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May 31, 2017

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

In re: Joint Application of Pike County Light and Power Company, Corning Natural Gas Holding Corporation and Orange and Rockland Utilities, Inc. for: a Certificate or Certificates of Public Convenience Evidencing the Pennsylvania Public Utility Commission's Approval of: the Transfer by Sale of 100% of the Issued and Outstanding Stock of Pike County Light & Power Company; Docket No. A-2015-2517111; A-2015-2517036; G-2015-2517113; G-2015-2517114; S-2015-2517115 and S-2015-2517116; **PIKE COUNTY LIGHT & POWER QUARTERLY STATUS REPORT PURSUANT TO AUGUST 11, 2016 ORDER.**

Dear Secretary Chiavetta:

Enclosed you will find Pike County Light & Power Company's Quarterly Status Report pursuant to the directives in the August 11, 2016 Order in the above-captioned docket. Copies have been served in accordance with the attached Certificate of Service.

Should you have any questions or comments, please feel free to contact me directly.

Very truly yours,

Thomas J. Sniscak
Whitney E. Snyder

TJS/das

Enclosure

cc: Per Certificate of Service

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Joint Application of Pike County Light	:	
And Power Company, Buyer Corning Natural	:	
Gas Holding Corporation and Seller Orange	:	A-2015-2517036
And Rockland Utilities, Inc. for a Certificate	:	A-2015-2517111
Of Public Convenience Approving the Transfer	:	G-2015-2517113
By Sale of 100% of the Stock of Pike County	:	G-2015-2517114
Light And Power Company from Seller Orange	:	S-2015-2517115
And Rockland Utilities, Inc. to Buyer Corning	:	S-2015-2517116
Natural Gas Holding Corporation	:	

**PIKE COUNTY LIGHT & POWER COMPANY
QUARTERLY STATUS REPORT PURSUANT TO AUGUST 11, 2016 ORDER**

NOW COMES Pike County Light & Power Company (“PCL&P”), by its attorneys, and submits the following verified information in compliance with and pursuant to Paragraph 36(i) and Ordering Paragraph 19 of Administrative Law Judge Susan Colwell’s Recommended Decision¹ that the Commission by Order adopted on August 11, 2016 (“Order”),² PCL&P hereby provides its quarterly status report for March 2017 – May 2017.

1. **Permanent Staff Retained.** PCL&P previously provided notice on September 30, 2016 that it hired a General Manager and Customer Service Manager. In the first quarter of 2017, PCL&P hired a billing clerk to perform general responsibilities related to collection of meter readings, programming route devices, perform meter reading adjustments, coordination and the

¹ Joint Application of Pike County Light and Power Company, Recommended Decision, Docket Nos. A-2015-2517036 *et al.* (Jun. 30, 2016)

² Joint Application of Pike County Light and Power Company, Docket Nos. A-2015-2517036 *et al.* (Order entered Aug. 11, 2016).

creation and mailing of all customer bills and provide overall meter operation function support. PCL&P, pursuant to Commission approval issued March 3, 2017, has hired an Administrative Assistant and two Customer Service Representatives through an employment agency. PCL&P plans to hire each of these three individuals as full PCL&P employees provided they satisfactorily pass a 90-day probationary employment period which will end in June and July. Thus, within the next two months, PCL&P plans to have retained six permanent staff members.

Consistent with the “deliberative approach” approved by the Order, PCL&P is continuing to explore its permanent staffing needs during this transitional period. Thus, PCL&P hereby gives notice that it will require additional time to complete the process of hiring permanent staff as allowed under Paragraph 36(h) of the Recommended Decision as adopted by the Order. PCL&P will provide periodic updates on retaining permanent staff to the Office of Consumer Advocate, Office of Small Business Advocate, and the Emergency Preparedness and Reliability Section of the Commission’s Bureau of Technical Utility Services at the quarterly meetings held pursuant to Paragraph 36(e) of the Recommended Decision as adopted by the Order.

2. **Contractors in use.** By Compliance Letter filed with the Commission on Thursday, February 23, 2017, PCL&P requested the approval of engaging (a) three transitional contract employees for administrative assistant and customer service representative positions, who after a probationary period during which they will be evaluated and supervised, may become permanent employees, and (b) a technical field design services contractor on a one-year, renewable contract. The Commission approved the use of these contractors by Secretarial Letter dated March 3, 2017. PCL&P continues to explore the use of contractors in part or whole for the remaining positions. PCL&P, as part of its transition, is currently considering engaging the following contractors within the next quarter: A Vegetation Management Company primarily for electric

facilities but some services may include gas operations or substation and building facilities, an Electric Line Construction Company, a Gas Operation and Meter Reading Company, and a Pole Inspection/Treatment Company. PCL&P is also considering other Utility Companies for gas and electric construction, as well as electric and gas inspection programs and vegetation management services.³ In short, PCL&P will be evaluating under its deliberate approach the best mix of PCL&P employees and contractors for a company of its size to continue to provide adequate and reasonable service.

3. **Transition Services Agreement.** During this quarter, pursuant to the Transition Services Agreement (“TSA”) approved by the Commission in its Order, Orange and Rockland continues to provide Electric and Gas operation functions, for all new business construction, electric restoration and gas odor call responses and locate for damage prevention. In addition, Orange and Rockland also continues to perform Customer Service operations functions, including meter reading and installation, taking of gas and electric odor and outage calls, billing and customer account management. As part of PCL&P’s current planning for providing for these functions or services under the TSA after the TSA expires, it continues to: (1) evaluate the right-sizing of permanent employees; (2) the use of qualified electric and gas utility contractors in part, including potentially surrounding area utility companies and (3) PCL&P is actively undertaking transitional study, evaluation, and planning regarding all of the functions identified in the Transitional Service Agreement such as Customer Services and Support Operations, Field

³ If PLC&P hires outside contractors for the positions addressed in Paragraph 36(i) and Ordering Paragraph 19 of the ALJ’s Decision and the Commission’s Order adopting the same, that would occur per the procedures in said paragraphs.

Services, Emergency Response Services, SCADA Electric and Gas System Monitoring and Reporting.

4. **Quarterly Meetings with OCA, OSBA and TUS Reliability and Emergency Preparedness Sections.** PCL&P has conducted the quarterly meetings required by the settlement, and on an ongoing basis meets or has discussions with TUS Reliability and Emergency Preparedness regarding the reliability, preparedness and recordkeeping provisions of the Commission's Order approving the settlement.

5. **Meetings with Local Officials, Economic Development Councils or Agencies.** PCL&P management continues to meet with local officials at meetings or on individual inquiries and have attended Pike County Chamber of Commerce & Economic Development Agency meetings and Evacuation Flood table top drill.

6. **Studies.** PCL&P has commenced all studies (Alternate Gas and Electric Supply, Interest Rate Swap, Cast Iron and Bare Steel Replacement, and Workforce) required by the settlement and Commission Order. Pursuant to Paragraph 36(o), PCL&P has studied "the feasibility and cost implication of an interest rate swap, or similar switch to fixed rate debt, to hedge variable rate debt" and attached its findings to its quarterly report for December 2016 – February 2017. As an update to that report, PCL&P is meeting with a lender today, May 31, 2017,

to negotiate final terms and conditions of a potential swap, and will provide an update of the results along with its view as to whether the swap should be done or not.

Respectfully submitted,



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Attorneys for Pike County Light & Power Co.

Date: May 31, 2017

VERIFICATION

I, Steven L. Grandinali, General Manager of Pike County Light and Power Company, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief. I understand that the statements herein are made subject to the penalties of 18 Pa. C.S. § 4904 (relating to unsworn falsification to authorities).



Steven L. Grandinali
General Manager
Pike County Light and Power Company

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).

BY ELECTRONIC AND FIRST CLASS MAIL

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Thomas J. Sniscak
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DATED: May 31, 2017