

Pike County Light & Power Company 2017 Summer Readiness Overview

Company Overview

Pike County Light & Power Company ("PCL&P" or the "Company") is an electric distribution company ("EDC") which has approximately 4,550 delivery customers. The Company is a wholly-owned subsidiary of Corning Natural Gas Holding Company ("CNGHC"). PCL&P's service territory is comprised of two Boroughs, and three Townships including the County Government seat in Milford.

A. Reliability Enhancement Programs

a. Enhanced Vegetation Management

The Company has been effective in removing danger trees. The Company routinely removes those danger trees within rights-of-way areas when identified. Those danger trees that exist outside of the Company's right-of-way areas can only be removed with customer or municipal authorization. PCL&P has begun tracking danger trees that it is unable to mitigate. PCL&P regularly works with the County Commissioners' office, the Boroughs of Matamoras and Milford, the Townships of Westfall and Milford, and the Milford Shade Tree Commission, to address danger trees that represent a hazard to the Company's electrical system that are located outside of right-of-way areas. In 2016, PCL&P coordinated the removal of danger trees identified with Shade Tree Commissions and DPW's in various areas as well identified by ORU or PCL&P representatives.

b. Storm Hardening

There has been no Storm Hardening Projects performed in PCL&P's service territory.

c. Fuses/Reclosers/automatic switches

There are currently four reclosers in service which sectionalize the circuit to minimize the number of customers affected during fault conditions. These units are functionally tested once every three years. The Company also completes a visual inspection and download of each unit annually. These tests verify availability when system activity increases due to storm or other activity on the circuits.

d. Smart Grid

No Smart Grid technology has been installed on the 13kV circuits in PCL&P's service territory.

e. Conservation Voltage Reduction (CVR) activity

The distribution equipment in PCL&P is no longer included in the NYISO voltage reduction plan.

f. Any other relevant continual improvement activity

In 2016, PCL&P continued upon the Reliability Action Plan it initiated in 2014. The Company continued the usage of smart fault indicators ("SFI"). In 2017 the fault indicators will be relocated to the river crossing to assistant in isolation and restoration.

B. Preventative Maintenance Programs

a. Capacitor Inspections

Pike uses a combination of eleven fixed and automatically switched capacitor banks to maintain system voltage throughout the year. In addition, PCL&P has five distribution voltage regulators to help maintain nominal system voltage level throughout peak and off- peak load cycles. These units are all tested annually to verify readiness for summer peak loading when the devices are needed most. The Company will be completing functional tests for all capacitor banks during the summer of 2017.

b. <u>Vegetation Management</u>

The Company's vegetation management program consists of: (1) a not to exceed five-year scheduled preventive vegetation management cycle; (2) a danger tree removal program; and (3) a hot spot trimming program that is applied as necessary. Scheduled preventive vegetation management work took place in 2015 and will be performed again in 2017.

Substation Inspections

All substation maintenance is performed in accordance with the "Substation Maintenance and Inspection Program" that is detailed and included in the Pike County Light & Power Annual Electric Reliability Report. The Company has performed such maintenance. This substation that serves the PCL&P service territory is in good condition and is ready for the summer period.

c. Aerial Patrols

PCL&P does not conduct aerial patrols of its distribution system.

d. <u>Infrared Inspections</u>

The Company inspects all three-phase mainline circuitry annually using thermal infrared cameras. Single phase circuitry is inspected on a three-year cycle. The 2017 infrared survey is scheduled for the late August time frame.

e. Any other relevant continual improvement activity

The Company inspects the overhead lines of the PCL&P distribution system every two-years. These inspections identify abnormal conditions and verify satisfactory transformer conditions. Our distribution pole inspection program is on a twelve-year cycle and verifies pole strength and other attributes that could impact reliability.

C. Capacity Planning

The first two phases of the enhanced reliability projects were completed by ORU in 2014 and 2015. The Joint Agreement requires that PCL&P continue with the third phase of the enhancements and initiate an energy supply study. The Company proposes to adhere to the requirements; however, it will conduct the study, utilizing the 2017 peak load data, combined with the known proposed new electric loads expected in 2017 and 2018 in the territory and prepare a forecast for 2018 to compare the original plans to the immediate and future capacity needs of the system.

D. 2016/2017 Storm Update and Lessons Learned

PCL&P experienced no storm events in 2016.

E. 2017 Summer Readiness

a. Capacity Additions

The sale of PCL&P Company from ORU to Corning Natural Gas Company was completed on September 1, 2016. As part of the sale, the Company is required to initiate an energy supply study within a six month period which has commenced. The results of the study will provide a direction the Company will consider in providing potential capacity additions.

b. <u>Transmission Preparedness</u>

PCL&P owns no transmission facilities.

Event Preparedness

The Company continually monitors weather conditions and forecasts throughout the year, especially during the summer months when there is a greater likelihood for thunderstorms to occur.

d. Training

The training programs will be part of the appropriate Corning Natural Gas programs for the PCL&P employees. In addition, specific training to PCL&P employees, associated with customer service and other management systems will participate in training, conducted on scheduled and/or on as needed basis to insure performance and uniformity.

In the future, as the Operations-related work transitions to PCL&P, the contract workforce hired to perform Operation type work will be conducted by a contractor company representatives. The training of their employees will under their responsibility and documented in the contractor's FHASP.

e. Personnel sufficient

The company provides a quarterly update to the TUS as part of the settlement agreement, which includes an update on employee and contractor Full Time Employees (FTE). The Company is required to request prior approval to hire individual contractor functions. The Company is continuing to review and identify the personnel needs as workloads and responsibilities develop.

F. Storm Response

Since the September 1, 2016, ORU has provided all necessary personnel for outage response and are adhering to their set processes. This strategy has continued into 2017 and will until PCL&P transitions to its own CICS, Operations contractor and restoration resources.

b. Communications and Outreach

PCL&P has participated in table top exercise and a drill at the Pike County Office of Emergency Management this past year and will continue participate. The purpose of the exercise and drill is to familiarize both PCL&P and County/Local officials with PCL&P's emergency response communications and personnel. In addition, the PCL&P team has met with and will continue to meet with the local municipal and county government OEM personnel to discuss initial and update in personnel or communication protocols.

c. Outage restoration and storm response best practices implemented and/or identified for future implementation

Throughout 2016 and year to date 2017 ORU/PCL&P has followed the storm staffing of both Company and contractor personnel using the ORU Storm Classification Matrix as a guide, which outlines minimum staffing levels based on a combination of expected weather conditions and anticipated customer outages. The PCL&P team has and will continue to update emergency and municipal officials prior to and during system emergencies.

Under ORU/PCL&P, public and employee safety are paramount in setting restoration priorities and coordinating restoration efforts. It is a focus to make conditions safe, restore utility service to the communities as quickly as possible, and manage repairs throughout the event. Once PCL&P implements its own contractor operations response teams it will apply the following general sequence for the restoration of the electric delivery system:

- Safety concerns including, but not limited to:
 - Wires down in heavy pedestrian areas or state or emergency service road closures; and
 - Municipally reported wires down or road closures;
- Critical facilities, including hospitals, police and fire stations, water supply and sewage;
- All other wires down and road closures and all distribution circuit lockouts; and
- o All other affected customers prioritized by highest customer count.