

Hawke
 Mckeon &
 Sniscak LLP
ATTORNEYS AT LAW

Thomas J. Sniscak
(717) 236-1300 x224
tjsniscak@hmslegal.com

Whitney E. Snyder
(717) 236-1300 x260
wesnyder@hmslegal.com

100 North Tenth Street, Harrisburg, PA 17101 Phone: 717.236.1300 Fax: 717.236.4841 www.hmslegal.com

August 31, 2017

BY FEDERAL EXPRESS

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 (**Public Version**) 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

Thomas J. Sniscak
Whitney E. Snyder

RECEIVED

TJS/das
Enclosure
cc: Per Certificate of Service

AUG 31 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

AUG 31 2017

BEFORE THE
 PENNSYLVANIA PUBLIC UTILITY COMMISSION ^{PA} PUBLIC UTILITY COMMISSION
 SECRETARY'S BUREAU

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
 (PUBLIC VERSION)

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 June 2017 – August 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, hired an Administrative Assistant and two Customer Service Representatives through an employment agency. As of August 7, 2017, the two Customer Service Representatives passed their probationary period and are full-time PCL&P employees. PCL&P is restructuring the Administrative Assistant position, which will be filled later this year. PCL&P is also preparing job offers for a General Technician position and Planner/Construction Administrative position. PCL&P plans to have these positions filled in October of this year. In sum, PCL&P has hired five full time employees to date, and by the end of the year plans to hire an additional three full time employees.

Consistent with the “deliberative approach” approved by the Order, PCL&P is continuing to explore its permanent staffing needs during this transitional period. PCL&P gave notice in its quarterly report for the second quarter of 2017 that it will require the additional time permitted by the Order to complete the process of hiring permanent staff as allowed under Paragraph 36(h) of the Recommended Decision as adopted by the Order.

2. **Contractors in use.** On July 25, 2017, pursuant to Paragraph 36(h) of the Order, PCL&P filed a letter requesting Commission approval for the use of five contractors: (1) pole inspection and repair; (2) underground facility locating; (3) storm assistance and recovery service; (4) gas and electric meter reading, construction and installation of mains, and surveys; and (5) an electric contractor. On August 4, 2016, the Commission issued a secretarial letter approving this request. PCL&P has since retained four of these contractor positions, as discussed in its letter request:

(1) and (3) – PCL&P has retained OSMOSE;

(2) – PCL&P has retained USIC; and

(4) – PCL&P has retained Precision Pipeline Solutions.

3. **Transition Services Agreement.** During this quarter, pursuant to the Transition Services Agreement (“TSA”) approved by the Commission in its Order, Orange and Rockland continued 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 continued 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. In the next quarter, PCL&P plans to continue to receive services under the Transitional Service Agreement from Orange and Rockland for electric construction and emergency response to electric outages and gas odor calls. PCL&P will no longer take the following services under the Transitional Service Agreement in the next quarter: underground facility locating; gas line installation and maintenance; vegetation management; pole inspection surveys; infrared surveys; and meter reading.

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.

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.

On August 25, 2017, PCL&P filed with the Commission an unopposed motion for additional time in which to complete its Alternate Gas and Electric Supply Study. On August 29, 2017, the Commission granted PCL&P's motion, extending the deadline to February 28, 2018.

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 currently considering a term sheet from [BEGIN CONFIDENTIAL] [END CONFIDENTIAL] to refinance the loan.

Respectfully submitted,



Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire
Hawke McKeon & Sniscak LLP
100 North Tenth Street
Harrisburg, PA 17101
Phone: 717-236-1300
tjsniscak@hmslegal.com
wesnyder@hmslegal.com

Attorneys for Pike County Light & Power Co.

Date: August 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

RECEIVED

AUG 31 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

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

Aron J. Beatty, Esquire
Kristine E. Marsilio, Esquire
Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101
ABeatty@paoca.org
KMarsilio@paoca.org

Daniel G. Asmus, Esquire
Office of Small Business Advocate
Commerce Building, Suite 1102
300 North 2nd Street
Harrisburg, PA 17101
dasmus@pa.gov

Dan Searfoorce, Supervisor
Reliability and Emergency Preparedness
PUC Bureau of Technical Utility Services
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265
dsearfoorc@pa.gov

RECEIVED

AUG 31 2017

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Thomas J. Sniscak

Thomas J. Sniscak
Whitney E. Snyder

DATED: August 31, 2017

ORIGIN ID:MDTA (717) 236-1300
THOMAS J. SNISCAK
HAWKE, MCKEON & SNISCAK LLP
100 N. TENTH STREET
2ND FLOOR
HARRISBURG, PA 17101
UNITED STATES US

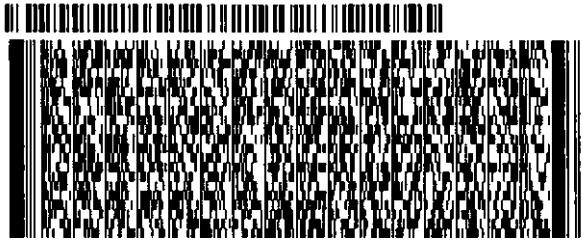
SHIP DATE: 31AUG17
ACTWGT: 1.00 LB
CAD: 5875296/INET3920

BILL SENDER

TO ROSEMARY CHIAVETTA
PA PUBLIC UTILITY COMMISSION
400 NORTH ST FL 2
COMMONWEALTH KEYSTONE BLDG
HARRISBURG PA 17120

549J1FF19104C

(717) 787-8009 REF. 1306-001 TJS/DAS
INV. PO DEPT.



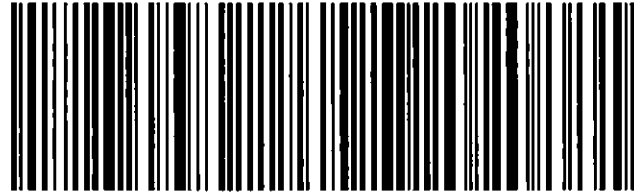
4172017462414W

FRI - 01 SEP 8:00A
FIRST OVERNIGHT

TRK# 7701 6213 6272
0201

E1 MDTA

17120
PA-US MDT



After printing this label:

1. Use the 'Print' button on this page to print your label to your laser or inkjet printer.
2. Fold the printed page along the horizontal line.
3. Place label in shipping pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.

Warning: Use only the printed original label for shipping. Using a photocopy of this label for shipping purposes is fraudulent and could result in additional billing charges, along with the cancellation of your FedEx account number.

Use of this system constitutes your agreement to the service conditions in the current FedEx Service Guide, available on fedex.com. FedEx will not be responsible for any claim in excess of \$100 per package, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the current FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of \$100 or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is \$1,000, e.g. jewelry, precious metals, negotiable instruments and other items listed in our ServiceGuide. Written claims must be filed within strict time limits, see current FedEx Service Guide.