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November 30, 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 September 2017 – November 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, and is using a temporary employee for this function at this time. PCL&P will hire a full time employee for this position that will function as both an additional customer service representative and an administrative assistant. PCL&P is currently searching for a General Technician position and has posted the job opening on both its website and facebook page and is also utilizing an employment agency to try to fill this position. PCL&P has found a potential employee to fill the Planner/Construction position and will be making an offer for employment in the upcoming weeks. PCL&P plans to have these positions filled in the next quarter. In sum, PCL&P has hired five full time employees to date, and by the end of the next quarter 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:

- (1) and (3) – PCL&P has retained OSMOSE;
- (2) – PCL&P has retained USIC; and
- (4) – PCL&P has retained Precision Pipeline Solutions.

PCL&P intends to fill the electric contractor position in the next quarter.

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 minimal Customer Service operations functions, including some meter installations. During this quarter, PCL&P took over the following functions from O&R: taking of gas and electric odor and outage calls and billing and customer account inquiries, billing and customer account management, underground facility locating; gas line installation and maintenance; vegetation management; pole inspection surveys; infrared surveys; and meter reading, and all customer call taking, billing. 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 any services under the Transitional Service Agreement in the next quarter.

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 has now received a term sheet from M&T bank to refinance the loan and plans to file a securities certificate in the next quarter.

Respectfully submitted,



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Attorneys for Pike County Light & Power Co.

Date: November 30, 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
Whitney E. Snyder

DATED: November 30, 2017