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July 31, 2017

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

**VIA ELECTRONIC FILING**

**RE: *En Banc* Hearing on Alternative Ratemaking Methodologies;  
Docket No. M-2015-2518883**

Dear Secretary Chiavetta:

Please be advised that Valley Energy, Inc., Citizens' Electric Company of Lewisburg, PA, and Wellsboro Electric Company (the "Companies") will not be filing Reply Comments in the above-referenced proceeding.

The Companies commend the Pennsylvania Public Utility Commission ("PUC" or "Commission") on its decision to avoid implementing a "one-size-fits-all approach" and encourage stakeholders to recommend alternative ratemaking methodologies tailored to each utility's unique circumstances. Through their initial Comments on March 16, 2016<sup>1</sup> and their subsequent Comments on May 31, 2017, the Companies recommended to the Commission that it should expand its policy defining which "basic customer costs" can be collected through a fixed charge (also known as a "customer charge") and approve the movement to modified fixed/variable pricing for all utilities or in the alternative, solely for small utilities.

Each of the Companies is considered a small utility in the Commonwealth, and their finances are significantly impacted when customers pursue distributed generation or energy efficiency and conservation projects. The weather also can substantially impact the Companies' volumetric sales. Unlike larger electric distribution companies and natural gas distribution companies, the Companies have smaller customer bases and fewer energy sales to offset potential loss of distribution service revenues for rate elements billed according to usage. As explained more fully in their prior Comments, the Companies believe that if the PUC expands the realm of costs that may be recovered via the customer

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<sup>1</sup> Although Valley Energy, Inc. was not a co-author of Citizens' Electric Company's and Wellsboro Electric Company's initial Comments, Valley supports the positions discussed in those Initial Comments.

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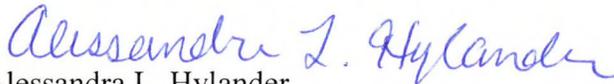
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charge and implements modified fixed/variable pricing for all utilities, or in the alternative, small utilities, both utilities and customers would benefit.

If you have any questions concerning this matter, please contact the undersigned. Thank you.

Respectfully submitted,

McNEES WALLACE & NURICK LLC

By   
Alessandra L. Hylander

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Citizens' Electric Company of Lewisburg, PA,  
and Wellsboro Electric Company