCA submits that Pike's proposed changes should be reviewed to determine if the changes are justified and in the best interest of customers and whether the changes would allow for more timely cost recovery and less interest paid by customers as claimed by Pike. Further, the mechanism should be reviewed to ensure that it provides a reasonable degree of stability for default service customers and that it collects only those costs attributed to default service. In particular, the mechanism must be examined to ascertain whether it is properly accounting for the costs and revenues associated with its hedging program.

C. Supplier Tariff: Pike proposes changes to its Supplier Tariff. The OCA submits that the changes should be reviewed to ensure that they are in line with prior Commission orders and Pike's current practices.

D. Deployment of Advanced Metering Infrastructure and Surcharge: Pike proposes implementing a Smart Meter Plan as part of its new DSP to procure and install smart meter technology. Pike further proposes to recover the costs of its plan through a Surcharge. The OCA submits that Pike's proposal must be examined to determine whether Pike has justified a fully AMI deployment, whether its proposed solution is the most reasonable and cost-effective way to address the limitations of its existing meter reading system, whether Pike has adequately evaluated lower-cost alternatives, and whether the proposed surcharge mechanism and customer bill impacts are reasonable.

E. Alternative Energy Portfolio Standards (AEPS) Act Compliance: Pike proposes to continue to meet its AEPS requirements by utilizing a competitive solicitation process dictated by market conditions. The OCA submits that the AEPS procurement process should be reviewed to ensure that it meets all compliance standards at reasonable prices.

F. Pike's Requested Waivers: The OCA will examine Pike's requested waivers of certain Commission regulations to determine whether the Commission would have adequate oversight in Pike's procurement if the waivers were granted.

The OCA anticipates other issues may arise and may be pursued once discovery has been conducted, and the OCA reserves the opportunity to present any new, unanticipated issues at that time. In addition, the OCA reserves the right to raise issues and respond to issues raised by other parties, as necessary to protect the interests of Pike's customers.

IV. WITNESSES

The OCA intends to present the direct, rebuttal, and surrebuttal testimony, as may be necessary, of its witnesses. To expedite the resolution of this proceeding, the OCA requests that copies of all interrogatories, testimony, and answers to interrogatories be e-mailed directly to OCA's counsel and witnesses at the following e-mail address: OCAPIKEDSP2026@paoca.org.

Retail Electric Default Service Procurement Method, Rate Design, and Related Issues	Serhan Ogur Exeter Associates, Inc. 10480 Little Patuxent Parkway Suite 300 Columbia, Maryland 21044
Advanced Metering Infrastructure and Surcharge	Brendan Larkin-Connolly Exeter Associates, Inc. 10480 Little Patuxent Parkway Suite 300 Columbia, Maryland 21044

The OCA specifically reserves the right to call additional witnesses, as necessary. At the time at which the OCA determines that additional witnesses are necessary for any portion of its case, the OCA will promptly notify Deputy Chief ALJ Gail M. Chiodo, ALJ Emily A. Farren, and all parties of record.

V. SERVICE ON THE OCA

The OCA will be represented in this matter by Senior Assistant Consumer Advocate Joel Cheskis and Assistant Consumer Advocates Johnathan Longhurst and Crystal M. Zook. The OCA only requires e-service at the following e-mail address:

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The OCA reserves the right to request paper copies if necessary. The OCA asks that the electronic service to the parties, Deputy Chief ALJ Gail M. Chiodo, and ALJ Emily A. Farren meet all service requirements so that paper copies are not required.

VI. PUBLIC INPUT HEARINGS

The OCA is not aware of any specific consumer requests for public input hearings in this matter to date. If the OCA becomes aware of substantial consumer interest, the OCA will promptly notify Deputy Chief ALJ Gail M. Chiodo, ALJ Emily A. Farren, and parties to request a public input hearing be scheduled.

VII. DISCOVERY

In order to effectively investigate and adequately develop a record on these issues, the OCA requests the following discovery modifications be approved for discovery from the date of this Prehearing Conference forward:

A. Answers to written interrogatories and requests for document production, entry for inspection, or other purposes shall be served in-hand within ten (10) calendar days of service.

B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within three (3) calendar days of service of the interrogatories; unresolved objections shall be served in writing to the propounding party within five (5) calendar days of service of the interrogatories and/or requests for production.

C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within five (5) business days of service of written objections.

D. Answers to motions to dismiss objections and/or answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.

E. Requests for admissions will be deemed admitted unless answered within ten (10) calendar days or objected to within five (5) calendar days of service.

F. Answers to on-the-record data requests shall be served in-hand within five (5) calendar days of the requests.

G. Any discovery or discovery-related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day before a holiday will be deemed to have been served on the next business day for purposes of calculating the due date for any responsive filing.

After rebuttal is served, the OCA proposes that the deadlines should be reduced as follows:

A. Answers to interrogatories and responses to requests for document production, entry for inspection, or other purposes shall be served within five (5) calendar days of service of the interrogatories or requests for production.

B. Objections to interrogatories and/or requests for production shall be communicated orally to the propounding party within two (2) calendar days of service; unresolved objections shall be served on the propounding party in writing within three (3) calendar days of service of the interrogatories and/or requests for production.

C. Motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of written objections.

D. Answers to motions to dismiss objections and/or direct the answering of interrogatories and/or requests for production shall be filed within three (3) business days of service of such motions.

E. Requests for admission shall be deemed admitted unless answered or objected to within three (3) calendar days of service.

F. Discovery requests and discovery related pleadings (such as objections, motions, and answers to same) served after 4:30 p.m. Monday through Thursday or after 1:30 p.m. on a Friday or the day preceding a holiday shall be deemed to have been served on the next business day.

VIII. SCHEDULE

The OCA proposes the following schedule:

Other Parties Direct Testimony	August 28, 2026
Rebuttal Testimony	September 25, 2026
Surrebuttal Testimony	October 13, 2026
Written Rejoinder	October 16, 2026
Evidentiary Hearing	October 20, 2026
Main Briefs	November 4, 2026
Reply Briefs	November 18, 2026

IX. SETTLEMENT

The OCA will participate in settlement discussions with the parties.

Respectfully Submitted,

/s/ Crystal M. Zook

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Dated: July 9, 2026