COMMONWEALTH OF PENNSYLVANIA

DARRYL A. LAWRENCE
Consumer Advocate

OFFICE OF CONSUMER ADVOCATE
555 Walnut Street, 5th Floor, Forum Place
Harrisburg, Pennsylvania 17101-1923
(717) 783-5048
(800) 684-6560

@pa_oca
/pennoca
FAX (717) 783-7152
consumer@paoca.org
www.oca.pa.gov

October 23, 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, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations ; Docket Nos. P-2026-3062915, P-2026-3062916

Dear Secretary Homsher:

Pursuant to Ordering Paragraph Nos. 2 and 3 of the October 16, 2026 Interim Order Granting Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record, the Office of Consumer Advocate (OCA) submits the following for efiling:

1. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Public Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential, Redacted in Full), and a signed verification.
2. Direct Testimony of Brendan Larkin-Connolly (OCA Statement No. 2), Exhibit BLC-1, and a signed verification.
3. Joint Stipulation for the Admission of Testimony and Exhibits into the Evidentiary Record.
4. Interim Order Granting Joint Stipulation dated October 16, 2026

OCA is submitting the following Highly Confidential materials via SharePoint only:

1. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Highly Confidential Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential), and a signed verification.

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

Respectively,

*/s/ Joel H. Cheskis*
Joel H. Cheskis, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 81617
Email: JCheskis@paoca.org

Enclosures

cc: Administrative Law Judge Gail M. Chiodo (**email only:** gchiodo@pa.gov)
Administrative Law Judge 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, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : : : : : : : | Docket Nos. P-2026-3062915<br>P-2026-3062916 |

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 Testimony and Exhibits to be admitted into the Evidentiary Record, 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 23rd day of October 2026.

**Can receive Confidential and HIGHLY CONFIDENTIAL information - *****

SERVICE BY E-MAIL ONLY

Steven C. Gray, Esq. ***
Office of Small Business Advocate
Forum Place
555 Walnut Street, 1st Floor
Harrisburg, PA 17101
sgray@pa.gov
*Counsel for OSBA*

Whitney E. Snyder, Esq. ***
HMS Legal LLP
501 Corporate Circle, Suite 302
Harrisburg, PA 17110
wesnyder@hmslegal.com
*Counsel for Pike County Light & Power Company*

Allison Kaster, Esq.
Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120
akaster@pa.gov
*Counsel for I&E*

*/s/ Joel H. Cheskis*
Joel H. Cheskis, Esq.
Senior Assistant Consumer Advocate
PA Attorney I.D. # 81617
Email: JCheskis@paoca.org

Johnathan M. Longhurst, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 338157
Email: JLonghurst@paoca.org

Office of Consumer Advocate
555 Walnut Street
5th Floor, Forum Place
Harrisburg, PA 17101-1923
Phone: 717-783-5048
Fax: 717-783-7152

Crystal M. Zook, Esq.
Assistant Consumer Advocate
PA Attorney I.D. # 334159
Email: CZook@paoca.org
Email: OCAPIKEDSP2026@paoca.org

Dated: October 23, 2026

Counsel for:
Darryl A. Lawrence
Consumer Advocate

**OCA STATEMENT NO. 1**

**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---|
| **PETITION OF PIKE COUNTY LIGHT & POWER COMPANY FOR APPROVAL OF ITS DEFAULT SERVICE PLAN AND WAIVER OF COMMISSION REGULATIONS FOR THE PERIOD JUNE 1, 2024 THROUGH MAY 31, 2027** | ) ) ) ) ) ) | **DOCKET NO. P-2026-3062915** |

**DIRECT TESTIMONY**

**OF**

**SERHAN OGUR**

**ON BEHALF OF THE**

**PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE**

**PUBLIC VERSION**

**August 28, 2026**

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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# DIRECT TESTIMONY OF SERHAN OGUR

## I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Serhan Ogur. I am a Principal and Senior Economist at Exeter Associates, Inc. ("Exeter"). Our offices are located at 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland, 21044.

Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND.

A. I received a B.A. degree in Economics from Bogazici University (Istanbul, Turkey) in 1996 and a Ph.D. in Economics from Northwestern University (Evanston, IL) in 2007.

Q. WHAT IS YOUR PROFESSIONAL BACKGROUND?

A. I have 25 years of experience in the energy industry specializing in organized wholesale and retail electricity markets. My diverse background comprises energy management and consulting; analysis, design, and reporting of Regional Transmission Organization ("RTO") electricity markets and products; and state and federal regulation of electric utilities. I was employed as an Economic Analyst at the Illinois Commerce Commission ("ICC") between 2001 and 2005; a Senior Economist at PJM Interconnection, LLC ("PJM") between 2005 and 2014; and a Senior System Operator at Fellon-McCord & Associates, LLC ("Fellon-McCord") between 2014 and 2015. I came to Exeter as a Senior Analyst in 2015 and became a Principal of the firm in 2020. A detailed statement of my qualifications is included in Appendix A.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION ("COMMISSION")?

A. Yes. The list of the Commission proceedings in which I testified, all of which was on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"), is provided in Exhibit SO-1.

Q. ON WHOSE BEHALF ARE YOU OFFERING THIS TESTIMONY?

A. I am offering this testimony on behalf of the OCA. My testimony is intended to address the issues related to residential customers only. However, my recommendations incidentally may also impact commercial and lighting customers since Pike County Light and Power Company ("Pike" or "Company") procures default service supplies jointly for residential, commercial, and lighting customers.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony addresses certain elements of Pike's proposed Default Service Plan ("2027-2030 DSP") for providing default service to its residential, commercial, and lighting customers for the 36-month period from June 1, 2027 through May 31, 2030. The specific issues I address relate to the changes proposed by Pike to default service rate design; the Company's financial hedging strategy; Pike's plans to find a supplier to procure electricity for Pike's default service load; and the Company's new Electric Delivery Service Agreement with Orange and Rockland Utilities ("O&R").

Q. HOW IS THE REMAINDER OF YOUR TESTIMONY ORGANIZED?

A. Section I is an introduction. Section II presents a summary of the Company's proposed Plan as it affects the residential class. Section III, the final section of my Direct Testimony, provides my recommendations concerning the Company's proposed 2027-2030 DSP.

Q. ARE YOU RECOMMENDING CHANGES TO THE 2027-2030 DSP AS PROPOSED BY THE COMPANY?

A. Yes, I am. I recommend that Pike maintain its existing default service rate design but have the ability to adjust its default service rates outside of the usual parameters if under or over collection balances exceed a certain threshold in either direction. I also

recommend that Pike propose tariff changes to effectuate fair allocation of O&R electric delivery costs between default service customers and shopping customers.

## II. SUMMARY OF THE COMPANY'S PROPOSED DSP

Q. HAVE YOU REVIEWED THE COMPANY'S PETITION FOR APPROVAL ("PETITION") IN THIS PROCEEDING?

A. Yes, I have reviewed the Company's Petition for the 2027-2030 DSP. I have also reviewed the direct testimony and exhibits submitted by Pike in support of its Petition.

Q. HOW DOES THE COMPANY PROPOSE TO PROVIDE DEFAULT SERVICE TO RESIDENTIAL CUSTOMERS DURING THE JUNE 1, 2027 THROUGH MAY 31, 2030 PLAN PERIOD?

A. Pike proposes to purchase energy for residential (as well as commercial and lighting) default service customers on the New York Independent System Operator ("NYISO") spot energy market (day-ahead prices in NYISO Zone G).[1] The Company must also purchase, in addition to spot market energy, capacity and ancillary services from NYISO as well as the required Pennsylvania Alternative Energy Credits ("AECs") under bilateral arrangements to provide default service to its residential customers.[2] The Company also proposes to purchase financial hedges, in the form of fixed rate energy swaps, that would have the effect of fixing the spot market price for the period of time over which the hedge would be in effect for the portion of the supply that was hedged.[3]

[1] Petition, paragraph 4.
[2] Petition, paragraph 33.
[3] Pike Statement No. 1, p. 6, line 17 to p. 7, line 4.

Q. DOES PIKE HAVE ANY UNIQUE ATTRIBUTES WHICH WOULD AFFECT THE WAY THE COMPANY DESIGNS ITS DEFAULT SERVICE PLAN?

A. Yes. Pike has two attributes that make the Company unique among Pennsylvania electric distribution companies ("EDCs"). First, Pike is connected to the NYISO's control area whereas other Pennsylvania EDCs are connected to PJM's control area.[4] Second, Pike's distribution load is materially smaller than those of other Commission-jurisdictional Pennsylvania EDCs, with the exception of Citizens and Wellsboro.[5]

Q. PLEASE DEFINE A FIXED RATE ENERGY SWAP AND EXPLAIN HOW IT FUNCTIONS.

A. Under a fixed rate energy swap (also referred to in the industry as a fixed-for-floating swap, a contract for differences, or a financial energy block), the buyer (Pike in this case) would agree to pay or receive payment from the seller (Pike's counterparty in this case) the difference between the agreed upon hedge (fixed) price for the quantity hedged (buyer pays the fixed rate) and the hourly spot market price (seller pays spot market rate).[6] Executing financial hedge transactions, in the form of contracts for differences, converts portions of energy that would otherwise be purchased on the spot market to fixed rates for energy supplied to the default service customers,[7] which in turn reduces the exposure of default service rates to the volatile spot market, and increases rate stability and predictability for Pike's default service customers.

[4] Petition, paragraph 3.
[5] Petition, paragraph 3.
[6] Pike Statement No. 1, p. 7, lines 1-4.
[7] Petition, paragraph 27.

Q. ARE FIXED RATE ENERGY SWAPS STANDARD PRODUCTS IN WHOLESALE POWER MARKETS?

A. Yes. Fixed rate energy swaps, the vehicles which Pike is proposing to use for financial hedging, are standard products in organized exchanges (e.g., Intercontinental Exchange, New York Mercantile Exchange) as well as in the over-the-counter bilateral power trading market. Fixed rate energy swaps are used widely by electric utilities, wholesale and retail electricity suppliers, generators, and power traders across the country for hedging price risk.

Q. HOW DOES PIKE CURRENTLY ACCESS THE NYISO MARKET TO PROCURE ENERGY FOR ITS DEFAULT SERVICE CUSTOMERS?

A. Pike currently utilizes O&R to access the NYISO market to procure electricity for its default service customers.[8] In its Petition to Modify at Docket No. P-2023-3039927 (Pike's 2024-2027 DSP), the Company has explained that O&R is no longer willing to procure electricity on Pike's behalf, so Pike proposed to utilize a competitive solicitation process to find a supplier that will procure electricity for Pike's default supply in NYISO from August 31, 2026 through the end of 2024-2027 DSP (i.e., through May 31, 2027).[9] The Commission approved Pike's Petition to Modify on June 4, 2026.[10]

Q. HOW DOES PIKE PROPOSE TO ACCESS THE NYISO MARKET TO PROCURE ENERGY FOR ITS DEFAULT SERVICE CUSTOMERS?

A. Pike proposes three options. Under the first option, Pike would conduct another competitive solicitation to find a supplier that will procure electricity for Pike's default supply in NYISO starting on June 1, 2027. As part of the second option, upon becoming

[8] Pike Statement No. 2, p. 5, lines 2-3.
[9] Pike Statement No. 2, p. 5, lines 6-9.
[10] Docket No. P-2023-3039927, Order dated June 4, 2026.

a Load-Serving Entity ("LSE") in NYISO, Pike would purchase energy directly on the NYISO market instead of utilizing an electricity supplier. Under the third option, Pike would continue utilizing the same supplier chosen to procure energy for Pike's default supply for August 31, 2026-May 31, 2027 without conducting a competitive solicitation if certain conditions are met. The Company proposes to select one of these options at its sole discretion.[11]

Q. HOW DOES THE COMPANY CURRENTLY SET DEFAULT SERVICE RATES FOR RESIDENTIAL CUSTOMERS?

A. The Company currently develops a semiannual default service rate (for the upcoming six-month period), referred to as the Market Price of Electricity Supply ("MPES"), using a combination of the cost of the financial hedges it has entered into (for the hedged energy) and a forecast of the NYISO spot price and other supply costs that it believes will prevail over the upcoming six-month period (for the unhedged energy). Discrepancies between the incurred default service supply costs and the default service revenues that Pike receives (by customer class) are reconciled through the semiannually-adjusted Electric Supply Adjustment Charge ("ESAC"), which is capped at two cents per kilowatt-hour ("kWh").[12] In other words, if the Company's projections under- or over-estimate the actual cost of purchasing energy on the NYISO spot market (as well as capacity and ancillary services costs), the Company either collects or refunds the difference through the ESAC. The ESAC can be either positive or negative; that is, either a charge or a credit. The primary reason for a cost/revenue discrepancy is due to the differences between the Company's spot market price projections and realized spot market prices for the six-month period.

[11] Petition, paragraph 17.
[12] Petition, paragraphs 32-35; Pike Statement No. 2, p. 14, lines 9-16.

Q. HOW DOES PIKE PROPOSE TO SET DEFAULT SERVICE RATES FOR RESIDENTIAL CUSTOMERS FOR THE 2027-2030 DSP?

A. Pike witness Mr. Matthew Lenns states that Pike currently has a substantial under-collection of purchased electricity cost of approximately $1.8 million as of March 31, 2026, which corresponds to 11 percent of Pike's default service revenues in 2025. To address this issue going forward, the Company is proposing to change the rate design to facilitate more timely collection of default service costs. [13] For the 2027-2030 DSP, Pike proposes three changes to the mechanism by which it currently sets residential default service rates. First, Pike is proposing to change the frequency of adjusting the pricing and reconciliation of MPES and ESAC from every six months down to every three months. Second, Pike is proposing to increase the cap on the ESAC from its current level of two cents per kWh to five cents per kWh. Third, Pike is seeking the ability to adjust the Default Service rate on an interim basis if a material under or over collection is experienced. Alternatively, Pike wants to incorporate an agreed upon term or threshold for which the Company may adjust the default service charge (i.e., MPES and/or ESAC). [14]

Q. PLEASE DESCRIBE THE FINANCIAL HEDGING ARRANGEMENT BEING PROPOSED BY THE COMPANY.

A. The Company is proposing to **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** [15] This implies that **[BEGIN HIGHLY CONFIDENTIAL]** [redacted]

[13] Pike Statement No. 2, p. 15, line 13 to p. 16, line 2.
[14] Pike Statement No. 2, p. 16, line 12 to p. 17, line 4.
[15] Pike Highly Confidential Exhibit NPC-2, Section III.

[redacted] **[END HIGHLY CONFIDENTIAL]** of the default service load would continue to be priced based on the NYISO spot market prices.

Q. PLEASE EXPLAIN THE LADDERED APPROACH THAT PIKE IS PROPOSING.

A. Pike is proposing to **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Pike will seek to acquire **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Each financial hedge transaction will correspond to **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of the total hedge target and approximately **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of the default service load. Each hedge will be executed **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]**[16]

Q. WHAT ARE OTHER ISSUES ADDRESSED IN THE COMPANY'S PETITION?

A. Pike's Petition addresses three issues in addition to the ones I described above. First, Pike is seeking approval for a new Electric Delivery Service Agreement with O&R that would run through 2031.[17] Second, Pike is proposing changes to its Supplier Tariff that would overhaul and modernize this tariff that the Company says dates back to 1999.[18] Third, the Company is seeking approval to deploy advanced metering infrastructure ("AMI) and recover associated costs via a surcharge. OCA witness Mr. Brendan

[16] Id.
[17] Pike Statement No. 2, p. 5, lines 9-12.
[18] Pike Statement No. 2, p. 17, lines 7-12.

Larkin-Connolly addresses the Company's AMI deployment and surcharge proposals in OCA Statement No. 2.

## III. ISSUES AND RECOMMENDATIONS

Q. WHAT ISSUES DO YOU ADDRESS IN THE REMAINDER OF YOUR DIRECT TESTIMONY?

A. In this final section of my testimony, I address: (1) the changes proposed by Pike to the default service rate design; (2) the Company's financial hedging strategy; (3) the manner in which Pike proposes to access the NYISO market to purchase electricity for its default service loads; and (4) the Company's new Electric Delivery Service Agreement with O&R.

### A. Default Service Rate Design

Q. PLEASE SUMMARIZE PIKE'S PROPOSED CHANGES TO DEFAULT SERVICE RATE DESIGN.

A. As explained in Section II above, Pike is proposing to change the frequency of adjustments to the pricing and reconciliation of MPES and ESAC from every six months down to every three months; to increase the cap on the ESAC from its current level of two cents per kWh to five cents per kWh; and to adjust the Default Service rate on an interim basis if a material under or over collection is experienced. Alternatively, Pike seeks to incorporate an agreed upon term or threshold for which the Company may adjust the default service charge (i.e., MPES and/or ESAC). Pike Witness Mr. Lenns states that the Company needs these changes to ensure more timely recovery of default service costs. My understanding of Pike's position is that Pike is seeking one of the identified changes, or some combination thereof, but not necessarily all of these changes, as long as Pike is assured of more timely recovery of default service costs.

Q. WHAT IS THE SOURCE OF UNDER AND OVER COLLECTIONS OF DEFAULT SERVICE COSTS FOR THE COMPANY?

A. MPES is determined semiannually and it is derived from the Company's forecast of wholesale supply costs for the applicable six-month period. Wholesale supply costs include energy, capacity, ancillary services, and the cost to comply with Pennsylvania's Alternative Energy Portfolio Standard. When actual costs exceed (fall below) projected costs, the Company under (over) collects its costs because the rates are set based on projected costs. The primary driver for under or over collection of default service costs is the difference between the Company's projection of average energy price (i.e., locational marginal price, or "LMP") at the NYISO's Zone G (Hudson Valley Zone) pricing location and the actual average Day-ahead market Zone G LMP. Figure 1 depicts the actual average Zone G LMP by month as compared to Pike's forecasts thereof.

**Figure 1**

**[BEGIN HIGHLY CONFIDENTIAL]**



**[END HIGHLY CONFIDENTIAL]**

Q. WHAT ARE YOUR OBSERVATIONS FROM FIGURE 1 AS THEY RELATE TO PIKE'S DEFAULT SERVICE RATE DESIGN?

A. First, NYISO LMPs are very volatile, particularly in winter months (December, January, February), as NYISO hourly energy prices are highly dependent on temperatures and natural gas prices (which, in turn, are also highly dependent on temperatures, rising as temperatures fall in the winter).

Second, actual LMPs can and do differ significantly from Pike's forecasts. This does not necessarily reflect a flaw in Pike's forecasting, as Pike uses NYISO Zone G

forward prices prevailing at the time of its forecast, which can be considered the best indicator for future spot prices.

Third, the difference between actual LMPs and Pike's forecasts can be positive or negative for a given month or for a semiannual rate period. Statistically speaking, the differences should even out and average close to zero over time. However, if differences persist in the same direction for multiple seasons, as has been the case from December 2024 through February 2026 (spanning two winter seasons and a summer season), Pike can accumulate large under collection balances under its current default service rate design.

Fourth, differences between Pike's forecast of Zone G LMPs and realized LMPs contribute to Pike's reconciliation balances to the extent Pike is exposed to hourly Zone G LMPs. For example, if Pike were to hedge all of its default service load through fixed rate energy swaps, it would determine the MPES with perfect knowledge of energy prices, so actual LMPs would not have any impact on Pike's incurred purchased power costs. However, Pike hedges **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of its default service load on an annual basis, implying that **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of its energy costs are exposed to hourly Zone G LMPs. Further, Pike acquires **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]**, but its default service load is higher in the winter and summer months, so Pike is even more exposed to hourly Zone G LMPs in the volatile winter and summer months. For example, based on Pike's default service loads in the most recent 12 months, Pike's hedge coverage was **[BEGIN HIGHLY CONFIDENTIAL]** [redacted]

[redacted]

**[END HIGHLY CONFIDENTIAL]**

Q. BASED ON THESE OBSERVATIONS, WHAT IS YOUR RECOMEMNDATION CONCERNING PIKE'S PROPOSED CHANGES TO DEFAULT SERVICE RATE DESIGN?

A. I do not dispute that Pike should have a rate mechanism at its disposal when under or over collections exceed a certain threshold. However, I consider the current under collection balance to be a result of a confluence of pricing developments in the last 1.5 years that are unlikely to be repeated at the same frequency and magnitude. This reasoning is supported by the fact that the cap on Pike's ESAC became binding (i.e., was set at the cap of two cents per kWh) for the June 2026-November 2026 semiannual rate period for residential and general service customers for the first and only time since December 2021 (which was prior to Pike hedging a significant share of its default service energy costs). Therefore, a wholesale change in default service rate design is not warranted at this time. I recommend that Pike maintain its existing default service rate design (i.e., semiannual MPES and ESAC adjustments and a cap on the ESAC of two cents per kWh in either direction) but have the ability to adjust MPES and/or ESAC outside of the usual parameters if under or over collection balances exceed a certain threshold in either direction.

In my opinion, it would be appropriate for Pike to have the ability to temporarily adjust its standard default service rate design if the realized or projected under or over collections exceed 10 percent of projected default service revenues for the next 12 months. Once that one-time adjustment fully eliminates or significantly reduces the under or over collection balance, Pike would resume determining default service rates according to standard procedures. The interim adjustment to the rate

design can take the form of a mid-period rate adjustment, increasing the ESAC cap to five cents per kWh as Pike suggests for one (or multiple) rate period(s) until the excessive under or over collection is resolved, or some combination of both.

**B. Financial Hedging Strategy**

Q. PLEASE SUMMARIZE THE FINANCIAL HEDGING STRATEGY PROPOSED BY PIKE.

A. As explained in Section II above, Pike is proposing for the 2027-2030 DSP **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Pike will acquire **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** This will result in an eventual financial hedge of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Hedges for any given delivery period will have been acquired **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Each financial hedge transaction will correspond to **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of the total hedge target and approximately **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of the default service load. The targeted hedged (fixed price) position for the energy exposure of the default supply service at the start of plan year one will be **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of the projected default service load, **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** Each

hedge will be executed **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]**[19]

Q. DO YOU SUPPORT THE COMPANY'S PROPOSED FINANCIAL HEDGING PROPOSAL?

A. Yes.

Q. DID YOU EVALUATE OPPORTUNITIES TO PURCHASE ADDITIONAL FINANCIAL HEDGES FOR PIKE'S DEFAULT SERVICE LOAD?

A. Yes. As I explained in subsection A of this section above, while Pike hedges approximately **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** of its default service load on an annual basis, the current strategy of acquiring **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** results in lower hedge coverage and therefore larger exposure to NYISO hourly LMPs in the volatile winter and summer months because the Company's default service load is higher in the winter and summer months. For example, Pike's hedge coverage was **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** This creates an opportunity to supplement the existing hedges with winter (December-February) and summer (July-August) specific financial hedges to increase cost predictability for Pike and rate stability for its default service customers.

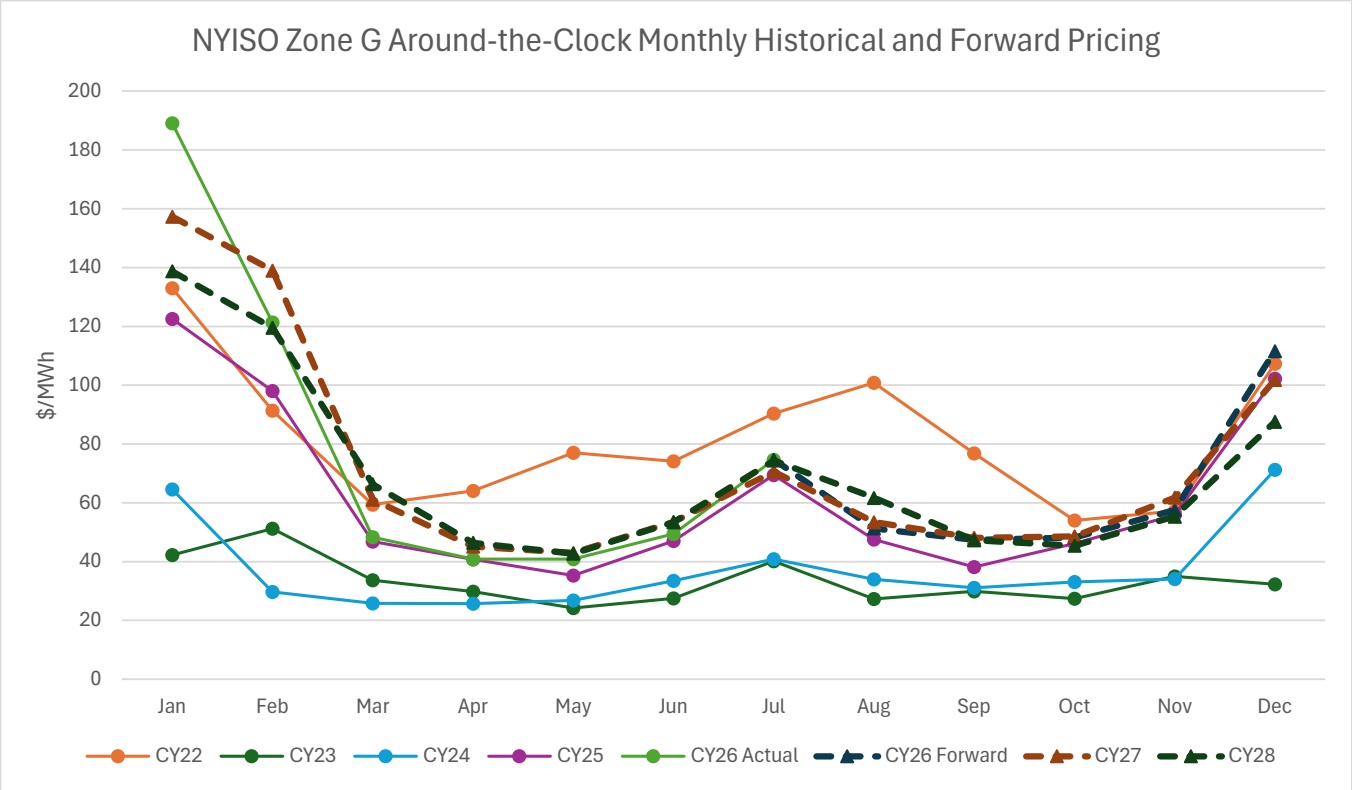
[19] Highly Confidential Exhibit NPC-2, Section III.

Q. DO YOU RECOMMEND ADDITIONAL HEDGES AT THIS TIME?

A. Not at this time. In Figure 2 I plotted historical (since January 2022) and forward (through December 2028) Zone G monthly ATC prices. Zone G prices were elevated in 2022 due to spiking natural gas prices in the opening months of the Russia-Ukraine conflict. LMPs were low in 2023 and in 2024 due to low natural gas prices and generally mild winter and summer weather conditions in New York. In 2025 and to date in 2026, summer LMPs were modestly elevated and winter LMPs were elevated, driven mostly by periods of very cold winter temperatures in the Northeast U.S. Zone G forward energy prices are also elevated for the rest of 2026 as well as for 2027 and 2028, particularly for winter months.

A comparison of current forward prices (dashed lines in Figure 2) with historical LMPs (solid lines in Figure 2) suggest that, for winter and summer months in particular, forward prices are at levels that reflect highest monthly average prices experienced in Zone G in the last few years. As such, forward prices seem to incorporate large risk premiums, potentially due to a recency effect. If actual prices would be at the forward price levels under cold winter and hot summer conditions, but they would be much lower than forward prices under mild weather conditions, affordability concerns from making additional seasonal financial hedge purchases would outweigh cost predictability and rate stability benefits of such additional financial hedge purchases. While I do not recommend additional hedges at this time, they should be reconsidered for the subsequent DSP if actual LMPs and forward prices shift materially, and/or if volatility in NYISO Zone G LMPs creates excessive cost unpredictability Pike or rate instability for Pike's default service customers.

**Figure 2**




**C. Access to NYISO and the new Electric Delivery Service Agreement with O&R**

Q. PLEASE SUMMARIZE THE CHANGES PROPOSED BY PIKE IN ITS METHOD OF ACCESSING THE NYISO MARKET FOR PURCHASING ENERGY FOR ITS DEFAULT SERVICE LOADS.

A. As explained in Section II above, Pike currently accesses the NYISO market to procure electricity for its default service customers through O&R serving as the LSE for Pike's default service customers. An LSE is an entity authorized by the NYISO to supply energy, capacity and/or ancillary services to retail customers, including an entity that takes service directly from the NYISO to supply its own load.[20] In its Petition to Modify at Docket No. P-2023-3039927 (Pike's 2024-2027 DSP), the Company has explained

[20] Pike Statement No. 2, p. 4, lines 18-21.

that O&R is no longer willing to procure electricity on Pike's behalf, so Pike proposed to utilize a competitive solicitation process to find a supplier that will procure electricity for Pike's default supply in NYISO from August 31, 2026 through the end of 2024-2027 DSP (i.e., through May 31, 2027).[21] The Commission approved Pike's Petition to Modify on June 4, 2026.[22]

For the 2027-2030 DSP, Pike proposes three options: Conducting another competitive solicitation to find a supplier that will procure electricity for Pike's default supply in NYISO starting on June 1, 2027 (Option A); purchasing energy directly on the NYISO market instead of utilizing an electricity supplier upon becoming an LSE in NYISO (Option B); and continuing to utilize the same supplier chosen to procure energy for Pike's default supply for August 31, 2026-May 31, 2027 without conducting a competitive solicitation if certain conditions are met (Option C). The Company proposes to select one of these options at its sole discretion.[23]

Q. WHICH OPTION DO YOU RECOMMEND THAT THE COMPANY SELECT?

A. I recommend that the Company select an option based on two criteria: (1) cost; and (2) job creation for the local area and building internal expertise. If the projected cost of contracting with a supplier to serve as the LSE for Pike's default service loads in NYISO is materially lower than the projected cost of Pike performing this function internally, then Pike should select Option A or Option C for affordability reasons. If the projected cost of Pike performing this function internally is approximately the same as or lower than the projected cost of contracting with a supplier for LSE services, then

[21] Pike Statement No. 2, p. 5, lines 6-9.
[22] Docket No. P-2023-3039927, Order dated June 4, 2026.
[23] Petition, paragraph 17.

Pike should select Option B. Option B would support the local area and economy with good-paying professional jobs while allowing the Company to build internal expertise.

Q. PLEASE EXPLAIN WHY PIKE IS SEEKING APPROVAL FOR A NEW ELECTRIC DELIVERY SERVICE AGREEMENT.

A. O&R operates transmission and distribution facilities that provide electric delivery service to Pike's franchised service territory. O&R currently provides electric delivery and electricity supply services to Pike pursuant to the Electric Supply Agreement. O&R notified Pike that O&R will not be providing electricity supply services to Pike after August 31, 2026. This change necessitates the termination of the Electric Supply Agreement. Since O&R's transmission and distribution facilities are the only way for Pike to access electricity supply, it is also necessary to put in place a new Electric Delivery Service Agreement.

Q. HOW DOES THE NEW ELECTRIC DELIVERY SERVICE AGREEMENT DIFFER FROM THE SOON-TO-BE-TERMINATED ELECTRIC SUPPLY AGREEMENT?

A. The new Electric Delivery Service Agreement differs from the Electric Supply Agreement in the structure and future determination of costs associated with O&R's provision of electric delivery service to Pike. Under the Electric Supply Agreement, delivery service charges were fixed in dollars per month, with an annual escalation factor. **[BEGIN HIGHLY CONFIDENTIAL]** [redacted]

[redacted] **[END HIGHLY CONFIDENTIAL]**[24]

Q. HOW DOES PIKE PROPOSE TO RECOVER O&R DELIVERY CHARGES FROM DEFAULT SERVICE AND SHOPPING CUSTOMERS?

A. While the Company's Petition did not address this issue, Pike provided its proposed approach in its discovery responses. Pike is proposing to **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]**[25]

Q. DO YOU CONCUR WITH PIKE'S PROPOSED APPROACH TO ALLOCATING O&R'S DELIVERY SERVICE CHARGES?

A. Yes, but subject to a review of the tariff changes that will effectuate the allocation proposed by Pike in its discovery responses. All distribution customers, shopping and default service customers alike, need the delivery service provided by O&R to Pike's service territory. Therefore, O&R delivery service costs should be borne by all customers. Allocating O&R delivery service costs only to default service customers would amount to the subsidization of shopping customers (or worse, their EGSs) by default service customers, which would not be just or reasonable.

[24] Pike's Highly Confidential response to OCA Set III, No. 2(c). See Highly Confidential Exhibit SO-2.
[25] Pike's Highly Confidential response to OCA Set III, No. 2(c)-(d). See Highly Confidential Exhibit SO-2.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

**EXHIBIT SO-1**

# SUMMARY OF QUALIFICATIONS

**for**

**SERHAN OGUR, Ph.D.**

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

**SERHAN OGUR, Ph.D.**

Dr. Ogur is a Principal of Exeter Associates, Inc. with 25 years of experience in the energy industry specializing in organized wholesale (Regional Transmission Organization / Independent System Operator) and retail electricity markets. Dr. Ogur's diverse background comprises energy management and consulting; analysis, design, and reporting of RTO electricity markets and products; and state and federal regulation of electric utilities.

Dr. Ogur's coursework in graduate school focused on Microeconomic Theory, Game Theory, and Industrial Organization. His doctoral dissertation investigates imperfect competition in deregulated wholesale electricity markets and oligopolistic competition between private and public generators.

## Education

Ph.D. (Economics), 2007
Northwestern University

B.A. (Economics), 1996
Bogazici University, Turkey

## Exeter Employment

| | |
|---|---|
| 2020-current | Principal and Vice President |
| 2015-2020 | Senior Economist |

## Previous Employment

| | |
|---|---|
| 2014-2015 | Senior System Operator<br>Fellon-McCord & Associates, LLC<br>Louisville, KY |
| 2005-2014 | Senior Economist<br>PJM Interconnection, LLC<br>Audubon, PA |
| 2001-2005 | Economic Analyst<br>Illinois Commerce Commission<br>Springfield, IL |

**Professional Experience**

Dr. Ogur's work at Exeter includes structuring and analysis of electricity supply contracts; utility rates and tariffs; energy markets and prices; power procurement; default electric service design; project evaluation; demand response opportunities; congestion hedging strategies; and price forecasting. He serves as the lead in wholesale power portfolio design, energy and capacity procurement, market analysis and forecasting, and risk management for the Northern California U.S. Department of Energy Labs' power consortium. He is a long-time electricity procurement consultant to the Defense Logistics Agency (DLA) Energy, advising and supporting DLA Energy's retail and wholesale, short-term and long-term, electricity supply procurement and contracting efforts for federal government sites across the country. Dr. Ogur supports state consumer advocate offices on design, procurement, and ratemaking issues in utility default service proceedings, and on consumer protection issues in public utility merger cases, by providing expert witness services.

Prior to joining Exeter, Dr. Ogur's responsibilities at Fellon-McCord encompassed overseeing and performing the daily tasks of the "24/7" wholesale electricity desk, including all aspects of scheduling, managing, and monitoring direct market participant load and generation assets (mostly in ISO/RTO markets) as well as their settlements and custom reporting. He was also in charge of developing strategies and making recommendations, through analytical, financial, and market research, for longer-term management of clients' load obligations and generation assets such as Auction Revenue Rights nominations; participation in energy, ancillary services, and capacity markets; load forecasting; energy, basis, and capacity price forecasting; hedging; and peak load management. Dr. Ogur also served as the company's lead analyst in various special consulting projects.

In PJM Interconnection's Market Strategy and Market Analysis departments, Dr. Ogur was responsible for analyzing and reporting on all PJM-administered electricity market products, including day-ahead and real-time energy, operating reserve, regulation, synchronized reserve, virtual transactions, financial transmission rights, capacity, demand response, energy efficiency, and renewables. He was part of the team that developed the protocols and business rules for participation of energy efficiency in PJM markets as well as a lead reviewer for energy efficiency plans and post-installation measurement and verification (M&V) reports for PJM's capacity market auctions. He also has training and experience in PJM's stakeholder management process.

Dr. Ogur's responsibilities at the Illinois Commerce Commission (ICC) included monitoring all Illinois-related developments under federal jurisdiction, mostly Federal Energy Regulatory Commission (FERC) filings and rulings concerning major Illinois electric public utilities. In addition, Dr. Ogur reviewed all actions concerning Illinois public utilities at the FERC level (applications to join RTOs, market-based rate authority filings, merger applications, transmission rate cases, etc.), and developed positions and official comments for the consideration of the ICC to file in the related FERC dockets. Dr. Ogur also filed written testimony and served as staff witness (including standing cross-examination) in the ICC dockets establishing auction-based competitive wholesale energy procurement mechanisms for major Illinois electric public utilities.

**Sample Major Publications and Reports**

- *New Hampshire Solicitation and Procurement of Default Energy Service*, prepared for the New Hampshire Department of Energy, March 2024 (with Matthew Hoyt, Olivia Kuykendall, Grace Koenig, and Cali Clark of Exeter Associates)

- *Review of the Non-Market-Based Services Riders Established by Ohio Edison Company, The Cleveland Electric Illuminating Company, and The Toledo Edison Company and Associated Pilot Program*, prepared for the Public Utilities Commission of Ohio in response to Case No. 22-391-EL-RDR, July 2023 (with Matthew Hoyt, Ari Weissfeld, and Cali Clark of Exeter Associates)

- *Retail Supply and Standard Offer Service Reform for Maine*, prepared for Maine Office of the Public Advocate, February 2023 (with Steven Estomin, Matthew Hoyt, Olivia Kuykendall, Afton Hauer, and Cali Clark of Exeter Associates)

**Expert Testimony**

- Before the Pennsylvania Public Utility Commission, Docket No. P-2026-3060298, FirstEnergy Pennsylvania Electric Company, 2026, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Federal Energy Regulatory Commission, Docket No. EC25-43, Constellation Energy Corporation, Constellation Energy Generation, and Calpine Corporation, 2025, on behalf of the Pennsylvania Office of Consumer Advocate. Affidavit addressed public utility merger and acquisition issues related to market concentration and horizontal market power.

- Before the Pennsylvania Public Utility Commission, Docket Nos. P-2024-3049357 and P-2024-3049357, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Affidavit addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3049343, UGI Utilities, Inc. – Electric Division, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3048592, Duquesne Light Company, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3047290, PPL Electric Utilities Corporation, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2024-3046008, PECO Energy Company, 2024, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2023-3039927, Pike County Light & Power Company, 2023, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket Nos. A-2023-3038771 *et al*, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, 2023, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed public utility merger and acquisition issues.

- Before the Pennsylvania Public Utility Commission, Docket Nos. P-2021-3030012, P-2021-3030013, P-2021-3030014 and P-2021-3030021, Metropolitan Edison Company, Pennsylvania Electric Company, Pennsylvania Power Company, and West Penn Power Company, 2022, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Ontario Superior Court of Justice, In the Matter of Just Energy Group Inc. et al, Court File No. CV-21-00658423-00CL, 2021, on behalf of the *Donin and Jordet* Plaintiffs. Testified on overcharges by a retail electric supplier in a class action suit with plaintiffs in 11 states in the U.S.

- Before the Pennsylvania Public Utility Commission, Docket Nos. A-2021-3025659 and A-2021-3025662, Pike County Light & Power Company and Leatherstocking Gas Company, LLC, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed public utility merger and acquisition issues.

- Before the U.S. District Court for the District of New Jersey, Civil Action No. 3:17-cv-02680-MAS- LHG, 2021, on behalf of Janet Rolland, et al. Testified on systematic overcharges by a retail electric supplier in a class action suit with plaintiffs in eight states.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3022988, Pike County Light & Power Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3019907, UGI Utilities, Inc. – Electric Division, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2020-3019522, Duquesne Light Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket Nos. P-2020-3019383 and P-2020-3019384, Citizens' Electric Company of Lewisburg, PA and Wellsboro Electric Company, 2020, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Pennsylvania Public Utility Commission, Docket No. P-2016-2534980, PECO Energy Company, 2016, on behalf of the Pennsylvania Office of Consumer Advocate. Testimony addressed default service issues.

- Before the Illinois Commerce Commission, Docket No. 05-0159, Commonwealth Edison Company, 2005, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed default service design and competitive procurement issues.

- Before the Illinois Commerce Commission, Docket Nos. 05-0160, 05-0161, and 05-0162 (Consolidated), Central Illinois Light Company d/b/a AmerenCILCO, 2005, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed default service design and competitive procurement issues.

- Before the Illinois Commerce Commission, Docket No. 02-0428, Central Illinois Light Company and Ameren Corporation, 2002, on behalf of the Staff of Illinois Commerce Commission. Testimony addressed competition issues in a utility merger case.

**EXHIBIT SO-2**

**Highly Confidential, Redacted in Full**

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

| | | |
|---|---|---|
| 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, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915<br>P-2026-3062916 |

VERIFICATION

I, Serhan Ogur, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 1, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. Section 4904 (relating to unsworn falsification to authorities).

DATED: August 28, 2026

Signature: */s/ Serhan Ogur*
Serhan Ogur

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway
Suite 300
Columbia, MD 21044

**BEFORE THE**

**PENNSYLVANIA PUBLIC UTILTY COMMISSION**

| | | |
|---|---|---|
| **Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period of June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations** | ) ) ) ) ) | **Docket Nos. P-2026-3062915 P-2026-3062916** |

# DIRECT TESTIMONY OF BRENDAN LARKIN-CONNOLLY

**SUBMITTED ON BEHALF OF THE**

**PENNSYLVANIA OFFICE OF CONSUMER ADVOCATE**

**August 28, 2026**

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

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# I. INTRODUCTION

**Q. PLEASE STATE YOUR NAME, POSITION, AND BUSINESS ADDRESS.**

A. My name is Brendan Larkin-Connolly. I am a Managing Consultant at Exeter Associates Inc. ("Exeter"). My business address is 10480 Little Patuxent Parkway, Suite 300, Columbia, Maryland 21044.

**Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND PROFESSIONAL QUALIFICATIONS.**

A. I graduated with a Bachelor of Arts in Economics from College of the Holy Cross in 2007, and I received a Master of Science in Resource Economics from the University of Massachusetts at Amherst in 2009. Upon graduation, I started as an analyst at DHInfrastructure, where I supported domestic and international projects related to water and energy sector regulation, privatization, renewable energy, and energy efficiency. I subsequently joined the Massachusetts Department of Public Utilities ("DPU") in 2011 as a rates analyst in the Rates and Revenue Requirement Division. Following two years at the DPU, I returned to DHInfrastructure in 2013 as a Manager and Director of Utility Regulation and Litigation, where I remained until joining Exeter in April 2025.

**Q. WHAT EXPERIENCE DO YOU HAVE IN THE AREA OF UTILITY RATE SETTING?**

A. As a rates analyst with the DPU, I provided analytical support on various issues, such as base rates, revenue allocation, decoupling, capital cost recovery trackers, and cost reconciliations in electric and gas proceedings.

In my consulting work, I have advised on utility ratemaking in both international and domestic contexts. Since 2016, I have provided expert witness

services to multiple consumer advocate agencies including: Connecticut Office of Consumer Counsel, Office of the Illinois Attorney General's Public Utilities Bureau, Maryland's Office of People's Counsel, Massachusetts Attorney General's Office of Ratepayer Advocacy, New Jersey's Rate Counsel, and Ohio's Office of Consumer Counsel. My expert advice to consumer advocates has addressed various topics related to utility regulation and policy including cost of service, customer cost allocation, affordability, rate design, capital spending, and capital investment prudence. In addition, I recently submitted testimony on capital investments, revenue requirements, and cost allocation in Oncor Electric's 2025 base rate case in Texas on behalf of the Department of Defense and Other Federal Agencies. I have also advised the District of Columbia Public Service Commission on two occasions in support of its review of requests from Washington Gas Light for approval of capital replacement plans.

At my previous employer, I worked on international utility regulation projects funded by multi-lateral and bilateral development agencies in Kyrgyzstan, Armenia, Mexico, Mongolia, Nauru, Palau, Rwanda, Sierra Leone, Timor-Leste, and Tanzania. Examples of this work include preparing a ten-year rate study for the Arusha Urban Water Supply and Sanitation Authority in Tanzania used by local authorities to develop plans for maintaining affordability during a period of high capital investment. In 2016 and 2021, I advised the Government of Nauru on options for reform of electric and water rates, offering advice on cost of service, rate design, and social protection mechanisms.

**Q. HAVE YOU PREPARED A SUMMARY OF YOUR QUALIFICATIONS AND EXPERIENCE?**

A. Yes. Exhibit BLC-1 is a summary of my qualifications and experience.

**Q. HAVE YOU PREVIOUSLY APPEARED BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION?**

A. Yes, I submitted testimony to Pennsylvania Public Utility Commission ("PUC" or "the Commission") on issues related to customer service and consumer protection in Peoples Natural Gas Company, LLC 2026 base rate case, Docket No. R-2026-3057164.

**Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE UTILITY REGULATORY COMMISSIONS IN OTHER STATES?**

A. I have submitted testimony in 43 utility regulatory proceedings in other jurisdictions, including proceedings before the Public Utility Regulatory Authority of Connecticut, Illinois Commerce Commission, Maryland Public Service Commission, Massachusetts DPU, North Carolina Utilities Commission, Public Utility Counsel of Ohio, and Texas Public Utility Commission. Exhibit BLC-1 provides a full summary of the proceedings and topics I have addressed in prior testimonies.

## II. SCOPE AND PURPOSE OF TESTIMONY

**Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

A. I am appearing on behalf of the Pennsylvania Office of Consumer Advocate ("OCA"). My testimony addresses Pike County Light & Power Company's ("Pike" or the "Company") request for approval of a surcharge to support deployment of advanced metering infrastructure ("AMI") over the next four years (i.e. Pike's "Smart Meter Plan").[1]

[1] Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations ("Petition") ¶¶ 48-64

**Q. WHY IS THE REQUEST BEING MADE IN A DSP PROCEEDING?**

A. When asked to explain why this AMI proposal is being made in a Default Service Plan ("DSP") filing, Pike responded that "the data customer meters impacts Pike's default procurement" and that AMI will provide access to hourly data which will benefit energy procurement of Pike, energy generation suppliers ("EGSs"), and customers.[2]

**Q. WHAT ARE YOUR FINDINGS AND RECOMMENDATIONS ON PIKE'S AMI PROPOSAL AND SURCHARGE REQUEST?**

A. I agree that Pike's meter reading platform does need to be replaced, but replacing it does not require full AMI. Pike chose AMI for one reason: hourly interval data. While I do not necessarily agree that full-scale AMI deployment was needed to achieve this goal because there are AMR meters that can produce hourly interval data and these would only need to be installed for customers who require this information.

Setting aside the question on the decision to pursue AMI, I do not think advanced cost recovery through a tracker mechanism is warranted. I recommend that the Commission reject the proposed Section 1307 surcharge and direct Pike to seek recovery of AMI costs in its next base rate case. Legal precedent in Pennsylvania has established that a Section 1307(a) surcharge is appropriate when a statute explicitly allows for its creation or for recovery of specific identifiable costs that our of a utility's control. The proposed mechanism here fits neither circumstance. Recovery in a base rate case will also let the Commission evaluate the results of the AMI deployment in order to consider whether costs were prudently incurred and whether customers receive the incremental benefits of AMI over other lower cost alternatives.

[2] Pike response to OCA 1-2.

**Q. HOW IS YOUR TESTIMONY ORGANIZED?**

A. Next, in Section III, I address my review and conclusions related to Pike's AMI deployment and Smart Meter Plan. Then, Section IV addresses the request for a Smart Meter Cost Recovery Rider. Finally, Section V presents my conclusion.

## III. AMI DEPLOYMENT / SMART METER PLAN

**Q. WHAT IS AMI?**

A. AMI is a system of digital meters and communications networks that allows a utility to automatically collect detailed, time-based usage information and communicate with meters remotely.[3] Unlike Automated Meter Reading ("AMR"), which is generally designed to automate the collection of meter readings for billing and typically provides limited or one-way communication[4], AMI supports two-way communication and more frequent collection of usage data.[5] This allows utilities to perform functions such as remote meter reads, outage detection, and other operational activities without visiting the customer's premises.

**Q. HOW ARE SMART METERS RELATED TO AMI?**

A. Smart meters are the primary customer component of AMI. The smart meter is the device located at the customer's premises that measures and records electricity usage and communicates electronically with the utility. AMI refers to the broader system that supports that communication, including the smart meters themselves, communications networks, and data management systems.

[3] U.S. Energy Information Administration (EIA). "Glossary." <www.eia.gov/tools/glossary/index.php>
[4] *Id*.
[5] EIA. "Nearly half of all U.S. electricity customers have smart meters." EIA Today in Energy Blog Post. 6 December 2017. < https://www.eia.gov/todayinenergy/detail.php?id=34012>

**Q. WHAT ARE PIKE'S AMI PLANS?**

A. Pike proposes to replace its existing meter reading infrastructure with the Tesco AMI platform and to deploy smart meters throughout its Pennsylvania service territory.[6] Pike anticipates completing implementation over an estimated four-year period[7], though the Smart Meter Plan describes a range of deployment "over the next three to five years."[8] Deployment was expected to begin in the summer of 2026.[9]

**Q. WHAT ARE THE COST OF THESE PLANS?**

A. Pike estimates the total cash cost of the AMI program at $1,820,419 over the 2027-2030 deployment period.[10] This amount includes $1,638,749 in capital costs for smart meters and AMI system installation and $181,670 in operation expenses, such as reoccurring software costs, to be incurred in 2027, 2028, and 2030.[11]

**Q. HAS PIKE PREVIOUSLY IDENTIFIED THESE AMI PLANS IN ANY OTHER PROCEEDINGS?**

A. Yes. Pike discussed AMI deployment in its most recent base rate case at Docket No. R-2024-3052359.[12] That proceeding resolved through a black box settlement among Pike, OCA, and I&E.[13] The Joint Petitioners identified as one public interest benefit of the Settlement that it "allows for implementation of smart-meters with tariff provisions allowing customers flexibility on placement of meters while keeping cost causation with customers requesting special treatment regarding smart meters."[14]

[6] Petition ¶ 58; Pike St. No. 2 at 21:16-19
[7] Petition ¶ 56
[8] Pike Ex. ML-8, § II
[9] Pike Ex. ML-8, § II
[10] Pike Ex. ML-4, Ex. 4 Summary
[11] Pike Ex. ML-4, Ex. 4 p. 2
[12] Petition ¶ 16; Pike St. No. 2 at 21:14-19.
[13] Joint Petition for Non-Unanimous Full Settlement, Docket No. R-2024-3052359, ¶ 2 (filed June 9, 2025) ("Docket No. R-2024-3052359 Settlement")
[14] *Id*. at 1-2.

**Q. WHY IS PIKE PROPOSING THIS AMI PROJECT?**

A. Pike currently reads meters using Itron FC300 handheld devices operating with MV-RS PC-based meter reading software, in service since 2017.[15] Pike states that vendor support for the MV-RS software ended December 31, 2021, that replacement components for the FC300 handhelds are no longer available, and that the system runs on an outdated Windows platform presenting operational and cybersecurity risks.[16] Pike proposes the Tesco AMI platform as the replacement that will automate meter data collection and eliminate reliance on the unsupported handheld platform.[17]

**Q. WERE THERE OTHER OPTIONS AVAILABLE TO PIKE TO ADDRESS THE IMMEDIATE CONCERN RELATED TO THE OBSOLETE METER READING DEVICES?**

A. Yes. In discovery Pike confirmed that newer handheld AMR systems are compatible with its existing metering infrastructure, and that newer handheld systems can be used with Temetra, Itron's replacement for MV-RS.[18] Pike further confirmed that Temetra was initially an option it considered for replacing MV-RS. According to estimates included in a document outlining Pike's consideration of AMI versus AMR, the Temetra AMR rollout with all needed meters was quoted at $472,807.99, with an annual software and support fee of $10,450, compared with $1,190,000 to $1,240,000 for full Nighthawk AMI and annual fees of $39,500 to $42,000.[19]

The record therefore indicates that replacing the obsolete handheld system does not by itself require full AMI deployment. A supported, drive-by AMR platform was

[15] Petition ¶ 57
[16] *Id*.
[17] Petition ¶¶ 58-61
[18] Pike Response to OCA-I-9.
[19] Pike Response to OCA-I-1, Attachment at 9.

available at roughly 40 percent of the AMI capital cost and roughly a quarter of the annual software cost.

**Q. WHAT IS PIKE'S JUSTIFICATION FOR PURSUING AMI OVER THESE ALTERNATIVES?**

A. Pike is explicit that hourly data was the deciding factor in its decision to pursue AMI over AMR. When asked why it did not simply upgrade the handhelds and software, Pike answered that Temetra "cannot provide hourly customer usage data" and that "[t]he need for hourly customer usage data is what drove the decision to deploy AMI instead of AMR."[20] Pike elaborated on this decision to pursue AMI over AMR in response to OCA I-1, stating, "AMI presents greater benefits and cost savings over AMR, and AMI provides for the collection of hourly data, which will support Pike's initiative to serve its own default supply load and provide data that EGSs seek and that will benefit customers."[21] In other words, Pike says it needs hourly readings to engage more efficiently with potential suppliers for its default load and with the NYISO, and EGSs have requested hourly readings Pike cannot currently provide.[22]

**Q. DOES PRODUCTION OF HOURLY DATA REQUIRE AMI?**

A. No. This is important to recognize because Pike's statements on this topic are misleading. Pike contends that AMR is not an adequate substitute for AMI because "AMR does not provide hourly customer usage data."[23] I assume what the Company means here is that its current AMR system and the specific AMR alternatives it considered would not produce hourly data. However, AMR does not inherently preclude the production and collection of hourly interval data. Commercially available

[20] Pike Response to OCA-I-9(c).
[21] *Id*.
[22] Pike Response to OCA-I-8(a).
[23] Pike response to OCA I-8(a)

AMR systems can record hourly or shorter interval usage at the meter and retrieve that historical interval data during periodic walk-by or drive-by collection.

In fact, variants of models of some of the meters currently installed on Pike's system have the capability to measure and store consumption data in 60-minute intervals. For example, Pike has over 1,000 meters in Itron's CENTRON family of meters currently in use.[24] Within the multiple variants of CENTRON models, the C1SL model is an example of an AMR-meter capable of storing load profile data in intervals anywhere between one to sixty minutes.[25]

Inevitably the difference between AMI and AMR is not necessarily whether hourly data can be produced, but the frequency at which hourly data is collected and made available. Under an AMR system, for example, hourly interval data could be stored in the meter and collected during a periodic drive-by or handheld meter read. Such data would not be available to Pike on a near-real-time basis, as it generally would under AMI, but Pike would nevertheless obtain the customer's historical hourly usage profile. Accordingly, the fact that Pike or an EGS may require hourly usage data does not, by itself, establish that a full-scale AMI system is necessary.

**Q. WOULD PRODUCTION OF HOURLY DATA OVER AMR REQUIRE DEPLOYMENT OF INTERNVAL CAPABLE METERS FOR ALL CUSTOMERS?**

A. Not necessarily. If the intended goal is to make hourly data available to those customers who require it this could be done on an individual basis without having to install new meters for every customer. Individual customers or their EGSs can install smart or advanced meters in order to produce hourly data. This option is already an option under

[24] Pike's response to OCA 1-9. The CENTRON meters include entries with the following model codes: C1SR, C1SD, C1SE, C1SRE, C1SRHP, CN1SR.
[25] Itron. "CENTRON® C12.19, C1SD, C1ST, C1SL." Marketing brochure. <https://na.itron.com/o/commerce-media/accounts/-1/attachments/3803857>

Pike's current retail electric tariff. Rule 10.4 (Meter Reading) of Pike's tariff states, "A customer or Electric Generation Supplier, with the consent of the customer, may request to have a qualified advanced meter installed and have meter reading service provided by the Company." Then, according to Rule 10.3(c), Pike will offer and support installation of qualified meters at the expense of the customer.

The current limiting factor for hourly data collection is possibly the antiquated MV-RS software used to manage meter reading data. While Pike's current MV-RS software might not be able to handle collection of hourly data, the Temetra software that would have been installed under the AMR alternative scenario considered by Pike is capable of collecting and managing hourly interval data.[26]

**Q. ARE THERE ANY EXAMPLES OF EDCS IN PENNSYLVANIA PROVIDING HOURLY DATA SYSTEM DATA WITHOUT AMI?**

A. Yes. Citizens' Electric Company of Lewisburg ("Citizens") provides one example. According to Citizens website, it operates an AMR system that electronically collects meter data through a communications interface over the Company's electric distribution lines, and this system reports both hourly consumption and meter-voltage data.[27]

More importantly regarding access to hourly data, Citizens' August 2023 Electric Generation Supplier Coordination Standard Operating Procedures ("EGS Coordination SOP") expressly state that Citizens "has hourly interval meters for all of its customers."[28] The SOP explains that individual customer hourly load data are

[26] Itron. "Temetra: Transforming Utility Data Collection and Management." Itron marketing brochure. <https://na.itron.com/o/commerce-media/accounts/-1/attachments/8138764>
[27] Citizens' Electric Company of Lewisburg. "About us." Accessed on 27 August 2026. <https://citizenselectric.com/about-us/> The
[28] Citizens' Electric Company of Lewisburg. Electric Generation Supplier Coordination Standard Operation Procedure ("SOP"). 1 August 2023. < https://citizenselectric.com/wp-content/uploads/2024/05/SOP_202300801-No-Riders.pdf>

available to customers through Citizens' customer-account access system and that an EGS may obtain access to that information with the individual customer's consent.

**Q. ARE THERE ANY ONGOING DISPUTES BETWEEN PIKE AND AN EGS THAT MIGHT BE RELEVANT TO PIKE'S EXISTING METERING SYSTEM?**

A. Yes, although I would characterize the dispute as involving both the availability of customer data and Pike's ability and obligation to provide that data to an EGS. Inova Energy, LLC ("Inova"), an EGS serving Pike's service territory, has filed a complaint alleging that Pike failed to provide information necessary for Inova to provide competitive electric generation service.[29] The dispute was initially raised in federal court, where the court stayed the proceeding and referred the underlying regulatory issues to the Commission.[30] The matter is currently pending before the Commission at Docket No. C-2026-3060035.

Based on my review of the publicly available filings, I understand this dispute is likely related to Pike's statement that EGSs have requested hourly meter data. Inova's filings identify several categories of information at issue, including Purchase of Receivables ("POR") information, Peak Load Contribution ("PLC") data, customer-specific capacity information or "cap tags," NYISO and hourly metering information, and monthly consumption, account, and other customer information. Inova alleges that Pike has not provided all of the information reasonably necessary for it to perform its functions as an EGS.[31]

[29] *Inova Energy LLC v. Corning Energy Corp.*, Docket No. C-2026-3060035, Complainant's Reply to New Matter Pursuant to 52 Pa. Code § 5.63 (Mar. 9, 2026) ("*Inova Reply to New Matter*")
[30] *Inova Energy, LLC v. Pike County Light & Power Co.*, No. 3:25-CV-00817, slip op. at 1 (M.D. Pa. Dec. 22, 2025) (Mannion, J.).
[31] *Inova Reply to New Matter* ¶ 5.

**Q. DOES THIS COMPLAINT FROM INOVA ENERGY SUPPORT PIKES' DECISION TO PURSUE AMI OVER AMR?**

A. The Inova complaint supports the need to solve a data problem; it does not necessarily establish that AMI is the least-cost or reasonable solution to that problem. My understanding is the issue here is more about data access and Pike's obligation to provide the data. While I am not fully aware of the specifics surrounding the circumstances or the deviation between the data provided by Pike and what Inova Energy requested, from the types of data listed in the complaint I expect that like Citizens, Pike could make hourly data available without a full-scale AMI deployment.

**Q. DO YOU AGREE WITH PIKE'S DECISION TO PURSUE AMI DEPLOYMENT OVER LOWER COST ALTERNATIVES?**

A. No. As I have discussed, hourly data could be produced from a lower cost AMR alternative. I doubt that for residential customers the rate increase required to fund AMI deployment is justified by the incremental cost savings and am skeptical that any other incremental benefits they will receive will make up for the difference.

**Q. CAN YOU ELABORATE ON YOUR DOUBTS ABOUT THE POTENTIAL COST SAVINGS?**

A. The primary cost savings from AMI deployment identified by Pike are avoided meter reading costs. When asked to identify the meter reading costs to be avoided the Company identified staff payroll, vehicle fuel, vehicle depreciation, and blanket[32] meter work order expenses as costs that will be avoided with the deployment of AMI.[33] There are a couple reasons that these potential cost savings lead me to doubt that the incremental cost savings from AMI are sufficient enough to justify the incremental

[32] In the attachment to OCA I-7, Pike defines blanket work order expenses as contractor costs for meter testing, software updates, any meter replacements and other field related costs." The Company further explains that "blanket meter costs […] can go to either capital or expense."
[33] Pike response to OCA I-7.

costs in AMI over AMR. First, as I show in Table 1 below, if we just take the maximum of these costs over the past three years as the best case scenario in savings this amounts to just $50,195. For context, this amount does not even cover the $68,000 difference in annual depreciation expenses between the current meter costs and the AMR alternative.[34] Another issue I have with the set of avoided costs is that while I agree that there will be some cost savings only the fuel cost savings would truly be avoided. The staff who conduct the meter readings are full-time employees who would still be retained[35] and the vehicles used for meter reading are not dedicated for meter reading only.[36] In other words, the employee expenses and depreciation which are currently assigned to meter reading will not be avoided but simply reallocated to other functions.

**Table 1: Potential Avoided Meter Reading Costs (Pike response to OCA IV-4)**

| *Meter Reading Costs* | 2023-2025 Maximum | Maximum Potential Savings for Customers |
|---|---|---|
| *Staff Meter Reading Payroll* | $21,597 | $0 |
| *Fuel for Vehicles* | 1,690 | 1,690 |
| *Vehicle Depreciation* | 2,047 | 0 |
| *Blanket Meter Costs* | 24,861 | 24,861 |
| ***Total*** | **50,195** | **26,551** |

**Q. WHY ARE YOU SKEPTICAL OF THE CUSTOMER BENEFITS OF AMI?**

A. My skepticism is rooted in the track record of AMI since the initial deployments. The push toward smart meters and AMI has been underway for close to twenty years, accelerating sharply through the Smart Grid Investment Grant ("SGIG") program

[34] $91,641 annual AMI meter depreciation = $1,374,615 in updated meter costs (Attachment to Pike response to OCA IV-5) / 15 years. $23,640 annual AMR scenario depreciation = $472,807.99 / 20 years. $91,641 - $23,640 = $68,000. Note that the depreciation rate for AMI meters is based on a service life of 15 years as compared to the 20-year depreciation rate for current meters, including the currently installed AMR meters (Pike response to OCA IV-4).
[35] Pike response to OCA IV-1
[36] Attachment to OCA I-7.

funded by the American Recovery and Reinvestment Act of 2009 ("ARRA"). Department of Energy (DOE), and the electric industry jointly invested $7.9 billion in 99 cost-shared projects, of which $4.44 billion went to AMI.[37] At this time the value proposition extended well beyond automated meter reading to reliability improvements, operating cost savings, and customer-facing benefits from granular usage information, time-based rates, and demand response.[38] In my view, the evidence of customer benefits has been limited and the transformational change in how customer's make energy choices has not materialized to the degree expected.

This is evident in the initial rollouts supported by the ARRA. The DOE's final report on the SGIG program documented operational benefits. For example, AMI services eliminated truck rolls and service appointments, saving approximately $316 million in labor and other costs across 19 utilities over three years. However, the customer-facing results were uneven. Many SGIG projects implemented some but not all of the capabilities the new devices made available, planning to activate more functions later.[39] DOE's own forward-looking assessment leads with the observation that "[m]any utilities have untapped opportunities to maximize the capabilities of new smart grid technologies," noting that many installed smart meters but had not used embedded capabilities.[40] Where time-based rates were offered, participation was the binding constraint: opt-in enrollment averaged 15 percent, against 93 percent under opt-out.[41]

[37] U.S. Department of Energy, Office of Electricity Delivery & Energy Reliability, Smart Grid Investment Grant Program Final Report (Dec. 2016) ("SGIG Final Report") at 5, 41
[38] *Id.* at 5.
[39] SGIG Final Report at 8.
[40] Id. at 13.
[41] Id. at 45.

**Q. HOW SHOULD THE PUC TREAT THE AMI PROPOSAL?**

A. As I explain in the next section, I recommend that the request for a tracker mechanism be denied. If the Commission agrees, there is no need for it to make any pre-judgment on the prudence of the planned AMI expenditures in this proceeding; those costs would be reviewed in Pike's next base rate case, when actual spending is known.

**Q. YOU SEEM DUBIOUS ABOUT PIKE'S DECISION TO PURSUE AMI. WHAT WILL PIKE NEED TO DEMONSTRATE TO SUPPORT RECOVERY OF AMI INVESTMENTS IN FUTURE BASE RATE PROCEEDINGS?**

A. As with recovery of any capital cost, in addition to a demonstration that the investment decision was prudent and reasonable, two showings will be required. First, Pike will need to support a case that the costs were prudently incurred. This includes explanation for any material deviation from the budget presented here. Projects of this kind frequently exceed budget, and Pike's own estimate has already grown from $1,190,000-$1,240,000 to $1,820,419.[42]

Second, Pike will need to demonstrate that customers are receiving the incremental benefits of AMI over the lower cost AMR alternative that was available to it. Pike chose to spend roughly $1.8 million on a system whose AMR equivalent was quoted at under $500,000. The difference is justified only if the capabilities unique to AMI are actually delivered to customers. If they are not, the incremental investment is not used and useful in the provision of service, and recovery of the full amount should not be assumed.

[42] Pike Response to OCA-I-1, Attach., Cost Comparison slide; Pike Ex. ML-4, Ex. 4 Summary.

**Q. CAN YOU ELABORATE ON YOUR CONCERNS ABOUT PROJECT COST OVERRUNS?**

A. AMI deployment is not only an infrastructure program. It is an information technology ("IT") and communications project, involving a cloud-based platform, integration with Pike's customer information system, billing system integration, and a vendor-hosted head end.[43] IT projects carry a distinct cost risk profile, and the integration work in particular has the potential to push costs well beyond initial budgets.

DOE identified this as the central cost lesson from the SGIG AMI projects: "In many cases, solutions for integrating meter data with other systems and functions required additional development to provide software fixes after the fact, which often resulted in unexpected costs and schedule delays. The majority of projects reported that this was one of the most important lessons learned about investments in AMI and customer systems."[44] DOE further found that integration of new and legacy systems was a consistent challenge for virtually all of the utilities, and that it proved one of the most significant challenges for those deploying smart grid for the first time.[45]

The work of Bent Flyvbjerg, a researcher at the University of Oxford's Saïd Business School, is particularly instructive on the propensity for IT projects to go over budget. In his 2023 book *How Big Things Get Done*, Flyvbjerg analyzes a database of over 16,000 projects across 20 fields and finds that IT projects have the highest tendency of any project category to go over budget.[46] The underlying peer-reviewed study examined 5,392 IT projects completed between 2002 and 2014 with a combined

[43] Petition ¶¶ 58-61; Pike Ex. ML-4, Ex. 4 p. 2; Pike Response to OCA-I-4.
[44] SGIG Final Report at 55.
[45] *Id*. at 13, 54.
[46] Bent Flyvbjerg & Dan Gardner, *How Big Things Get Done: The Surprising Factors That Determine the Fate of Every Project, from Home Renovations to Space Exploration and Everything In Between* (Currency 2023).

value of $56.5 billion in 2015 dollars.[47] The average IT project cost 80 percent more than estimated, and roughly a quarter of projects cost more than double their estimates.[48]

**Q. WHY MIGHT THE AMI INVESTMENTS NOT BE ENTIRELY USED AND USEFUL?**

A. Because the capabilities that justify AMI's premium over AMR are not currently being delivered to customers, and Pike has no plan to deliver them.

Pike's justification for AMI over AMR is hourly interval data.[49] But the Smart Meter Plan states that Tesco AMI supports customer access to usage data only if a Customer Engagement Portal ("CEP") is implemented and integrated, that Pike's existing online payment portal has no such capability, and that direct customer self-service access to hourly and interval consumption requires a CEP.[50] Pike estimates a CEP would cost $140,000 to implement plus $20,000 in annual licensing, states that it "does not believe a CEP is an appropriate expense for customers to incur at this time," and offers to add one only if the Commission requires it and only if the cost is fully recoverable through the surcharge.[51]

The same gap exists on rates. Pike acknowledges that Time of Use ("TOU") rates are not in its tariff and describes the system only as capable of supporting TOU billing determinants "if and when TOU rates are adopted."[52] Pike has proposed no TOU rate in this proceeding.

[47] Bent Flyvbjerg, Alexander Budzier, Jong Seok Lee, Mark Keil, Daniel Lunn & Dirk W. Bester, "The Empirical Reality of IT Project Cost Overruns: Discovering A Power-Law Distribution," *Journal of Management Information Systems*, 39:3, 607-639 (2022).
[48] *Id*.
[49] Pike Response to OCA-I-9(c)
[50] Pike Ex. ML-8, § I.C.1-2.
[51] *Id*. § I.C.1.
[52] *Id*. § I.D.

The result is that customers would fund a $1.8 million system, chosen over a sub-$500,000 alternative because it collects hourly data, while having no means of seeing that data and no rate that lets them act on it. The near-term beneficiaries of the hourly data are Pike, for supply procurement, and EGSs, which have requested it.[53] When Pike seeks recovery of these costs, it should be prepared to demonstrate what benefits customers themselves are receiving.

## IV. SMART METER COST RECOVERY RIDER

**Q. WHAT IS A TRACKER MECHANISM?**

A. A tracker — also called a rider or surcharge — is a rate mechanism that allows a utility to recover a specific cost or category of costs between general base rate proceedings. Costs are tracked as incurred, billed through a separate charge, and periodically reconciled against actual revenues so that the utility collects neither more nor less than the tracked costs. In Pennsylvania, Section 1307(a) of the Public Utility Code permits a public utility, with Commission approval, to establish a sliding scale of rates or other automatic adjustment mechanism, provided the resulting rates are just and reasonable (66 Pa. C.S. § 1307(a)).

**Q. HOW IS PIKE'S SMART METER TRACKER MECHANISM STRUCTURED?**

A. Pike proposes a non-by-passable Section 1307 surcharge applicable to all distribution customers, whether they take default service from Pike or generation from an EGS.[54] Pike witness Mr. Lenns describes the rider as designed to recover "on a full and current

[53] Pike Response to OCA-I-8(a); Pike Response to OCA-I-2.
[54] Pike St. No. 2 at 26:11-13

basis" all of Pike's incremental costs to provide, operate, and maintain smart meter technology,[55] with those costs rolled into base rates once deployment is complete.[56]

The revenue requirement consists of O&M expense, depreciation, return on rate base at Pike's weighted average cost of capital, state tax depreciation, and a gross receipts tax gross-up.[57] Pike Exhibit ML-4 computes the revenue requirement, allocates it between Residential SC1 and Commercial SC2, and divides by projected customer counts of 4,355 residential and 937 commercial.[58] The resulting initial charge is $4.5218 per customer per month, identical for both classes.[59]

**Q. HOW WOULD THE RECONCILLIATION WORK?**

A. On or about March 1 each year, Pike would submit a reconciliation filing under Section 1307(e) covering the twelve months ending December 31. Revenue billed under the Smart Meter Charge ("SMC") in each quarter would be compared to the actual revenue requirement for that quarter, and any over- or under-collection would be refunded or recouped, with interest, over a one-year period beginning January 1 of the following year.[60]

**Q. WHEN WOULD THE INITIAL COSTS THAT WILL BE RECOVERED THROUGH THE SURCHARGE BE INCURRED?**

A. Many costs appear to have already been incurred. Pike completed vendor negotiations and purchased a portion of its meters before the Petition was filed, installed 38 residential and 3 commercial meters for system testing before the filing date, and installed 17 additional residential meters in July 2026.[61]

[55] Pike St. No. 2 at 26:14-16
[56] Pike St. No. 2 at 23:20-22
[57] Pike St. No. 2 at 25:1-4
[58] Pike Ex. ML-4, Ex. 4 pp. 5a-5b, 5d
[59] Pike Ex. ML-4, Ex. 4 p. 5a
[60] Pike Ex. ML-6, Rider C, Original Leaf No. 83H.
[61] Pike Response to OCA-I-18.

Pike proposes to recover this pre-implementation spending through the surcharge. The Rider states that the initial charge "will include a one-year amortization of deferred costs incurred prior to implementation of the Charge."[62] That sentence is the only place in the filing where the deferral appears. Neither Mr. Lenns's testimony nor the Smart Meter Plan mentions it.

**Q. WHAT IS THE BASIS OF PIKE'S TRACKER MECHANISM REQUEST?**

A. Pike positions its request around Section 2807(f), which was added to the Public Utility Code by Act 129 of 2008.[63] That provision requires each EDC with at least 100,000 customers to file a smart meter technology procurement and installation plan for Commission approval, and entitles a covered EDC to full and current recovery of reasonable and prudent smart meter costs, net of operational and capital benefits, either through base rates or through a reconcilable Section 1307 surcharge.[64]

Pike serves approximately 5,379 electric customers and is not subject to those requirements.[65] It has never been required to file, and has never filed, a smart meter plan under Section 2807(f).[66] Pike accordingly characterizes Act 129 and the Commission's Smart Meter Implementation Order as guidance rather than mandate.[67]

All seven EDCs that were covered by Act 129 filed smart meter plans and adopted smart meter cost recovery riders in 2009.[68] Based on my review of the

[62] Pike Ex. ML-6, Rider C, Original Leaf No. 83G.
[63] Petition ¶¶ 48-50.
[64] 66 Pa. C.S. § 2807(f); Petition ¶¶ 49-50; Pike St. No. 2 at 23:3-9.
[65] Petition ¶ 10
[66] Petition ¶ 51
[67] Petition ¶ 54
[68] The Commission approved PECO's AMI plan and its Smart Meter Cost Recovery Surcharge was authorized on May 6, 2010 in Docket No. M-2009-2123944. Duquesne Light's AMI plan and Smart Meter Charge was approved on May 11, 2010 in Docket No. M-2009-2123948. PPL's AMI plan and its Smart Meter Technologies Charge Rider was authorized on June 24, 2010 in Docket No. M-2009-2123945. The AMI plans and Smart Meter Technologies Charge Riders for the Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Penelc"), and Pennsylvania Power Company ("Penn Power") were authorized on June 9, 2010 in M-2009-2123950. West Penn Power Company's ("West Penn") AMI plan and Smart Meter Technologies Surcharge was authorized on June 30, 2011 in M-2009-2123951.

mechanisms adopted by those EDCs, Pike's proposed tariff aligns most closely with, and in structure appears to replicate, the Duquesne Light Smart Meter Charge approved in Docket No. M-2009-2123948.

**Q. DO YOU HAVE ANY GENERAL CONCERNS ABOUT TRACKER MECHANISMS?**

A. My general concern is that tracker mechanisms reduce the efficiency incentives built into traditional ratemaking and shift risks to ratepayers that should be borne by shareholders. These mechanisms can reduce the incentive for utilities to lower operating costs or improve efficiency. This is because the fully reconciling nature of a tracker mechanism provides the utility with dollar-for-dollar recovery of all eligible costs. Trackers also shift risks from shareholders to ratepayers. Under traditional regulation, utilities bear the risk if costs are higher than anticipated. A tracker mechanism shifts this risk to ratepayers by allowing utilities to recover actual costs incurred, regardless of whether those costs were anticipated or not, or offset by cost savings.

**Q. ARE THERE CIRCUMSTANCES THAT YOU BELIEVE CREATION OF A TRACKER TO RECOVER COSTS OUTSIDE BASE RATES MAY BE WARRANTED?**

A. Yes, I recognize there are certain circumstances when adoption of a tracker mechanism might be justified. Trackers can be used effectively as incentivizing mechanisms to promote specific utility behaviors. Pennsylvania's Distribution System Improvement Charge ("DSIC") for natural gas distribution companies provides an example. In Act 11 of 2012, the Pennsylvania General Assembly specifically authorized natural gas distribution companies and certain other utilities to recover, between base rate cases, the costs associated with repairing, improving, and replacing eligible distribution

infrastructure. Thus, the DSIC represents a circumstance in which the Pennsylvania legislature expressly determined that accelerated infrastructure replacement warranted a specific cost-recovery mechanism outside of traditional base rates.

Tracker mechanisms can also be regulatory tools used to compensate a utility for expenses incurred due to an unexpected event that is outside of the utility's control. In this circumstance the functional advantage of a tracker mechanism that permits recovery of unexpected costs is to avoid the need for a utility to file a base rate case solely for the purpose of recovering these costs. Storm costs are an example of instances when a tracker mechanism might be used for this purpose.

**Q. ARE THERE SPECIFIC CIRCUMSTANCES OR CRITERIA FOR WHEN A SECTION 1307 MECHANISMS IS WARRANTED?**

A. Section 1307 itself is general and sets out no criteria governing when a tracker should be adopted. My understanding is that limits on the appropriate conditions that support mechanism approval come from case law.

In *Popowsky v. Public Utility Commission*, 869 A.2d 1144 (Pa. Cmwlth. 2006), the Commonwealth Court held that Section 1307(a) did not authorize Pennsylvania-American Water Company to fund wastewater collection system improvements through an automatic adjustment clause, and observed that such clauses are not to be employed as a universally available alternative to a base rate case.[69] The Court specified that a Section 1307(a) automatic adjustment "is appropriate where expressly authorized […] or for easily identifiable expenses beyond the utility's control." The Court revisited the question in *Popowsky v. Public Utility Commission,* 13 A.3d 583 (Pa. Cmwlth. 2011), where it reaffirmed these represent the two limited circumstances

[69] *Id*. at 1160

in which a Section 1307(a) mechanisms is appropriate. This guidance aligns with my own view of tracker mechanisms.

**Q. DOES PIKE'S PROPOSED SMART METER TRACKER MECHANISM FIT INTO EITHER OF THE CIRCUMSTANCES?**

A. No. Pike relies on Section 2807(f), but that provision only applies to EDCs with at least 100,000 customers. Pike itself concedes it is not covered by the Section 2807(f) mandate.[70] This distinction is important because the mandate and tracker are paired together. The large EDCs were directed by statute to deploy AMI on a Commission-approved schedule, and the Section 1307 recovery option in Section 2807(f)(7) was the legislature's counterpart to that obligation. Pike's deployment is voluntary and is proceeding roughly eighteen years after Act 129 was enacted. In other words, Pike is requesting a surcharge attached to a mandate, without the mandate.

These costs are also not beyond Pike's control or unpredictable. Pike selected the vendor, completed negotiations before it filed, controls the deployment schedule, and has projected the costs year by year through March 2031.[71]

**Q. WHAT IS YOUR RECOMMENDATION ON THE SMART METER CHARGE MECHANISM?**

A. I recommend that the Commission reject Pike's request to establish a Section 1307 tracker and direct Pike to seek recovery of prudently incurred smart meter costs in its next base rate proceeding. At that time Commission will be able to review these costs alongside all other changes in Pike's cost of service, including the offsetting savings the AMI system is expected to produce.

[70] Petition ¶ 51
[71] Pike Ex. ML-4, Ex. 4 pp. 1-2; Pike Response to OCA-I-18

**Q. DOES THE PROPOSED MECHANISM RAISE ANY CONCERNS RELATED TO PIKE'S MOST RECENT BASE RATE SETTLEMENT?**

A. Yes. Pike's last base rate proceeding in Docket No. R-2024-3052359 resolved through a settlement with rates effective October 15, 2025.[72] Paragraph 7 of that settlement provides that Pike "will not file another general base rate increase prior to October 31, 2027." The Joint Petitioners identified that commitment as a customer benefit precisely because a rate case stay-out is not relief the Commission can order under Section 1308(d) and can only be obtained through settlement.[73] The proposed tracker mechanism would effectively function as an incremental base rate increase between rate cases: it would provide recovery of return on and of distribution plant, the same items base rates recover. As a result, approving the tracker mechanism to go into effect during the stay-out period would give Pike a portion of the relief the stay-out was negotiated to defer.

## V. CONCLUSION

**Q. WHAT IS YOUR OVERALL CONCLUSION REGARDING THE AMI PROPOSAL AND REQUEST FOR A COST RECOVERY MECHANISM?**

A. I am not persuaded that Pike's decision to deploy full AMI in place of an AMR platform was a prudent one. Pike identifies the need for hourly customer usage data as the primary driver of the decision to pursue AMI over AMR— but hourly data does not necessarily require AMI. Itron's Temetra software, that Pike has considered as part of its AMR alternative, when paired with advanced meters capable of collecting interval data could provide hourly data. AMR meters capable of interval data would also not need to be deployed to every single customer and could instead be simply installed

[72] Docket No. R-2024-3052359 Joint Petition ¶¶ 4-6; Pike St. No. 2 at 21:14-15
[73] Joint Petition ¶ 35

when customers require hourly data. Pike's existing tariff already permits a customer or an EGS to request installation of a qualified advanced meter at the requesting party's expense.

Whatever the merits of that deployment decision, the basis for the requested recovery mechanism is flawed. The Commonwealth Court has identified a Section 1307(a) automatic adjustment clause to be appropriate when either (1) expressly authorized by the General Assembly or (2) where an expense is easily identifiable and beyond the utility's control.[74]

Neither circumstance is present in this request. Pike frames its request around Section 2807(f), but that provision applies only to EDCs serving at least 100,000 customers. The Section 1307 recovery option in Section 2807(f)(7) was the General Assembly's counterpart to the statutory deployment mandate. Pike concedes it has never been required to file a smart meter plan under that section. Accordingly, the AMI expenditures here are not expressly authorized by statute for tracker recovery because Pike seeks the recovery mechanism without the mandate that accompanies it. The expenditures on AMI are also not unpredictable nor are they out of Pike's control. On the contrary, Pike selected the vendor, completed negotiations before filing, controls the deployment schedule, and has projected costs year by year.

**Q. WHAT IS YOUR RECOMMENDATION?**

A. I recommend that the Commission reject the proposed Smart Meter Cost Recovery Rider and direct Pike to seek recovery of prudently incurred smart meter costs in its next base rate proceeding. That forum allows the Commission to review actual rather than projected costs, to weigh them against the offsetting savings AMI is expected to produce, and to consider them alongside all other changes in Pike's cost of service. It

[74] *Popowsky v. Public Utility Commission*, 869 A.2d 1144 (Pa. Cmwlth. 2006)

also gives Pike the opportunity to show that the costs were prudently incurred and that customers are receiving the incremental benefits of AMI over the lower-cost alternative Pike declined.

**Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

A. Yes, it does.

EXETER
ASSOCIATES, INC.
10480 Little Patuxent Parkway, Suite 300
Columbia, Maryland 21044

**CV OF BRENDAN LARKIN-CONNOLLY**

**Education**

M.S. (Resource Economics), 2008
University of Massachusetts, Amherst
Amherst, Massachusetts

B.A. (Economics), 2007
College of the Holy Cross
Worcester, Massachusetts

**Previous Employment**

| | |
|---|---|
| 2013-2025 | Director of Utility Regulation & Litigation<br>DH Infrastructure<br>Worcester, MA |
| 2011-2013 | Rate Analyst<br>Massachusetts Department of Public Utilities<br>Boston, MA |
| 2008-2011 | Senior Analyst<br>DH Infrastructure<br>Boston, MA |

**Professional Experience**

Prior to joining Exeter Associates, Inc., Mr. Larkin-Connolly served as the Director of Utility Regulation and Litigation at DHInfrastructure, a Massachusetts-based economic consulting firm, where he provided expert witness testimony in over 25 state-level regulatory proceedings and managed over a dozen international regulatory and infrastructure advisory projects.

He also previously served as a Rate Analyst with the Massachusetts Department of Public Utilities, where he provided technical advice and analysis on various issues such as plant additions, utility bond requests, revenue allocation, decoupling, capital cost recovery trackers, purchased commodity filings, residential assistance adjustment factors, and storm cost recovery. His case work included advising Commissioners on proposed plant additions to rate base in multiple rate cases.

Mr. Larkin-Connolly has significant experience evaluating gas infrastructure replacement programs across multiple states, including Maryland's Strategic Infrastructure Development and Enhancement (STRIDE) program, Massachusetts' Gas System Enhancement Program (GSEP), Illinois' Qualifying Infrastructure Plant (QIP) program, and Washington D.C.'s PROJECTpipes. This experience has given him in-depth knowledge of how to assess the necessity, reasonableness, and prudence of capital expenditures, particularly those related to gas infrastructure replacement.

Internationally, Mr. Larkin-Connolly has advised on cost of service and rate design in the Kyrgyz Republic, Armenia, Nauru, Rwanda, Sierra Leone, Ukraine, and Tanzania. He participated in a NARUC partnership exchange program with the Rwanda Utility Regulatory Authority, providing training on how to carry out cost of service studies. He has also led comprehensive utility pricing reform initiatives, including development of Nauru's first cost-reflective electricity tariff framework.

**List of Direct Testimony Experience**

- Unitil, Berkshire Gas, National Grid, Liberty, Eversource Gas Company of Massachusetts, and NSTAR Gas Company (Massachusetts Department of Public Utilities, D.P.U. 26-GREC-01 through 26-GREC-06), 2026. Presented testimony on behalf of the Massachusetts Attorney General's Office of Ratepayer Advocacy evaluating compliance with Department-approved 2024 Gas System Enhancement Program (GSEP) plans in the 2026 GSEP Reconciliation (GREC) proceedings.
- Dominion Energy Progress (North Carolina Utilities Commission, Docket No. E-2, SUB 1380), 2026. Presented testimony on behalf of the U.S. Department of Defense and other Federal Executive Agencies on cost of service and capital additions.
- Aquarion Water Company of Connecticut (Connecticut Public Utilities Regulatory Authority, Docket No. 25-12-12), 2026. Presented testimony on capital investments and rate design on behalf of the Connecticut Office of Consumer's Counsel.
- Illinois American Water Company (Illinois Commerce Commission, Docket No. 26-0127), 2026. Presented testimony on revenue allocation and rate design on behalf of the Illinois Attorney General's Office.
- American Water Works Company, Inc. and Essential Utilities, Inc. (Illinois Commerce Commission, Docket No. 25-1057), 2025. Presented testimony on the proposed merger and transfer of ownership of Aqua Illinois, Inc. to American Water on behalf of the Illinois Attorney General's Office. Testimony addressed rate impacts, capital investment safeguards, and potential cost savings, and recommended conditions including a post-closing base rate freeze, capital expenditure cap, and prohibition on consolidation of service territories.
- Thurmont Municipal Light Company (Maryland Public Service Commission, Case No. 9506(t)), 2026. Presented testimony on behalf of the Maryland Office of People's Counsel on Thurmont's power procurement strategy and PCA reconciliation. Testimony found Thurmont's all-spot-market procurement approach imprudent for leaving customers entirely exposed to wholesale price volatility.
- UGI Utilities, Inc. – Gas Division (Maryland Public Service Commission, Case No. 9516(h)), 2025. Presented testimony on UGI's recovery of costs related to a Renewable Natural Gas ("RNG") pilot in the PGA reconciliation proceeding on behalf of the Maryland Office of People's Counsel.
- Oncor Electric Delivery Company LLC (Public Utility Commission of Texas, PUC Docket No. 58306), 2025. Presented testimony on behalf of the U.S. Department of Defense and other Federal Executive Agencies on cost of service and capital additions. Testimony addressed prudence review and documentation standards for transmission capital additions, including the need for enhanced project-level authorization, budgeting, and variance reporting to

support capital oversight amid rapid AI/data-center-driven load growth. Cost-of-service related recommendations included adjustments related to (i) removal of merit wage increases, (ii) amortization of sales tax audit refunds, and (iii) exclusion of estimated Power Line Safety Act O&M accruals.

- Washington Gas Light Company (Maryland Public Service Commission, Case No. 9509(r)), 2024. Presented testimony on PGA gas-cost reconciliation, opposing recovery of certified natural gas procurement costs in default service and recommending an adjustment to remove potential CtNG premia on behalf of the Maryland Office of People's Counsel.

- Unitil, Berkshire Gas, National Grid, Liberty, Eversource Gas Company of Massachusetts, and NSTAR Gas Company (Massachusetts Department of Public Utilities, D.P.U. 25-GREC-01 through 25-GREC-06), 2025. Presented testimony on behalf of the Massachusetts Attorney General's Office of Ratepayer Advocacy evaluating compliance with Department-approved 2023 GSEP plans in the 2025 GSEP Reconciliation GREC proceedings. Testimony addressed programmatic performance, adherence to approved project lists, compliance with 2024 GREC Order requirements for risk-based prioritization and environmental justice considerations, and prudence of capital expenditures. Recommended corrective actions and cost disallowances for companies failing to demonstrate substantial compliance with approved plans.

- Yankee Natural Gas Company (Connecticut Public Utilities Regulatory Authority, Docket No. 24-12-01), 2024-2025. Presented testimony on capital investments and leak-prone pipe replacement program on behalf of the Connecticut Office of Consumer's Counsel.

- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9751), 2024. Presented testimony on revised leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.

- Washington Gas Light (Maryland Public Service Commission, Case No. 9708), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.

- Illinois American Water Company (Illinois Commerce Commission, Docket No. 24-0097), 2024. Presented testimony on rate design, tracker mechanisms, low-income discount, and capital investments in acquired water systems on behalf of the Illinois Attorney General's Office.

- Aqua Illinois (Illinois Commission, Docket No. 24-0044), 2024. Presented testimony on rate design & ACOSS, low-income discount, and capital investments in acquired water systems on behalf of the Illinois Attorney General's Office.

- Connecticut Water Company (Connecticut Public Utilities Regulatory Authority, Docket No. 23-08-32), 2023-2024. Presented testimony on rate design & ACOSS and low-income discount rate on behalf of the Connecticut Office of Consumer's Counsel.

- Connecticut Natural Gas and Southern Connecticut Gas (Connecticut Public Utilities Regulatory Authority, Docket No. 23-11-02), 2023-2024. Presented testimony on capital investments and leak-prone pipe replacement program on behalf of the Connecticut Office of Consumer's Counsel.

- Northeast Ohio Natural Gas Corp (Public Utilities Commission of Ohio, Case No. 23-0154-GA-AIR et al.), 2023. Presented testimony on cost of service, rate design, and capital tracker mechanism proposals on behalf of the Office of the Ohio Consumers' Counsel.
- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9709), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9708), 2023. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Peoples Gas and North Shore Gas (Illinois Commerce Commission, Docket Nos. 23-0068 & 23-0069), 2023. Presented testimony on rate design, fuel costs, and low-income discount on behalf of the Illinois Attorney General's Office.
- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 23-0067), 2023. Presented testimony on rate design, fuel costs, and low-income discount on behalf of the Illinois Attorney General's Office.
- Nicor Gas (Illinois Commerce Commission, Docket No. 23-0066), 2023. Presented testimony on cost allocation, rate design, fuel cost tracker, and low-income discount on behalf of the Illinois Attorney General's Office.
- Illinois American Water Company (Illinois Commerce Commission, Docket No. 22-0210), 2022. Presented testimony on revenue allocation, environmental rider, and low-income discount on behalf of the Illinois Attorney General's Office.
- Utility Services of Illinois (Illinois Commerce Commission, Docket No. 21-0198), 2021. Presented testimony on capital additions, low-income discount, and environmental rider on behalf of the Illinois Attorney General's Office.
- Elkton Gas Company (Maryland Public Service Commission, Case No. 9660), 2021. Presented testimony on leak-prone infrastructure replacement plan, future of natural gas, and environmental and climate change policy goals on behalf of the Maryland Office of People's Counsel.
- Baltimore Gas and Electric Company (Maryland Public Service Commission, Case No. 9645), 2020. Presented direct and surrebuttal testimony on BGE’s proposed gas and common capital additions under its pilot multi-year rate plan (MRP), including evaluation of program vs. discrete projects, recommended removal of unsupported/placeholder budgets, and opposition to recovering STRIDE costs through base rates. Final position recommended MRP gas capital reductions focused on limiting pre-approved budgets to identified work and historic levels.
- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 20-0308), 2020. Presented testimony on capital additions and PHMSA transmission rules on behalf of the Illinois Attorney General's Office.
- Maryland PSC Investigation (Maryland Public Service Commission, Case No. 9622), 2019.

Presented testimony on regulatory commitments, penalties, and reporting requirements on behalf of the Maryland Office of People's Counsel.

- Washington Gas Light (Maryland Public Service Commission, Case No. 9605), 2019. Presented testimony on prudence of infrastructure investments, capital project management, and capital additions on behalf of the Maryland Office of People's Counsel.
- Ameren Illinois Company (Illinois Commerce Commission, Docket No. 19-0271), 2019. Presented testimony on capital tracker mechanism cost reconciliation, compliance with regulations, and prudence of infrastructure investments on behalf of the Illinois Attorney General's Office.
- Washington Gas Light (Maryland Public Service Commission, Case No. 9486), 2018. Presented testimony on leak-prone replacement activity performance, asset special treatment eligibility, and capital project management on behalf of the Maryland Office of People's Counsel.
- Columbia Gas of Maryland (Maryland Public Service Commission, Case No. 9479), 2018. Presented testimony on leak-prone infrastructure replacement plan, O&M offset, and rate impacts on behalf of the Maryland Office of People's Counsel.
- Baltimore Gas Electric Company (Maryland Public Service Commission, Case No. 9468), 2018. Presented testimony on leak-prone infrastructure replacement plan, cost-benefit analysis, O&M offset, and rate impacts on behalf of the Maryland Office of People's Counsel.
- Eversource Energy (Massachusetts Department of Public Utilities, Docket No. 16-105), 2016. Presented testimony on recovery surcharge bill impacts and pre-approved costs on behalf of the Massachusetts Attorney General's Office.

**Other U.S. Utility Regulatory Experience**

- JXN Water Proposed Rate Increase (U.S. District Court, Southern District of Mississippi, Case No. 3:12-cv-00790-HTW-LGI), 2025-2026. Served as advisor to the Natural Resources Defense Council and intervenor plaintiffs Mississippi Poor People's Campaign and the People's Advocacy Institute. Evaluated documentation and financial plans supporting JXN Water's proposed volumetric rate increase, assessed the proposal against industry-standard ratemaking practices, and prepared an expert memorandum on alternative rate design and revenue options that was submitted to the court.
- Middlesex Water Company, Pinelands Water Company, and Pinelands Wastewater Company General Rate Case (New Jersey Board of Public Utilities, Docket No. WR25060372), 2025-2026. Advised the New Jersey Division of Rate Counsel on all matters related to class cost allocation and rate design issues through settlement of the case.
- Washington Gas Light's PIPES3 and District SAFE plans (District of Columbia Public Service Commission, Formal Case Nos. FC 1175 & 1179), 2023-2026. Provided technical support assessing compliance with Commission directives, evaluated technical merits of the proposed replacement program, and summarized key positions and issues for Commission consideration on behalf of the District of Columbia Public Service Commission staff.
- Maryland Purchased Gas Adjustment Filings (Maryland Public Service Commission, Various Dockets), 2019-2026. Conducted annual reviews of purchased commodity adjustment filings from eight gas companies, analyzed cost reconciliation charges, compared supply portfolios

to market prices, and evaluated procurement strategies on behalf of the Maryland Office of People's Counsel.

- EmPower Maryland Program Filings (Maryland Public Service Commission, Various Dockets), 2020-2026. Reviewed tariff filings submitted by participating utilities including BGE, Pepco, Delmarva Power, Potomac Edison, SMECO, and WGL, verified accuracy of rates and costs, identified discrepancies in cost amortization, and developed a comprehensive Python model for verifying revenue requirements on behalf of the Maryland Office of People's Counsel.

- Gas System Enhancement Program (GSEP) Reconciliation Filings (Massachusetts Department of Public Utilities, various dockets), 2016-2018, 2021, 2023-2025. Analyzed prudence and eligibility of infrastructure replacement costs, reviewed project cost estimates and invoices, prepared cross-examination questions, and drafted sections of briefs submitted to the Department on behalf of the Massachusetts Attorney General's Office.

- Washington Gas Light's PROJECTpipes2 Plan (District of Columbia Public Service Commission, Formal Case No. FC1154), 2019-2021. Provided technical analysis evaluating program performance, validated emissions reduction claims, and developed alternative revenue requirements and rate design options on behalf of the District of Columbia Public Service Commission staff.

- Gas Infrastructure Replacement Filings in Maryland (Maryland Public Service Commission, Various Dockets), 2018-2025. Reviewed STRIDE filings submitted by gas distribution companies, prepared discovery on identified issues, and drafted comments for submission to the PSC on behalf of the Maryland Office of People's Counsel.

- Gas System Enhancement Program (GSEP) Plans (Massachusetts Department of Public Utilities, Various Dockets), 2022. Led review of all six 2022 GSEP plans submitted in November 2021, analyzing proposed infrastructure replacements, cost recovery mechanisms, and alignment with state policy goals on behalf of the Massachusetts Attorney General's Office.

- Washington Gas Light's PROJECTpipes2 Plan (District of Columbia Public Service Commission, Formal Case No. FC1154), 2019-2021. Provided technical analysis evaluating program performance, validated emissions reduction claims, and developed alternative revenue requirements and rate design options on behalf of the District of Columbia Public Service Commission staff.

- Bay State Gas Company Rate Case (Massachusetts Department of Public Utilities, Docket No. DPU 13-75), 2013. Conducted review of operating costs over ten years to assess reasons for earnings deficiency, reviewed proposed test year and post-test year plant additions to determine prudence and used and usefulness as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Electric Storm Fund Replenishment (Massachusetts Department of Public Utilities, Docket No. DPU 13-59), 2013. Developed alternative recovery scenarios with varying duration and rate impact analysis, which the Commission used to determine appropriate balance between limiting ratepayer impacts and reducing overall carrying charges as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Electric Revenue Decoupling Mechanism (Massachusetts Department of Public Utilities, Docket No. DPU 12-115), 2012-2013. Reviewed calculation of Revenue Decoupling

Mechanism and Capital Expenditure Factor for accuracy and consistency with approved tariffs as Rate Analyst for the Massachusetts Department of Public Utilities.

- Western Massachusetts Electric Company Revenue-Neutral Rate Design (Massachusetts Department of Public Utilities, Docket No. DPU 12-97), 2012-2013. Prepared analysis of two rate design proposals for Commissioners, highlighting advantages and disadvantages of each approach to address cross-subsidization between classes as Rate Analyst for the Massachusetts Department of Public Utilities.

- Bay State Gas Company Rate Case (Massachusetts Department of Public Utilities, Docket No. DPU 12-25), 2012. Reviewed proposed regulatory mechanisms including future test year, modifications to an existing capital tracker, and decoupling mechanism updates; examined 272 project reports and cost-variance analyses for plant additions greater than $50,000 as Rate Analyst for the Massachusetts Department of Public Utilities.

- National Grid Storm Costs (Massachusetts Department of Public Utilities, Docket No. DPU 11-56), 2011-2013. Validated storm cost documentation by checking all listed costs against actual invoices, leading to the removal of $33,346 in expenses from the Company's filing as Rate Analyst for the Massachusetts Department of Public Utilities

- California Electricity Crisis Proceedings (Federal Energy Regulatory Commission, Docket No. RP95-112), 2010-2011. Supported preparation of expert testimony on behalf of the California Parties (Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, Attorney General of California, the Public Utilities Commission of the State of California, and California Department of Water Resources), built a database of electric market bid data to identify economic withholdings during the 2000-2001 crisis, and developed a bid-stack model to estimate competitive electricity prices absent market manipulation.

**Select Consulting Reports**

Studies on gas capital infrastructure spending:

- *Investor-owned Utility Gas Distribution Capital Expenditures: A Study on the Potential Bill Impacts of Business-as-usual Investment in Michigan*, prepared for the Michigan Citizen Utility Board, (forthcoming 2025).

- *Maryland Gas Utility Spending: Projections and Analysis of Future Capital Investments*, prepared for the Maryland Office of People's Counsel, February 2025 (third edition)

- *Investor-owned Utility Gas Distribution Capital Expenditures: A Study on the Potential Bill Impacts of Business-as-usual Investment in Minnesota*, prepared for the Minnesota Citizen Utility Board, July 2023.

Scaling-up Renewable Program investment plans:

- *Scaling-up Renewable Program Investment Plan for Kiribati*, prepared for the Government of the Republic of Kiribati with Asian Development Bank support, November 2018.

- *Scaling-up Renewable Program Investment Plan for Lesotho*, prepared for the Government of Lesotho with World Bank support, November 2017.

- *Scaling-up Renewable Program Investment Plan for Bangladesh*, prepared for the Government

of the Republic of Bangladesh with World Bank support, October 2015.

**Select International Consulting Projects**

- OECD Water Sector Investment Enabling Environment Scorecard, 2023. Led collection of data and completion of surveys that were used to pilot an OECD developed framework for evaluating the enabling environment for water sector investments as part of a collaboration between the Asian Development Bank and OECD.
- Economic and financial analysis of Accelerating Sustainable System Development Using Renewable Energy (ASSURE) Project (Maldives), 2022-2023. Prepared economic and financial analysis of proposed project to install solar and battery systems on 20 outer islands in the Maldives for the Asian Development Bank.
- Global Water Security & Sanitation Partnership Mid-Term Evaluation (Bangladesh, Ethiopia, Haiti, Pakistan, Vietnam), 2019-2021. Directed review of GWSP contributions across five countries, evaluated results against OECD Development Assistance Committee criteria, and prepared country-level reports for the World Bank.
- Feasibility Study for a Rural Electricity Company (India), 2021-2022. Assessed the feasibility and potential of a rural electricity supply company to enhance power supply and improve subsidy delivery efficiency in Madhya Pradesh for the World Bank.
- Nauru Water and Electricity Tariff Study, 2021. Assisted the Nauru Utilities Corporation in preparing recommendations reflecting how the addition of solar PV and battery storage would impact tariff levels needed for cost recovery for the Asian Development Bank.
- Cost Allocation for Co-Generation Facilities (Ukraine), 2021. Assisted the National Energy and Utilities Regulatory Commission to revise cost allocation practices between thermal and power generation in cogenerating facilities for USAID's Energy Security Project.
- Toll Road Arbitration Case (Peru), 2019. Provided expert analysis for an arbitration between a municipal government and international investor regarding interpretation of a road concession contract's tariff adjustment clause.
- Developing an Africa Energy Strategy, 2017-2018. Compiled Country Engagement Notes for 26 African countries and contributed to a regional synthesis report summarizing World Bank commitments in Africa.
- Sierra Leone Regulatory Strengthening and Tariff Development, 2017-2018. Supported the development of electricity and water regulatory frameworks and provided capacity building for the Electricity and Water Regulatory Commission for the Millennium Challenge Corporation.
- Water Tariff and Affordability Study (Tanzania), 2017-2018. Developed a financial model for tariff filings and conducted a willingness-to-pay study for the Arusha Urban Water Supply and Sanitation Authority.
- Rwanda Partnership Exchange on Tariffs (Rwanda), 2017. Provided training on Excel-based tariff setting methodologies and built a tariff model for the Rwanda Utility Regulatory Authority through NARUC's partnership program.
- Abengoa KaXu Project Evaluation (South Africa), 2016-2017. Evaluated development

outcomes of the first operational private sector utility-scale concentrated solar power plant with storage in the developing world for the International Finance Corporation.

- Nauru Power and Water Tariff and Subsidy Reform, 2015-2016. Led tariff reform initiative including willingness-to-pay survey and subsidy analysis for the Asian Development Bank.
- Least Economic Cost Planning of New Supply (Georgia), 2014-2015. Conducted least-cost power supply study to inform options for meeting future domestic and export power demand for the World Bank.
- Evaluation of Public-Private Partnership Transaction Advisory Program (Albania, Kazakhstan, North Macedonia, Kosovo), 2014. Evaluated operations of two donor-funded public-private partnership programs for the International Finance Corporation.
- Scaling Up Renewable Energy Investment Plan, 2014. Assisted with preparation of a renewable energy Investment Plan for funding through the Climate Investment Funds' SREP Program.
- Armenia Water Tariff Study, 2013-2014. Provided advice on end-user water and wastewater tariffs and prepared analysis of various tariff structures for the World Bank Group.
- Revision of Energy Tariff Methodologies (Kyrgyz Republic), 2013-2014. Developed sustainable, transparent, and equitable tariff methodology for electricity and heating sectors for the World Bank.
- Transaction Advisory for Urban Services in South Gobi, 2012-2013. Supported institutional reforms in the water, sanitation, and solid waste services sectors for the Asian Development Bank.
- Development of Electricity Tariff and Subsidy Methodology (Armenia), 2012. Assessed electricity tariffs and recommended improvements to ensure efficient use for the World Bank.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

| | | |
|---|---|---|
| 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, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915<br>P-2026-3062916 |

VERIFICATION

I, Brendan Larkin-Connolly, hereby state that the facts above set forth in my Direct Testimony, OCA Statement No. 2, are true and correct to the best of my knowledge, information, and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

DATED: August 28, 2026

Signature: */s/ Brendan Larkin-Connolly*
Brendan Larkin-Connolly

Address: Exeter Associates, Inc.
10480 Little Patuxent Parkway,
Suite 300
Columbia MD 21044

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October 13, 2026

***VIA ELECTRONIC FILING***

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

Re: Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations; Docket Nos. P-2026-3062915 & P-2026-3062916; **JOINT STIPULATION FOR THE ADMISSION OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD**

Dear Secretary Homsher:

Enclosed for filing is the Joint Stipulation for the Admission of Testimony and Exhibits into the Evidentiary Record in the above-referenced proceeding.

If you have any questions regarding this filing, please contact me.

Very truly yours,

*/s/ Whitney E. Snyder*

Whitney E. Snyder

*Counsel for Pike County Light & Power Company*

WES/das
Enclosure

cc: Administrative Law Judge Gail M. Chiodo gchiodo@pa.gov
Administrative Law Judge Emily A. Farren efarren@pa.gov
Per Certificate of Service

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---|
| Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period of June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915 P-2026-3062916 |

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**JOINT STIPULATION FOR THE ADMISSION OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD**

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**TO DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE GAIL M. CHIODO AND ADMINISTRATIVE LAW JUDGE EMILY A. FARREN:**

This Joint Stipulation for the Admission of Testimony and Exhibits into the Evidentiary Record ("Joint Stipulation") is entered into by Pike County Light & Power Company ("Pike" or the "Company") and the Office of Consumer Advocate ("OCA") (collectively, the "Stipulating Parties"), by their respective counsel. The Office of Small Business Advocate ("OSBA"), the only other party to this proceeding, has authorized the Stipulating Parties to represent that it does not object to this Joint Stipulation. The Stipulating Parties respectfully request that Deputy Chief Administrative Law Judge Gail M. Chiodo and Administrative Law Judge Emily A. Farren (collectively, the "ALJs") admit into the evidentiary record of this proceeding the Petition and the written testimony and exhibits identified below.

This Joint Stipulation includes the following Appendices:

Appendix A: Proposed Order
Appendix B: Pike Testimony Verifications

## I. PROCEDURAL HISTORY

1. On June 1, 2026, Pike filed a Petition for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and

Waiver of Commission Regulations ("Petition"). The Petition was filed pursuant to Section 2807(e) of the Public Utility Code, 66 Pa. C.S. § 2807(e), and 52 Pa. Code §§ 54.181-54.190. The Petition was docketed at Docket No. P-2026-3062915, and the requested waivers were docketed at Docket No. P-2026-3062916. Pike's Petition was accompanied by the Direct Testimony of Noel P. Chesser (Pike Statement No. 1) and the Direct Testimony of Matthew Lenns (Pike Statement No. 2), each in Public and Highly Confidential Versions, and the accompanying exhibits.[1]

2. On June 9, 2026, the Pennsylvania Public Utility Commission ("Commission") issued a notice to be published establishing July 10, 2026 as the deadline for formal protests, petitions to intervene, and answers, and issued a Telephonic Prehearing Conference Notice scheduling a prehearing conference for July 13, 2026.

3. On June 11, 2026, the OCA filed a Notice of Intervention and Public Statement.

4. On June 23, 2026, the OSBA filed a Notice of Appearance. On July 7, 2026, the OSBA filed a Notice of Intervention, Public Statement, and Verification.

5. On July 2, 2026, the ALJs issued a Prehearing Conference Order. On July 9, 2026, Pike, the OCA, and the OSBA filed prehearing memoranda, and the OCA filed an Answer to the Petition.

6. On July 13, 2026, the ALJs convened a telephonic prehearing conference. On July 14, 2026, the ALJs issued a Scheduling Order that, *inter alia*, consolidated Docket Nos. P-2026-3062915 and P-2026-3062916 for purposes of litigation and disposition and established a litigation schedule, including an evidentiary hearing on October 20, 2026. On July 16, 2026, the Commission issued an In-Person Evidentiary Hearing Notice for October 20, 2026.

[1]The Petition and Pike's prehearing memorandum identify Mr. Chesser's exhibits as Exhibits NC-1 and NC-2. The exhibits as attached to Pike Statement No. 1 are marked Exhibits NPC-1 and NPC-2, and they are identified by those designations in this Joint Stipulation.

7. On August 3, 2026, Pike filed an unopposed Motion for Protective Order. On August 5, 2026, the ALJs issued a Protective Order.

8. On August 28, 2026, the OCA served the Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) in Public and Highly Confidential Versions and the Direct Testimony of Brendan Larkin-Connolly (OCA Statement No. 2), together with the accompanying exhibits. Also on August 28, 2026, the OSBA advised the ALJs by letter that it would not submit Direct Testimony.

9. On September 25, 2026, Pike, the OCA, and the OSBA each advised by letter that they would not submit Rebuttal Testimony.[2]

10. The parties have agreed to waive cross-examination of all witnesses. On Tuesday, September 22, 2026, the Joint Petitioners advised the ALJs that a settlement in principle had been reached and requested testimony be admitted by stipulation and the evidentiary hearing be cancelled.

11. A proposed order is attached to this Joint Stipulation as Appendix A ("Proposed Order"). The testimony verifications of Pike witnesses Noel P. Chesser and Matthew Lenns are attached as Appendix B to this Joint Stipulation. The verifications of OCA witnesses Serhan Ogur, Ph.D. and Brendan Larkin-Connolly were attached to their pre-served testimony.

## II. JOINT STIPULATION

NOW, THEREFORE, desiring to enter into this Joint Stipulation and intending to be bound hereby, the Stipulating Parties agree and stipulate to the following:

1. That upon the issuance of the Proposed Order, the following Petition, testimony, and exhibits shall be made a part of the evidentiary record of this proceeding:

[2]No party served rebuttal testimony.

**Pike County Light & Power Company**

**Petition**

A. Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations, filed June 1, 2026 (Public Version), marked as Pike Exhibit No. 1.

B. Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations, filed June 1, 2026 (Highly Confidential Version), marked as Pike Exhibit No. 1 (Highly Confidential).

**Direct Testimony**

A. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Public Version) and Exhibit NPC-1 and Exhibit NPC-2 (Redacted).

B. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Highly Confidential Version) and Exhibit NPC-1 and Exhibit NPC-2 (Highly Confidential).

C. Direct Testimony of Matthew Lenns (Pike Statement No. 2) (Public Version) and Exhibit ML-1 (Redacted), Exhibit ML-2, Exhibit ML-3, Exhibit ML-4, Exhibit ML-5, Exhibit ML-6, Exhibit ML-7, Exhibit ML-8, and Exhibit ML-9.

D. Direct Testimony of Matthew Lenns (Pike Statement No. 2) (Highly Confidential Version) and Exhibit ML-1 (Highly Confidential), Exhibit ML-2, Exhibit ML-3, Exhibit ML-4, Exhibit ML-5, Exhibit ML-6, Exhibit ML-7, Exhibit ML-8, and Exhibit ML-9.

**Office of Consumer Advocate**

**Direct Testimony**

A. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Public Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential, Redacted in Full), and a signed verification.

B. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Highly Confidential Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential), and a signed verification.

C. Direct Testimony of Brendan Larkin-Connolly (OCA Statement No. 2), Exhibit BLC-1, and a signed verification.

2. The above-described Petition, testimony, and exhibits are authentic.

3. The Highly Confidential Versions of the Petition, testimony, and exhibits will be treated as Highly Confidential pursuant to the Protective Order entered August 5, 2026, and will be filed separately and placed in a non-public folder by the Secretary's Bureau of the Commission. No party objects to protecting the Highly Confidential Versions of the Petition, testimony, and exhibits from the public record. No other evidence for admission into the record has been designated Highly Confidential or Confidential.

4. By entering into this Joint Stipulation, no Stipulating Party makes any concession or admission as to the correctness or sufficiency of the law, facts, positions, or assumptions upon which the other Stipulating Party's testimony and exhibits may be based.

5. This Joint Stipulation may not be cited as precedential in any future proceeding, except to the extent required to implement and enforce the Joint Stipulation.

6. The OSBA has authorized the Stipulating Parties to represent that it does not object to this Joint Stipulation.[3]

7. This Joint Stipulation may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one instrument.

By their signatures below, the Stipulating Parties agree to the terms of this Joint Stipulation and represent that they are authorized to execute this Joint Stipulation on behalf of their respective clients.

[3]The OSBA did not serve testimony in this proceeding.

**Pike County Light & Power Company** */s/ Whitney E. Snyder*
Whitney E. Snyder, Esquire

Date: October 13, 2026

**Office of Consumer Advocate** */s/ Joel H. Cheskis*
Joel H. Cheskis, Esquire
Johnathan M. Longhurst, Esquire
Crystal M. Zook, Esquire

Date: October 13, 2026

# APPENDIX A

# PROPOSED ORDER

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---|
| Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period of June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915 P-2026-3062916 |

**INTERIM ORDER**
**GRANTING JOINT STIPULATION FOR ADMISSION**
**OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD**

On October 13, 2026, Pike County Light & Power Company ("Pike") and the Office of Consumer Advocate ("OCA") (collectively, the "Stipulating Parties") filed a Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record ("Joint Stipulation") in the above-captioned proceeding. The Office of Small Business Advocate ("OSBA"), the only other party to this proceeding, does not object to the Joint Stipulation. The Stipulating Parties stipulated to the authenticity of the Petition, testimony, and exhibits listed in the Joint Stipulation and requested that they be admitted into the record of this proceeding on the terms and conditions set forth in the Joint Stipulation. The Stipulating Parties also included verifications by each witness offering testimony in this proceeding. The Stipulating Parties indicated that certain filings contain information designated as "Highly Confidential" and will be filed under separate cover by the party sponsoring such materials. As this request is reasonable, it will be granted.

THEREFORE,

IT IS ORDERED:

1. That the October 13, 2026 Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record is granted.

2. That the following Petition, written testimony statements, accompanying exhibits, and respective executed verifications are hereby admitted into the record of this proceeding on the terms and conditions set forth in the Joint Stipulation:

**Pike County Light & Power Company**

**Petition**

A. Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations, filed June 1, 2026 (Public Version), marked as Pike Exhibit No. 1.

B. Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations, filed June 1, 2026 (Highly Confidential Version), marked as Pike Exhibit No. 1 (Highly Confidential).

**Direct Testimony**

A. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Public Version) and Exhibit NPC-1 and Exhibit NPC-2 (Redacted).

B. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Highly Confidential Version) and Exhibit NPC-1 and Exhibit NPC-2 (Highly Confidential).

C. Direct Testimony of Matthew Lenns (Pike Statement No. 2) (Public Version) and Exhibit ML-1 (Redacted), Exhibit ML-2, Exhibit ML-3, Exhibit ML-4, Exhibit ML-5, Exhibit ML-6, Exhibit ML-7, Exhibit ML-8, and Exhibit ML-9.

D. Direct Testimony of Matthew Lenns (Pike Statement No. 2) (Highly Confidential Version) and Exhibit ML-1 (Highly Confidential), Exhibit ML-2, Exhibit ML-3, Exhibit ML-4, Exhibit ML-5, Exhibit ML-6, Exhibit ML-7, Exhibit ML-8, and Exhibit ML-9.

**Office of Consumer Advocate**

**Direct Testimony**

A. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Public Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential, Redacted in Full), and a signed verification.

B. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Highly Confidential Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential), and a signed verification.

C. Direct Testimony of Brendan Larkin-Connolly (OCA Statement No. 2), Exhibit BLC-1, and a signed verification.

3. That copies of the Petition, testimony, and exhibits identified above be filed with the Secretary's Bureau of the Commission within ten (10) days of the entry of this Order. 52 Pa. Code § 5.412a.

4. That all filings designated as "Highly Confidential" be filed separately and placed in non-public folders by the Secretary's Bureau of the Commission.

Date: _____

_____
Gail M. Chiodo
Deputy Chief Administrative Law Judge

_____
Emily A. Farren
Administrative Law Judge

**APPENDIX B**

**PIKE COUNTY LIGHT & POWER COMPANY**
**TESTIMONY VERIFICATIONS**

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---|
| Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915 P-2026-3062916 |

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**TESTIMONY VERIFICATION OF MATTHEW LENNS**
**ON BEHALF OF PIKE COUNTY LIGHT & POWER COMPANY**

---

I, Matthew Lenns, hereby certify that I am the Controller of Corning Energy Corporation, which oversees Pike County Light & Power Company ("Pike"), and that, in such capacity, I have responsibility for the oversight of Pike's regulatory activities and am authorized to provide testimony on behalf of Pike in the above-captioned matter.

I hereby verify that I have provided the following written testimony and exhibits for admission into the evidentiary record of this proceeding, as identified in Section IV of the Joint Petition for Settlement, and that these documents were prepared by me or under my direction and supervision:

1. Pike Statement No. 2, Direct Testimony of Matthew Lenns, Controller (Public Version), dated June 1, 2026, consisting of 27 pages, together with the following accompanying exhibits:
    a. Exhibit ML-1, Electric Delivery Service Agreement with Orange and Rockland Utilities, Inc. (Redacted);
    b. Exhibit ML-2, Implementation Plan for Competitive Bid Solicitation Process and Bid Selection Criteria;

c. Exhibit ML-3, Bid Solicitation and Form Documents, including the Edison Electric Institute Master Agreement;

d. Exhibit ML-4, Smart Meter Surcharge Rider Calculations;

e. Exhibit ML-5, Supporting Data Pursuant to 52 Pa. Code § 53.52 for the Smart Meter Surcharge;

f. Exhibit ML-6, Pro Forma Electric Distribution Tariff Supplement;

g. Exhibit ML-7, Pro Forma Supplier Tariff Supplement;

h. Exhibit ML-8, Smart Meter Plan; and

i. Exhibit ML-9, Smart Meter Customer Communications.

2. Pike Statement No. 2, Direct Testimony of Matthew Lenns, Controller (Highly Confidential Version), dated June 1, 2026, consisting of 27 pages, together with the following accompanying exhibits:

a. Exhibit ML-1, Electric Delivery Service Agreement with Orange and Rockland Utilities, Inc. (Highly Confidential);

b. Exhibit ML-2, Implementation Plan for Competitive Bid Solicitation Process and Bid Selection Criteria;

c. Exhibit ML-3, Bid Solicitation and Form Documents, including the Edison Electric Institute Master Agreement;

d. Exhibit ML-4, Smart Meter Surcharge Rider Calculations;

e. Exhibit ML-5, Supporting Data Pursuant to 52 Pa. Code § 53.52 for the Smart Meter Surcharge;

f. Exhibit ML-6, Pro Forma Electric Distribution Tariff Supplement;

g. Exhibit ML-7, Pro Forma Supplier Tariff Supplement;

h. Exhibit ML-8, Smart Meter Plan; and

i. Exhibit ML-9, Smart Meter Customer Communications.

I certify that the facts set forth in the testimony and exhibits identified above are true and correct to the best of my knowledge, information, and belief, and that if I were asked the questions contained therein today, my answers would remain the same. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: October 13, 2026

Matthew Lenns
Controller
Corning Energy Corporation
On behalf of Pike County Light & Power Company

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | |
|---|---|---|
| Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. P-2026-3062915 P-2026-3062916 |

---

**TESTIMONY VERIFICATION OF NOEL P. CHESSER**
**ON BEHALF OF PIKE COUNTY LIGHT & POWER COMPANY**

---

I, Noel P. Chesser, hereby certify that I am the Principal Energy Advisor in the Global Customer Insights Group at Enel X Advisory Services USA, LLC, formerly EnerNOC, Inc., and that, in such capacity, I have been retained by Pike County Light & Power Company ("Pike") as an expert witness in the above-captioned matter for the purpose of providing testimony on behalf of Pike.

I hereby verify that I have provided the following written testimony and exhibits for admission into the evidentiary record of this proceeding, as identified in Section IV of the Joint Petition for Settlement, and that these documents were prepared by me or under my direction and supervision:

1. Pike Statement No. 1, Direct Testimony of Noel P. Chesser (Public Version), dated June 1, 2026, consisting of 11 pages, together with the following accompanying exhibits:
    a. Exhibit NPC-1, Curriculum Vitae of Noel P. Chesser; and
    b. Exhibit NPC-2, Energy Price Hedge Strategy for Default Service Plan, Plan Years June 2027 through May 2030 (Redacted).

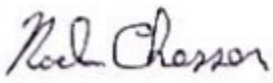
2. Pike Statement No. 1, Direct Testimony of Noel P. Chesser (Highly Confidential Version), dated June 1, 2026, consisting of 11 pages, together with the following accompanying exhibits:

   a. Exhibit NPC-1, Curriculum Vitae of Noel P. Chesser; and

   b. Exhibit NPC-2, Energy Price Hedge Strategy for Default Service Plan, Plan Years June 2027 through May 2030, including Schedule A (Highly Confidential).

I certify that the facts set forth in the testimony and exhibits identified above are true and correct to the best of my knowledge, information, and belief, and that if I were asked the questions contained therein today, my answers would remain the same. I understand that the statements made herein are subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).

Dated: October 13, 2026



Noel P. Chesser
Principal Energy Advisor, Global Customer Insights Group
Enel X Advisory Services USA, LLC
(formerly EnerNOC, Inc.)

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

**VIA ELECTRONIC MAIL ONLY**

Johnathan Longhurst Esquire
Joel H. Cheskis Esquire
Crystal M. Zook Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101
jlonghurst@paoca.org
jcheskis@paoca.org
czook@paoca.org

Steven C. Gray, Esquire
Commonwealth of Pennsylvania
Office of Small Business Advocate
555 Walnut Street, 1st Floor
Forum Place
Harrisburg, PA 17101
sgray@pa.gov

*/s/ Whitney E. Snyder*
Whitney E. Snyder

DATED: October 13, 2026

**BEFORE THE**
**PENNSYLVANIA PUBLIC UTILITY COMMISSION**

| | | | |
|---|---|---|---|
| Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period of June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations | : | Docket Nos. | P-2026-3062915<br>P-2026-3062916 |

**INTERIM ORDER**
**GRANTING JOINT STIPULATION FOR ADMISSION**
**OF TESTIMONY AND EXHIBITS INTO THE EVIDENTIARY RECORD**

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The Stipulating Parties stipulated to the authenticity of the Petition, testimony, and exhibits listed in the Joint Stipulation and requested that they be admitted into the record of this proceeding on the terms and conditions set forth in the Joint Stipulation. The Stipulating Parties also included verifications by each witness offering testimony in this proceeding. The Stipulating Parties indicated that certain filings contain information designated as "Highly Confidential" and will be filed under separate cover by the party sponsoring such materials. As this request is reasonable, it will be granted.

THEREFORE,

IT IS ORDERED:

1. That the October 13, 2026 Joint Stipulation for Admission of Testimony and Exhibits into the Evidentiary Record is granted.

2. That the following Petition, written testimony statements, accompanying exhibits, and respective executed verifications are hereby admitted into the record of this proceeding on the terms and conditions set forth in the Joint Stipulation:

**Pike County Light & Power Company**

**Petition**

A. Petition of Pike County Light & Power Company for Approval of Default Service Plan for the Period June 1, 2027 through May 31, 2030, Advanced Metering Infrastructure Surcharge, and Waiver of Commission Regulations, filed June 1, 2026 (Public Version), marked as Pike Exhibit No. 1.

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**Direct Testimony**

A. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Public Version) and Exhibit NPC-1 and Exhibit NPC-2 (Redacted).

B. Direct Testimony of Noel P. Chesser (Pike Statement No. 1) (Highly Confidential Version) and Exhibit NPC-1 and Exhibit NPC-2 (Highly Confidential).

C. Direct Testimony of Matthew Lenns (Pike Statement No. 2) (Public Version) and Exhibit ML-1 (Redacted), Exhibit ML-2, Exhibit ML-3, Exhibit ML-4, Exhibit ML-5, Exhibit ML-6, Exhibit ML-7, Exhibit ML-8, and Exhibit ML-9.

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**Office of Consumer Advocate**

**Direct Testimony**

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B. Direct Testimony of Serhan Ogur, Ph.D. (OCA Statement No. 1) (Highly Confidential Version), Exhibit SO-1, Exhibit SO-2 (Highly Confidential), and a signed verification.

C. Direct Testimony of Brendan Larkin-Connolly (OCA Statement No. 2), Exhibit BLC-1, and a signed verification.

**Pike County Light & Power Company and Office of Consumer Advocate**

**Joint Stipulation**

A. Joint Stipulation for the Admission of Testimony and Exhibits into the Evidentiary Record.

3. That copies of the Petition, testimony, and exhibits identified above be filed with the Secretary's Bureau of the Commission, along with a copy of this Order, within ten (10) days of the entry of this Order. 52 Pa. Code § 5.412a.

4. That all filings designated as "Highly Confidential" be filed separately and placed in non-public folders by the Secretary's Bureau of the Commission.

Date: October 16, 2026

_____
Gail M. Chiodo
Deputy Chief Administrative Law Judge

_____
Emily A. Farren
Administrative Law Judge

**P-2026-3062915 - PETITION OF PIKE COUNTY LIGHT & POWER COMPANY FOR APPROVAL OF DEFAULT SERVICE PLAN FOR THE PERIOD JUNE 1, 2027 THROUGH MAY 31, 2030, ADVANCED METERING INFRASTRUCTURE SURCHARGE, AND WAIVER OF COMMISSION REGULATIONS**
*Revised July 13, 2026*

WHITNEY E. SNYDER ESQUIRE
HMS LEGAL LLP
501 CORPORATE CIRCLE, SUITE 302
HARRISBURG PA 17110
wesnyder@hmslegal.com
Served via eService October 16, 2026
*(Counsel for Pike County Light & Power Company)*

JOHNATHAN LONGHURST ESQUIRE
JOEL H. CHESKIS ESQUIRE
CRYSTAL M. ZOOK ESQUIRE
OFFICE OF CONSUMER ADVOCATE
FORUM PLACE
555 WALNUT STREET, 5TH FLOOR
HARRISBURG PA 17101
**717.783.5048**
jlonghurst@paoca.org
jcheskis@paoca.org
czook@paoca.org
Served via eService October 16, 2026

STEVEN C. GRAY ESQUIRE
OFFICE OF SMALL BUSINESS ADVOCATE
FORUM PLACE
555 WALNUT STREET, 1ST FLOOR
HARRISBURG PA 17101
**717.783.2525**
**717.783.2831**
sgray@pa.gov
Served via Email October 16, 2026