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October 13, 2026

Matthew Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

VIA E-FILING

**RE: Rulemaking to Further Amend the Provisions of 52 Pa. Code Chapter 56;
Docket No. L-2025-3058767**

Dear Secretary Homsher:

Enclosed for filing with the Pennsylvania Public Utility Commission ("PUC" or "Commission") are the Reply Comments of Citizens' Electric Company of Lewisburg, PA, Wellsboro Electric Company and Valley Energy, Inc., on the Notice of Proposed Rulemaking Order in the above-referenced proceeding.

This filing has been served via email on the parties listed on the attached Certificate of Service. If you have any questions regarding this filing, please feel free to contact the undersigned. Thank you.

Very truly yours,

Pamela C. Polacek

By

Pamela C. Polacek

Counsel to Citizens' Electric Company of Lewisburg, PA,
Wellsboro Electric Company and Valley Energy, Inc.

Enclosure

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CERTIFICATE OF SERVICE

I hereby certify that I am this day serving a true copy of the foregoing document upon the participants listed below in accordance with the requirements of Section 1.54 (relating to service by a participant).

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Pamela C. Polacek

Pamela C. Polacek (PA ID No. 78276)

Dated this 13th day of October, 2026, in Venetia, Pennsylvania.

PENNSYLVANIA PUBLIC UTILITY COMMISSION

Rulemaking to Further Amend the Provisions of
52 Pa. Code Chapter 56

: Docket No. L-2025-3058767

**REPLY COMMENTS OF CITIZENS' ELECTRIC COMPANY OF
LEWISBURG, PA, WELLSBORO ELECTRIC COMPANY
AND VALLEY ENERGY, INC
TO FEBRUARY 19, 2026 NOTICE OF PROPOSED RULEMAKING ORDER**

On February 19, 2026, the Pennsylvania Public Utility Commission's ("PUC" or "Commission") issued a Notice of Proposed Rulemaking Order to Further Amend the Provisions of 52 Pa. Code Chapter 56, Docket No. L-2025-3058767 ("NOPR Order"), which seeks to incorporate the provisions of the former Chapter 14 of the Public Utility Code into the Chapter 56 regulations. Citizens' Electric Company of Lewisburg, PA ("Citizens"), Wellsboro Electric Company ("Wellsboro") and Valley Energy, Inc. ("Valley") (collectively, the "C&T Utilities") submitted Comments on August 28, 2026, supporting the adoption of the proposed regulations without modification and without undue delay. Various parties submitted Comments proposing substantial revisions to the proposed regulations. The C&T Utilities submit these Reply Comments to respond. The C&T Utilities also support the Reply Comments submitted by the Energy Association of Pennsylvania ("EAP").

Several parties, including the Office of Governor Josh Shapiro ("Governor's Office"), the Office of Consumer Advocate ("OCA"), the Office of Small Business Advocate ("OSBA"), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania and the Tenant Union Representative Network (together, the "Low Income Advocates" or "LIA") suggest that the Commission consider major modifications to the proposed regulations. The

C&T Utilities urge the Commission to reject calls to undertake substantial changes to Chapter 56. Because Chapter 14 was not renewed by the Legislature, stakeholders face a regulatory void that undermines certainty and the efficient administration of requests for payment arrangements. We support Chairman DeFrank's stated purpose for this proceeding—making sure that the “rules of the road” are memorialized. Quickly processing the baseline regulatory changes needed to continue the Chapter 14 structure will provide certainty for utilities when the 2026-2027 winter moratorium expires and we must actively address any non-payment situations that occurred during the moratorium. The C&T Utilities oppose any changes to the proposed regulations that go beyond this basic purpose, whether those changes are or are not explicitly addressed below.

A. The Commission Should Not Extend the Length of Payment Arrangements.

Several parties, including the OCA and LIA, urge the Commission to authorize longer payment arrangement durations for all income categories. See OCA Comments, pp. 9-15; LIA Comments, pp. 46-48. They suggest that customers who break payment arrangements do so because the monthly payment towards the arrearage is too high and that stretching the arrearage over additional years will achieve the goal of ensuring that customers on payment arrangements fulfill their obligations while retaining service.

The C&T Utilities support the EAP Reply Comments on this topic. Longer payment arrangements will not necessarily result in fewer terminations. Spreading a \$1,000 arrearage over 72 months (6 years) rather than 60 months (5 years) reduces the monthly payment by less than \$3 (\$16.67 compared to \$13.89). The focus should be on incentivizing payment troubled customers to communicate as soon as possible with the utility to discuss available assistance options, budget billing and energy conservation. This will help to mitigate the growth of the arrearage.

B. The Commission Should Reject Proposals that Undermine Certainty through Overly-Broad or Non-Quantitative Criteria for Payment Arrangement Renegotiation.

Other parties combine the request for longer payment arrangements with suggestions to expand the circumstances that require payment arrangement renegotiation. In addition, some stakeholders would include non-quantitative criteria as warranting a second or renegotiated payment arrangement. See Governor's Office Comments, pp. 3-4 & 5-6; LIA Comments, pp. 28-33.

The Chapter 14 payment arrangement structure was predictable and easy for customer service departments to implement. This enabled the vast majority of customer inquiries to be handled by the utility customer service departments, without escalation to the Commission's Bureau of Consumer Services ("BCS"). Moving to overly-broad and/or non-quantitative criteria for assessing when a second or renegotiated payment arrangement is justified will undermine the predictability of the utilities' decisions and efforts. This will result in increased informal complaints to the Commission for review of the utilities' decisions and appeals of the BCS decisions to the full Commission. Because some customers view the appeal process as a reason to forego payment on all portions of the bill, including current and non-disputed charges, these proposals may allow additional arrearages to be accrued by the customer.

In addition, the use of non-quantitative criteria opens the system to potential unequal implementation and outcomes. Although this is already inherent in the discretion afforded to utilities to voluntarily enter into second (or third) arrangements in response to a particular customer's circumstances, the risk is enhanced when non-quantitative criteria are memorialized in regulations.

The former Chapter 14 was an important tool enacted by the General Assembly to balance the needs of utilities and consumers. Based on many years of interaction, training and negotiations with BCS, utilities were able to predictably and evenly apply the criteria. Predictability and understanding enhance the confidence of all stakeholders in the process. The C&T Utilities urge the Commission to retain the existing criteria for determining when second payment arrangements are warranted.

C. The OCA's Prohibition Against Electronic Payment Fees Should be Rejected.

OCA proposes an amendment to Section 56.21(2)(v) to prohibit utilities from charging a fee for electronic payment methods. See OCA Comments, pp. 40-41. The C&T Utilities oppose this request.

The C&T Utilities currently require customers who submit payments via credit card to pay the third-party processing fee that applies to the transaction. This is a direct assignment of the third-party cost to the customer who is responsible for the cost. The C&T Utilities believe that customers who rely on the convenience of this payment methodology should bear the costs of that decision, rather than having all customers subsidize the payment methodology.

As part of our recent rate case settlements, the C&T Utilities agreed to explore eliminating the directly-assigned fee and placing the projected costs of the service into rates. We will, in good faith, consider this request in our next case. In the interim, however, it is not appropriate for the Commission to order the elimination of all directly-assigned payment fees.

D. Domestic Violence Self-Certification May Lack Appropriate Safeguards.

The Pennsylvania Coalition Against Domestic Violence ("PCADV") requests for the current regulations regarding domestic violence victims to be available to any customer who

provides a third-party or self-certification stating that the customer has been subjected to domestic violence. See PCADV Comments, pp. 2-6. The C&T Utilities support efforts to ensure that domestic violence victims are treated fairly and safely; however, we respectfully question whether importing the Department of Human Services TANF waiver requirements or the unemployment compensation requirements under Act 55 of 2025 is appropriate to administering utilities' customer onboarding and billing processes.

The TANF waiver form indicates that the third-party verification must certify:

I have knowledge of the claimant's experience with and/or steps to escape domestic violence and submit this statement to verify that compliance with the TANF/ELRC program requirement(s) checked above may place the claimant and/or household or family members at risk of further domestic violence; make it more difficult for the claimant and/or household or family members to escape domestic violence; or unfairly penalize the claimant and/or household or family members who is or has been victimized by domestic violence.¹

In this instance, the certification is used to avoid compliance with requirements such as having to establish spousal or child support cooperation. It is not clear that a similar physical risk would apply to a person establishing utility service. The TANF waiver form also includes a statement in the self-certification section that the victim is "unable to safely obtain evidence to verify the domestic violence."

The amendment to the unemployment compensation law implemented by Act 55 of 2025 appears to permit self-certification only with a commitment to submit documentation within 150 days. The requirement to provide subsequent documentation is not mentioned in the PCADV

¹ Pennsylvania Department of Human Services Form No. 1747 (8/24). Available at: <http://services.dpw.state.pa.us/oimpolicymanuals/cash/assets/docs/PA%201747.pdf>

Comments. If the Commission is going to allow self-certification, then the customer should be required to submit follow-up documentation in a timely manner.

The C&T Utilities support providing an accessible, confidential and safe method to confirm that a customer is entitled to relief under the domestic violence provisions in Subchapter L. Requiring a court order or other official communication ensures that the utility's customer service department is not placed in the untenable role of adjudicating whether a customer is subject to domestic violence. We respectfully urge the Commission to proceed with caution if additional methods will be considered.

E. The Proposed “Summer Termination Moratorium” is not Appropriate and will Undermine the Payment Arrangement Negotiation Process.

Several parties advocate for a new “summer termination moratorium” that would prevent terminations for payment-troubled low-income customers between June 15th and August 31st. See Governor's Office Comments, p. 7; LIA Comments, pp. 72-77. This moratorium would be in addition to the current winter moratorium, which operates to prevent service terminations between December 1st and March 31st. The C&T Utilities oppose this proposal.

It is not clear that a summer moratorium is needed on a state-wide basis. Pennsylvania has a very diverse climate. The weather conditions in Philadelphia can be very different from those in the mountain regions in the Central Northern Tier. Agricultural heat zone maps show a substantial difference between the number of over 86 degree days depending on the location within the Commonwealth.² The Pennsylvania State Climatologist office tracks weather data for ten climate regions.³ Regional data is collected because Pennsylvania reflects distinct weather

² See, e.g., <https://www.plantmaps.com/interactive-pennsylvania-heat-zones-map.php>

³ See <https://climate.met.psu.edu/data/state/regional.php>

trends based on geography and other factors. The Commission should not make a statewide decision for a summer moratorium when the evidence shows that there is not a statewide weather trend.

Adding a summer moratorium to the current system also will undermine utilities' efforts to connect payment-troubled customers with payment arrangements and other bill assistance. The C&T Utilities' experiences during the COVID-19 termination moratorium illustrate that potential termination is often needed to incentivize payment-troubled customers to contact the utility to discuss assistance options. During the COVID-19 moratorium, our customer service and billing staffs routinely called customers who were behind on their bills to attempt to discuss payment arrangements and other assistance options. Those calls were largely unsuccessful—the customers most often did not answer the telephone or return messages even when assistance was offered. In our experience, a service termination letter is the most effective method to prompt a discussion with the customer about assistance options (including payment arrangements).

Under the current processes, the termination letters issued as the winter moratorium ends result in discussions on payment arrangements. If the customer is not satisfied with the payment arrangement, then the option exists to file an informal complaint with BCS. Adding a summer moratorium will mean that the customer is again subject to termination protections at about the same time that the BCS is issuing its decision on the informal complaint. Similarly, at the end of the summer moratorium, the utility again would face a very limited window to work with payment-troubled customers prior to the onset of the winter moratorium on December 1st.

It is important to emphasize that the C&T Utilities are prepared to work with any customer who has an arrearage at any time of the year to discuss a reasonable payment arrangement. As long as the customer has fulfilled any prior payment arrangements or has paid

down the arrearage that was subject to a prior broken payment arrangement, we will follow the prior Chapter 14 guidance. We include in these Reply Comments the discussion regarding the process that occurs when a termination moratorium expires due to our historic experiences—more often than not, the customer allows the arrearage to grow until the termination moratorium expires rather than contacting the utility for assistance during the termination moratorium. From our perspective, the sooner we can discuss an arrearage with the customer, the better the result for the customer because the arrearage doesn't grow as large.

F. Current Alternate Language Regulations for Customer Communications Should Continue.

Several parties suggest that the Commission must require all utility notices to be produced in both English and Spanish. See Governor's Office Comments, p. 8; LIA Comments, pp. 82-83. In addition, those stakeholders would require an even more onerous obligation to make certain communications in five non-English languages. The C&T Utilities oppose these recommendations as unnecessary and redundant.

The Commission already has a regulation that discusses when notices must be provided in Spanish. Specifically, Section 56.431(b) applies when a utility serves a "substantial number of Spanish-speaking customers." There is no evidence that this regulation and the Commission's internal practices are not adequately addressing the availability of alternative-language communications. Companies that do not have a substantial number of Spanish-speaking customers or other non-English speakers should not be required to undergo the expense of printing notices in two languages.

G. The Proposed Changes to the Medical Certificate Process and Timing Should be Rejected.

Various parties seek changes to the process for medical certificates, including allowing medical certificates to be signed by Registered Nurses (and others), increasing the length of medical certificates to 90 days, and imposing a 7-day period for the customer to produce the signed certificate. See generally, OCA Comments, pp. 73-74; Governor's Office Comments, pp. 7-8; LIA Comments, pp. 67-70. The C&T Utilities oppose these requests. The current medical certificate process is appropriate and should continue.

The C&T Utilities incorporate EAP's Reply Comments on this topic. It is appropriate to limit the medical professionals who can execute the certification and to limit the length to 30 days because the utility has only a very limited opportunity to challenge the documentation under Section 56.118 of the regulations. Even if a utility has a reasonable basis to challenge the documentation, the practical result is that termination will not occur during any challenge. Last year, one of the C&T Utilities received a medical certificate stating that the "illness" was that the "child is a minor" and that service could not be terminated because "the child is a minor and requires appropriate home temperature, safe food and water." Our company honored the medical certificate for thirty days despite this facially insufficient medical "diagnosis" because the time to challenge the certificate would have exceeded 30 days. Expanding the professionals who can sign medical certificates and expanding the duration will undoubtedly result in additional misuse like this.

H. Chapter 56 Should Not be Extended to Small Business Customers.

The OSBA argues that Small Business Customers should have protections similar to income-constrained residential customers under Chapter 56. See OSBA Comments, *passim*.

The protections would include entitlement to payment arrangements of two to five years, renegotiation of payment arrangements for “significant change in circumstances”, waivers of late payment charges, using medical certificates to avoid termination, using third-party guarantors, and the ability to avoid termination during the winter (and the proposed summer) termination moratorium. The C&T Utilities oppose this request.

Small businesses are the backbone of commercial activities in the Commonwealth, especially in smaller utility territories. Small businesses often provide important services that enhance our communities, which benefits our employees and our customers. In our territories, most commercial customers have fewer than 250 employees, which will make them eligible for the protections suggested by the OSBA as long as the business is on our commercial or small industrial rate schedule. The new “exceptions” sought by OSBA would essentially become the normal terms of service for our commercial classes. In contrast, the former Chapter 14 protections for residential customers were targeted at customers who, due to income constraints, may have difficulty paying their utility bills.

Furthermore, the potential consequences of service loss for some residential customers are more dire than the potential consequences of service loss for commercial customers. The winter moratorium exists due to the extreme health risks that could occur if electric or gas service is terminated to a residence due to non-payment. Small business customers face the risk of losing their business if service is terminated during the winter, but do not generally face the risk of loss of life. Losing your business is undoubtedly a large loss; however, it is not comparable to the potential consequences for an elderly customer on a fixed income.

The C&T Utilities voluntarily work with commercial customers, including small businesses, who are in arrears. We have legitimate business motivations to ensure that an

otherwise viable commercial customer can weather a short-term situation that results in non-payment. It is not necessary or appropriate for the Commission to extend the Chapter 56 protections to small business customers.

Respectfully submitted,

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By _____

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