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August 25, 2017

*Via Electronic Filing*

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor (filing room)  
PO Box 3265  
Harrisburg, PA 17105-3265

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 Nos. A-2015-2517036 *et al.*; **MOTION FOR EXTENSION OF DEADLINE TO COMPLETE ALTERNATIVE DEFAULT SUPPLY OPTION STUDY**

Dear Secretary Chiavetta:

Enclosed for filing with the Pennsylvania Public Utility Commission is Pike County Light and Power Company's Motion for Extension of Deadline to Complete Alternative Default Supply Option Study in the above-referenced proceeding. Copies of this filing have been served in accordance with the attached Certificate of Service.

If you have any questions or require additional information, please contact me.

Very truly yours,

Thomas J. Sniscak  
Whitney E. Snyder

cc: Daniel Searfoorce, TUS (via e-mail and U.S. Mail)  
David Washko, TUS (via e-mail and U.S. Mail)  
Per Certificate of Service

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

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, a :  
Public Utility Providing Natural Gas and Electric :       Docket No. A-2015-2517036 *et al.*  
Distribution Service in Pennsylvania, from Seller :  
Orange and Rockland Utilities, Inc. to Buyer :  
Corning Natural Gas Holding Corporation; :  
Approval of Certain Affiliated Interest Filings and :  
Securities Certificates; and, All Other Approvals :  
Or Certificates Appropriate, Customary or :  
Necessary Under the Public Utility Code to Carry :  
Out The Transactions Described in the :  
Application. :

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**PIKE COUNTY LIGHT AND POWER COMPANY’S  
MOTION FOR EXTENSION OF DEADLINE TO COMPLETE  
ALTERNATIVE DEFAULT SUPPLY OPTION STUDY**

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Pursuant to 52 Pa. Code § 1.15 and the Pennsylvania Public Utility Commission’s (“Commission”) August 11, 2016 Opinion and Order (“Order”) approving Corning Natural Gas Holding Corporation’s (CNGHC) acquisition of Pike County Light and Power (“PCL&P”) pursuant to a settlement (“Settlement”) between the parties, PCL&P requests a six (6) month extension of the Order’s requirement that PCL&P complete a study of alternative options for default service gas and electric supply. The study is currently due on August 31, 2017; thus, PCL&P requests that the Commission grant it an extension until the end of February 2018 to complete the study if the Commission grants this motion prior to August 31, 2017 or six (6)

months after the Commission's grant of this motion if after August 31, 2017. PCL&P is authorized to represent that counsel for the Office of Consumer Advocate and Office of Small Business Advocate do not oppose PCL&P's request. PCL&P submits that good cause exists for the Commission to grant the requested extension because PCL&P's ability to obtain alternative default supply options, including financial hedges, presents highly complex and unique issues that require additional time and study to ensure PCL&P can fully consider each options feasibility, costs, benefits, and the most beneficial options in terms of rate stability, long-term costs to ratepayers, and reliability.

**A. Background**

1. PCL&P is in a unique situation where its current electric and gas default supply is delivered into the system from one source: the Orange & Rockland ("O&R") distribution network in New York State. PCL&P's ability to obtain alternative default supply options, including financial hedges, presents highly complex and unique issues.

2. On December 9, 2015, CNGHC and Orange and Rockland Utilities ("O&R") jointly filed an application ("Application") for CNGHC to acquire from O&R, PCL&P, a Pennsylvania electric and natural gas distribution utility.

3. The Office of Consumer Advocate ("OCA") and Office of Small Business Advocate ("OSBA") protested the application.

4. On June 10, 2016, the parties to the proceeding reached a settlement in full concerning the Application.

5. On July 22, 2016, Administrative Law Judge Susan Colwell issued a recommended decision approving the settlement ("Recommended Decision").

6. On August 11, 2016, the Commission issued its Order approving the acquisition and settlement, which adopted the Recommended Decision in full.

7. On August 31, 2016, CNGHC and O&R closed on the acquisition of PCL&P. *See* September 9, 2016 Letter (filed at Docket No. A-2015-2517036).

**B. Supply Study Requirement**

8. The Settlement and Order require that PCL&P perform a study to investigate alternative methods of obtaining natural gas and electric supply for PCL&P's default customers. *See* Recommended Decision at 5, 32.

Six (6) months after closing, PCL&P shall start a study of alternative supply options for its gas and electric divisions. For the electric division, the option studied shall include, but are not limited to, the inclusion of bilateral contracts as defined in 66 Pa.C.S. § 2803, which "may include the EEI Master Agreement for physical energy purchases and sales and the ISDA Master Agreement for financial energy purchases and sales." The study shall also include, but not be limited to, other flexible options such as purchases of financial (or physical) hedges in small quantities from brokers. PCL&P shall consult with OCA and OSBA before the study begins with respect to its scope and the options to be studied. PCL&P, OCA and OSBA shall meet to discuss the results of the study within twelve (12) months of closing.

9. PCL&P was required to commence the study six-months after closing. *Id.* PCL&P commenced its study within this time frame, obtaining input from the OCA and OSBA and internally considering, reviewing, and exploring default supply options.

10. PCL&P is required to meet to discuss the results of the study with OCA and OSBA within twelve months of closing (August 31, 2017) and file the results of the study with the Commission's Bureaus of Audits, Consumer Services, and Technical Utility Services. Recommended Decision at 5, 32.

11. On August 22, 2016, PCL&P, OCA, and OSBA<sup>1</sup> conferred to discuss PCL&P's submission of this petition requesting additional time to complete the study. OCA and OSBA indicated that they would not oppose PCL&P's request for an extension and that PCL&P may make such representation in this petition.

**C. Request for Extension**

12. 52 Pa. Code § 1.15 allows the Commission to grant extensions of time "for good cause." Moreover, PCL&P submits the public interest will be promoted by granting the request. PCL&P submits that good cause exists here because PCL&P's ability to obtain alternative default supply options, including financial hedges, presents highly complex and unique issues that require additional time and study to ensure PCL&P can fully consider each options feasibility, costs, benefits, and the most beneficial options in terms of rate stability, long-term costs to ratepayers, and reliability. PCL&P submits such additional study is in the public interest.

13. To complete this additional study, PCL&P has interviewed, and plans to retain, EnerNOC, <https://www.enernoc.com/>, to use its significant expertise in these areas to assist PCL&P to determine and select in its managerial judgment the best options or a mix thereof for future customer default supply for ratepayers.

14. Regarding electricity supply, EnerNOC will assist PCL&P in further analyzing PCL&P's current default supply methods, which are presently via an Electric Supply Agreement ("ESA") and a separate Gas Supply Agreement ("GSA") with O&R, that the Commission approved in the Order. EnerNOC will provide PCL&P with supply strategy services and advice in PCL&P's study of physical plant and commodity options (including financial hedging

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<sup>1</sup> TUS Emergency Preparedness representatives, while not a party, were on the conference call also as the Order directs that it be included in Quarterly Reports and compliance matters specified in conditions to the Order's approval to the application.

options) and energy cost risk variance. EnerNOC will also assist PCL&P in developing a supply strategy based on this analysis, which will be based on criteria such as PCL&P's load data and historical and forecasted requirements. Once a supply and supply management plan is chosen, EnerNOC may assist PCL&P in implementing the plan and provide ongoing analysis and management advice.<sup>2</sup> EnerNOC has thousands of customers across the globe, including other utilities such as PECO and Delmarva Power.

15. Regarding natural gas supply, PCL&P is considering various interconnection options to pipelines to obtain supply, including locally produced natural gas. EnerNOC will provide services in evaluating and vetting these options.

16. Utilizing EnerNOC's expert services to assist PCL&P in studying its supply options will benefit PCL&P's default supply customers, is sufficient cause for granting the requested extension of time, and is in the public interest. Moreover, the OCA and OSBA do not oppose PCL&P's request. Also, during the additional period PCL&P and its consultant EnerNOC will be conferring<sup>3</sup> additionally with OCA, OSBA and TUS to discuss the study in progress and to receive input at least once during the first 60 days from the date any Commission Order or Secretarial Letter granting this petition, and then at least once within 60 days thereafter. These conferences would be handled in the same manner (face-to-face or by conference call) as the Quarterly Meetings by the very same participants.

**WHEREFORE**, subject to the terms offered in this petition, PCL&P respectfully requests, the Commission grant it an additional six (6) months to perform its alternative supply study making the study due on February 28, 2018 if the Commission grants this motion prior to

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<sup>2</sup> PCL&P retaining EnerNOC at such juncture is subject to PCL&P and EnerNOC achieving or continuing a mutually acceptable contract for service at that point in time and upon PCL&P's managerial decision to continue its relationship with EnerNOC or to seek other alternatives.

August 31, 2017 or six (6) months after the Commission's grant of this motion if granted after August 31, 2017.

*Thomas J. Sniscak*

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*Attorneys for  
Pike County Light & Power*

Date: August 25, 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).



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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, Esquire  
Whitney E. Snyder, Esquire

DATED: August 25, 2017

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