Pike County Light & Power Co.

Pike County Light & Power Co.
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October 30, 2014

VIA EMAIL & REGULAR MAIL

Mr. Mathew Stewart
Gas Reliability Engineer
Bureau of Technical Utility Services
Commonwealth of Pennsylvania
Pennsylvania Public Utility Commission
400 North St.
Harrisburg, PA 17120

Re: Request for Information Regarding Natural Gas Supply and System Reliability Outlook

Dear Mr. Stewart:

This letter responds to the various questions contained in your e-mail sent to me on September 23, 2014 relating to the above-referenced matter.

Question #1 – Winter Readiness

Response:

Pike County Light & Power Company's ("PCL&P" or the "Company") Gas Engineering department implements a Winter Preparation Program ("WPP") commencing on November 15th of each calendar year. Gas Engineering monitors the WPP throughout the Winter Period (i.e., November 15 through March 31). PCL&P has developed the WPP over many years and it encompasses all aspects of gas operations in PCL&P's service territory. PCL&P has procedures in place to comply with all Pennsylvania Public Utility Commission ("PAPUC") requirements regarding safety and reliability of service throughout the Winter Period. The Company's Gas Control department monitors gas pressure and supply into PCL&P's service area.

Prior to the beginning of the 2014-2015 Winter Period, PCL&P conducted a review of all active gas leaks, which would allow the repair of any such leaks prior to the onset of frost conditions (which would elevate the severity of any such leaks). The WPP provides that PCL&P will repair any such active leaks prior to November 15th. During the review period, PCL&P identified no Type 1, 2 or 2A leaks.

In addition, as part of the WPP, under direction of the Gas Control department, PCL&P increases regulator set points to increase gas flow, if needed. PCL&P performs a complete electronic calibration of station and electronic pressure recorders. In order to monitor the performance of the gas distribution system, PCL&P installed pressure recorders at the outer most points of our distribution system to monitor the performance of the system.

PCL&P also has installed at all low-lying areas of the low pressure gas distribution system, collection pots or "drips," which are designed to collect any moisture or liquid in the pipes. These are checked and drained, if necessary, as part of the WPP. In addition, PCL&P will clear any filter separators in the gate stations.

PCL&P performs a monthly cast iron survey during the Winter Period in accordance with a prior agreement with the PAPUC. PCL&P may perform additional cast iron surveys, if conditions such as extended periods of cold or frost exist.

Question #2 – Employee Safety/Readiness

Response:

PCL&P maintains a fully qualified work force that serves its gas customers. All employees are operator qualified each year in all covered tasks identified by the Northeast Gas Association. PCL&P conducts several refresher training classes prior to the heating season that cover all work procedures and policies regarding the WPP. As noted in PCL&P's response to Question 1 above, the Gas Engineering department monitors the implementation of the WPP.

Employees are trained in proper procedures and PAPUC requirements relating to the service disconnect requirements during the Winter Period. Procedures that pertain to frozen service lines and regulators, as well as handling snow and ice conditions on regulator installations, are reviewed.

All employees are provided with safety awareness training that highlights the hazards that are unique to winter conditions. PCL&P supplies all employees with proper personal protective equipment designed to assist them in working outside in the elements. Safe driving and walking in snow are reviewed. Warning signs for frostbite and hypothermia are discussed. PCL&P consistently stresses the need to work safely with all employees.

Question #3 – Communications Outreach

Response:

<u>General Non-Emergency Outreach</u>

The Company communicates various messages regarding the reliability and maintenance of our gas system. Press releases indicate our investment in our system and efforts regarding main replacement to assure customers regarding the integrity of our gas system.

Gas safety is of paramount importance to PCL&P. The majority of our communication outreach to customers involves gas safety. PCL&P annually produces and sends to its customers a Natural Gas Safety trifold bill insert. This insert advises people what to do – and not to do -- if they smell a natural gas leak; instructs them to Call 811 before digging; highlights how to protect themselves from carbon monoxide poisoning; and offers general gas safety tips to use throughout the home.

Call 811 messaging is also predominant in PCL&P's consumer newsletter, *@yourservice,* and is regularly advertised in print and online media from April through October each year.

Outreach During Gas System Emergencies

PCL&P's Gas Emergency Response Plan ("GERP") provides for a systematic recovery through the execution of the appropriate Company responses aimed at prompt and safe service restoration, while supporting a continuous information flow, both internally and externally. The GERP relies on all components of the recovery plan working together in a timely and efficient manner. The GERP builds on previous experience and implements proven concepts of operation while still adaptable to each particular situation. Organizational structure, workflow, and coordination are outlined therein. The GERP employs a support system to maximize field crew utilization and effectiveness, while maintaining a high level of safety and environmental awareness. It provides for public safety requirements and suggests a hierarchy of critical needs directed at facilitating permanent restoration. Readiness of the workforce to execute the GERP is achieved through cross-functional training, on-the-job training, and planned drills. Job assignments and the associated skills to perform those functions comprise the basic framework of this plan. The required human resources extend to all areas of the Company and reflect a corporate commitment to excellence in customer service. All departments are responsible for the readiness and training of personnel having recovery duties. As participation includes other utility and other non-PCL&P personnel, the same standards of excellence are expected. The GERP follows the National Incident Management System. The Plan has specific steps for communicating gas system emergencies to our customers. The Public Information Officer and Corporate Communications staff are responsible for informing the local media about the emergency situation, coping tips and the restoration status. This is accomplished via regularly issued press releases (also posted on our Web site), messaging on our Customer Service call system, live interviews, as well as various social media outlets.

In addition, communications are drafted to assist our Customer Assistance department in compiling phone scripts and outbound phone messages. Impacted customers who are not at home are also left with door hangers instructing to call us.

Employees are kept up-to-date via morning and evening field reports drafted by the Corporate Communications department.

The Public Information Officer also works closely and shares products with the Company's Liaison Officer who has overall responsibility for communication with municipal and county officials, agencies and Offices of Emergency Management. The Company's Community Response Team may also be activated to report to their assigned locations and provide personal assistance in the prioritization of work to ensure public safety, facilitate restoration of gas service consistent with the Company's restoration priorities, and provide a direct line of communication between the Company and communities we serve.

The Company recognizes the importance of practice; therefore we value and schedule drills. PCL&P is scheduling another drill in 2015. A "live" drill was held in June 2011 in Pike County. The Company also participated in the Lake Wallenpaupack Disaster Drill in May 2013, as well as a tabletop drill in October 2013.

Lastly, PCL&P participates in the Northeast Gas Association and the American Gas Association Mutual Assistance Programs. These programs are available to assist member utilities in providing emergency assistance in the form of personnel, supplies, and/or equipment.

Question #4 – Gas Supply and Planning

Response:

PCL&P's gas supply and planning is managed by the Gas Supply Department at Consolidated Edison Company of New York, Inc. ("Con Edison") through a combined portfolio of firm transportation contracts, storage contracts and delivered services, for the aggregated requirements of Orange and Rockland Utilities, Inc. ("O&R"), PCL&P, and Con Edison.

PCL&P is served by a lateral from the O&R distribution system in Port Jervis, New York. PCL&P has a peak requirement of approximately 1,380 Mcf per day which constitutes about 0.6% of the O&R peak day requirements, and less than 0.1% of the combined portfolio peak day load.

Because delivery points are widespread, the combined gas portfolio contains contracts with several interstate pipelines for sufficient capacity and delivery flexibility to meet the needs under design peak day and design season conditions for all three companies, including contingency scenarios. The physical supply for PCL&P's gas customers comes from Millennium and Columbia pipelines with redundancy for supply delivery from two stations in Orange County in New York State. A total of 260,000 dekatherms per day of firm capacity is contracted on Millennium and Columbia, far in excess of the peak requirements of PCL&P.

Question #5 – Customers

Response:

PCL&P does not have any customers served directly by either production or gathering lines.

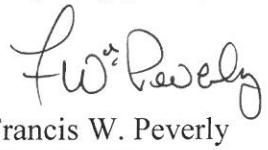
Question #6 – Polar Vortex Analysis

Response:

During the period noted, January1 through January 31, the Company had no outages due to the extreme cold weather and was able to maintain adequate pressures. As a result no changes or improvements are planned.

Please contact me if you have any questions or require any additional information regarding any of the matters discussed above.

Very truly yours,



Francis W. Peverly
Vice President - Operations