

Pike County Light & Power Company and Leatherstocking Gas Company

Implementation Plan

Focuses Management and Operations Audit

Docket Nos. D-2017-2584891 and D-2017-2584892

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

III-1	Expand the safety manual to include detailed safety topics related to gas and electric operations.
-------	--

A. Accept

B. Actions to be taken:

Both LGC and PCL&P will ensure current safety procedures, including employee training are described in the written safety rules and policies. These documents will be updated to include policies related to electric operations. The companies are also considering hiring a safety consultant to assist with revisions to LGC and PCL&P's written safety rules and policies.

C. Individual responsible for implementation:

Jeffrey Spear, Safety & Training Supervisor

D. Date implementation to be completed:

December 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

III-2	Document and update annually LGC and PCLP's short- and long-term strategic plans.
-------	---

A. Accept

B. Actions to be taken:

Both LGC and PCLP will document and update their long- and short-term strategic plans. Both companies plan to consider the best practices the audit recommends, including:

- A planning process with clearly defined objectives and metrics that are aligned with the company's overall vision and mission;
- Business goals and a metrics tracking process that measures the achievement of the company's objectives;
- Specific strategies or plans for the operating companies feeding up to the plan; and
- Documentation of analyses performed to support the strategic plan of the utility.

C. Individual responsible for implementation:

Michael German, CEO

D. Date implementation to be completed:

November 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

III-3	Develop a staffing plan to document the cost-benefit analyses used to support the decision-making process in determining staffing level resources.
-------	--

A. Accept

B. Actions already taken:

Pursuant to the Commission-approved Settlement Agreement relating to the acquisition of PCL&P, PCL&P has taken a deliberate approach in hiring employees, weighing the costs and benefits of utilizing certain employees and submitting the required quarterly updates to the Commission. PCL&P has likewise requested approval for certain contractors as required pursuant to the Settlement Agreement and received all such approvals from the Commission. To date, PCL&P has hired a general manager, two customer service representatives, and is currently seeking a general technician. 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 has also filled various contractor positions, including pole inspection and repair; underground facility locating; storm assistance and recovery service; gas and electric meter reading, construction and installation of mains and surveys.

C. Actions to be taken:

PCL&P will develop a written staffing plan and document its cost-benefit analysis.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

The plan will be completed by March 31, 2018.

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

III-4	Select, purchase, install, and test all remaining computer systems required to run and manage PCLP in a timely manner.
-------	--

A. Accept

B. Actions already taken:

PCL&P has completed purchase and installations of CICS, Mapping (GIS), Call Center IVR/Outage Management System and Corporate Wide Network computer systems. PCL&P has thus purchased and installed all recommended computer systems except SCADA

C. Actions to be taken:

PCL&P will: continue review and justification of “off-self” Outage Management System; continue implementation of “Cayenta” Work Management System; and implementation of SCADA system. PCL&P continues to study the feasibility of creating an “interface” between systems.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

April 30, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

III-5	Prepare and file annual diversity reports with the Commission.
-------	--

A. Accept

B. Actions to be taken:

PCL&P and LGC will begin tracking the information necessary to complete and file the diversity reports discussed in 52 Pa. Code § 69.809.

C. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

D. Date implementation to be completed:

The company will begin tracking the necessary information by June 1, 2018. Each company will prepare a report and file it on March 1, 2019.

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IV-1	Periodically review and update documents applicable to corporate governance of PCLP and LGC.
------	--

A. Accept

B. Actions to be taken:

PCL&P and LGC note that CNGHC is not a regulated utility subject to the Commission's jurisdiction. As to recommendations that CNGHC's corporate governance documents be updated, PCL&P and LGC will form their own corporate governance documents consistent with the recommendations in the audit, including Code of Business Conduct and Ethics and Board of Directors' committee charters, and ensure that these documents address relationships with affiliates. The Code will establish the responsibility for all employees to treat ratepayers fairly in regard to activities such as accurately charging and allocating costs and tracking employee time for cost allocation purposes, consistent with PCL&P and LGC's Commission-approved Affiliated Interest Agreements. The Codes will also include contact information to report potentially illegal or unethical behavior to management, HR, or to legal counsel.

PCL&P will update its bylaws to align with current corporate practices, however, as PCL&P remains in a transition period, some of those corporate practices remain transitory, and it may take additional time to fully update these bylaws.

The companies will engage in periodic review of corporate governance documents to ensure they reflect current operations, corporate and governance structure, emerging issues and needs, and remain relevant in providing guidance and information to shareholders, employees, customers, and other stakeholders.

C. Individual responsible for implementation:

Michael German, CEO

D. Date implementation to be completed:

The companies will begin implementation June 1, 2018 and the process will be completely implemented by January 1, 2019.

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IV-2	Develop a charter for the CNGHC Nominating and Compensation Committee regarding PCLP and LGC governance.
------	--

A. Accept

B. Actions to be taken:

PCL&P and LGC note that CNGHC is not a regulated utility subject to the Commission's jurisdiction. However, CNGHC will document a Compensation and Nominating Committee charter that will include audit recommendations, such as:

- Identify individuals qualified to become board members consistent with criteria approved by the Board;
- Oversee the evaluation of the Board and Management;
- Perform an annual performance evaluation of the Committee;
- Review and approve corporate goals and objectives relevant to the CEO;
- Evaluate CEO performance and approve compensation accordingly;
- Make recommendations to the Board regarding non-CEO compensation, incentive plans, benefit plans, etc.

C. Individual responsible for implementation:

Michael German, CEO

D. Date implementation to be completed:

Implementation June 1, 2018 completed by December 31, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IV-3	Annually evaluate director performance and skillsets taking into consideration emerging needs and priorities, and provide director education and/or modify composition as necessary.
------	--

A. Accept

B. Actions to be taken:

PCL&P and LGC note that CNGHC is not a regulated utility subject to the Commission's jurisdiction. As noted in response to IV-1, PCL&P and LGC will form their own corporate governance documents. These documents will implement the audit recommendations at the utility level, including having independent directors and annual performance evaluations.

C. Individual responsible for implementation:

Michael German, CEO

D. Date implementation to be completed:

November 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IV-4	Develop corporate governance guidelines for PCLP and LGC.
------	---

A. Accept

B. Actions to be taken:

As described in response to recommendation IV-1, PCL&P and LGC will document their own corporate governance policies.

C. Individual responsible for implementation:

Michael German, CEO

D. Date implementation to be completed:

June 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IV-5	Annually, set specific performance goals for the LGC President and conduct evaluations of established performance goals.
------	--

A. Accept

B. Actions to be taken:

Performance goals for the LGC president and CEO will be documented at the utility level. Evaluation of the LGC president and CEO will also be documented at the utility level.

C. Individual responsible for implementation:

LGC Board

D. Date implementation to be completed:

December 31, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

V-1	Document financial management policies and procedures for LGC and PCLP and ensure documents accurately and appropriately reflect practices in policy.
-----	---

A. Accept

B. Actions to be taken:

The financial management policies and procedures will be reviewed and updated as necessary. In particular, the policies and procedures will be updated to reflect LGC and PCL&P. The documents will be updated to include who created the process by name and position title, when it was created, and when the process was last reviewed.

C. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

D. Date implementation to be completed:

December 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

V-2	Document an internal dividend policy for LGC and PCLP and provide advanced notice, and written explanation to the Commission for each dividend payment in excess of 85% of net income.
-----	--

A. Accept

B. Actions already taken:

Neither LGC nor PCLP have ever issued dividends under CNGHC's ownership.

C. Actions to be taken:

The companies will document policies and procedures for issuing dividends in the future, identifying financial requirements, restrictions, and/or formulas that are used for determining dividend payments in addition to establishing a maximum and target dividend payout range would enhance ring-fencing efforts. The policy will include procedures for providing the Commission advance notice if a dividend payment would exceed 85% of LGC or PCL&P's net income

D. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

E. Date implementation to be completed:

November 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

V-3	Develop and document guidelines and policies for budget creation and management including the regular reporting of budget variances for LGC and PCLP.
-----	---

A. Accept

B. Actions to be taken:

A comprehensive budget management policy document will be created that specifically documents financial management policies and procedures for LGC and PCLP and ensures that documents accurately and appropriately reflect practices in policy. The policy will also identify an internal dividend policy for LGC and PCLP and provide advanced notice, and written explanation to the Commission for each dividend payment in excess of 85% of net income. The companies will also develop and document guidelines and policies for budget creation and management including the regular reporting of budget variances for LGC and PCLP.

C. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

D. Date implementation to be completed:

October 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VI-1	Enhance the cost allocation manual applicable to LGC and PCLP to reflect all cost allocation and affiliate transaction related processes.
------	---

A. Accept

B. Actions already taken:

The companies already have Commission-approved affiliated interest agreements in place governing cost allocations, and those allocations are currently being followed.

C. Actions to be taken:

The Cost Allocation Manual (CAM) will be updated to include the following additional detail that the audit recommends:

- the process utilized for determining the allocation factors;
- a description of the process utilized for calculating, reviewing, approving, inputting, and testing the allocators;
- assign responsibilities to specified staff members for each aspect of the allocation factor process; and
- the use of predetermined allocators for employee time reporting.

The CAM will be reviewed to determine whether updates are necessary.

D. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

E. Date implementation to be completed:

December 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VI-2	Implement mandatory refresher training on time sheet entry for shared employees.
------	--

A. Accept

B. Actions already taken:

The companies already have Commission-approved affiliated interest agreements in place governing cost allocations, and those allocations are currently being followed, including distribution of employee time.

C. Actions to be taken:

LGC and PCL&P Employees will receive annual training refreshers to ensure proper time reporting procedures between entities are followed. This training will include time sheet entry, employee expense statements, and any applicable vendor invoices.

Policies and procedures will be updated to reflect PCL&P and emphasize the importance of direct charging between the affiliates and periodic refresher training on time.

D. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

E. Date implementation to be completed:

October 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VI-3	Ensure all charges between affiliates are appropriate, reasonable, documented, and align with the PA PUC-approved affiliated interest agreement.
------	--

A. Accept

B. Actions already taken:

The companies already have Commission-approved affiliated interest agreements in place governing cost allocations, and those allocations are currently being followed. The companies have implemented the procedures the audit recommends since the audit took place. A review of PCLP and LGC's financial controls was undertaken and processes have been established or updated as needed to ensure the execution of charges between affiliates are appropriate, reasonable, and result from substantive supporting documentation.

C. Individual responsible for implementation:

Firouzeh Sarhangi, CFO

D. Date implementation to be completed:

Implementation already completed.

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VII-1	Develop and periodically update an Electric Operations and Maintenance Manual specific to PCLP's system.
-------	--

A. Accept

B. Actions already taken:

PCL&P has various policies and procedures documented, and it has begun to update and compile its Electric Operations and Maintenance Manual since transitioning from O&R's ownership. It has completed the Construction Standards. Procedures are under review and being updated.

C. Actions to be taken:

PCL&P will continue updating and compiling its Electric Operations and Maintenance Manual and ensure that it is readily accessible.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

September 30, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VII-2	Update PCLP's Storm Response and Restoration Plan and tailor it to PCLP's available equipment, resources, and capabilities.
-------	---

A. Accept

B. Actions already taken:

PCL&P has created an initial Storm Response and Restoration Plan in coordination with its Transitional Services Agreement partner, O&R.

C. Actions to be taken:

PCL&P will update its Storm Response and Restoration Plan and ensure it is tailored to available equipment, resources, and capabilities as it continues in its transitional process from O&R's ownership. The plan will prioritize emergency repairs involving threats to human life and include specific details in the communications section, including contact information with phone numbers and preplanned response messages.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

December 31, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VIII-1	Accelerate replacement of unprotected bare steel and cast iron main for PCLP.
--------	---

A. Accept

B. Actions already taken:

Pursuant to the Commission-approved settlement of CNGHC's acquisition of PCL&P at Docket No. A-2015-2517036, PCL&P is required, from the date of closing of that transaction (August 31, 2016), to commence a natural gas system cast iron and bare steel (CIBS) study within six months of closing, and within eighteen month of closing start implementation of a replacement program. PCL&P has, as required commenced its study.

C. Actions to be taken:

PCL&P will complete the study and commence implementation of replacements pursuant the Commission-approved Settlement Agreement. Implementation will begin with preparation of a LTIPP and DSIC and submission for approval. Once PCL&P has a Commission-approved LTIPP and DSIC in place, it will begin replacement pursuant to the LTIPP.

D. Individual responsible for implementation:

Steven Grandinali, General Manager, PCL&P

E. Date implementation to be completed:

PCL&P will complete the study and begin its initial implementation step of preparation of a LTIPP and DSIC program by February 28, 2018.

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VIII-2	Track dispatch times for gas odor/emergency calls for PCLP.
--------	---

A. Accept

B. Actions to be taken:

PCL&P will identify parameters and develop a plan to create a tracking mechanism for gas odor/emergency calls and implement tracking.

C. Individual responsible for implementation:

Steve Grandinali, PCL&P General Manager

D. Date implementation to be completed:

September 31, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

VIII-3	Develop and maintain all gas operation procedures in accordance with federal regulations for PCLP.
--------	--

A. Accept

B. Actions already taken:

PCL&P is currently utilizing its current Transition Service Agreement partner's (O&R) procedures during the transition period as O&R was performing these functions for PCL&P.

C. Actions to be taken:

As PCL&P transitions from the Transition Service Agreement, it will document and implement PCL&P specific procedures. PCL&P notes that LGC has comprehensive operations and maintenance (O&M) procedures, and PCL&P will utilize that expertise in implementing and documenting its own procedures.

D. Individual responsible for implementation:

Matthew Cook, LGC VP Operations & Engineering

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

December 31, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-1	Develop an Emergency Response Plan (ERP) for PCLP and update LGC's ERP and review, test, and update it annually.
------	--

A. Accept

B. Actions to be taken:

PCL&P will document a formal emergency response plan pursuant to the audit recommendations.

LGC will add a provision to its Emergency Response Plan to include a provision to notify the PA PUC whenever 2,500 or 5% of its total customers, whichever is less, have an unscheduled interruption in a single event for six or more projected consecutive hours, along with contact information. LGC will also review and update its plan and continue to do so annually.

C. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

Matthew Cook, LGC VP Operations & Engineering

D. Date implementation to be completed:

LGC March 31, 2018

PCL&P August 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-2	Develop Physical Security Plans for PCLP and LGC, and review, test, and update them annually.
------	---

A. Accept

B. Actions to be taken:

PCL&P will complete its physical security plan and ensure it meets the requirements of 52 Pa. Code § 101.3(a)(1). PCL&P will ensure adequate resources are dedicated to developing a documented plan. PCL&P will review, test, and update its plan annually.

LGC will enhance its physical security plan and document its critical facilities within its plan. LGC will add to its plan how it will protect personnel, critical equipment, and continue reliable service and include information on risk analysis. LGC will review, test, and update its plan annually.

C. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

Matthew Cook, LGC VP Operations & Engineering

D. Date implementation to be completed:

June 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-3	Develop comprehensive Business Continuity Plans for LGC and PCLP and review, test, and update them annually.
------	--

A. Accept

B. Actions already taken:

The companies have completed installation of redundant Customer Information System servers to allow for disaster recovery between PCL&P and Corning Natural Gas sites.

C. Actions to be taken:

PCL&P will develop a business continuity plan.

LGC will document its business continuity plan and enhance its plan with the recommendations contained in the audit.

D. Individual responsible for implementation:

Russel Miller, VP Energy Supply & Business Development

E. Date implementation to be completed:

June 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-4	Develop comprehensive Cybersecurity Plans for LGC and PCLP, and consider utilizing a cybersecurity risk analysis or cyber vulnerability assessment.
------	---

A. Accept

B. Actions already taken:

The Companies have contracted with a third-party information technology consultant to review, evaluate, and implement IT procedures, policies, and cybersecurity protocols.

C. Actions to be taken:

PCL&P and LGC will develop and document a cyber security plan consistent with the audit recommendations.

LGC will continue to develop and document the cyber security measures it has in place and document a full cyber security plan consistent with the audit recommendations.

Each company will also develop and implement an employee formal training and notification program for cyber threats.

D. Individual responsible for implementation:

Russel Miller, VP Energy Supply & Business Development

E. Date implementation to be completed:

June 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-5	Increase IT resources at PCLP and LGC and review IT resource needs regularly.
------	---

A. Accept

B. Actions already taken:

The Companies have contracted with a third-party information technology consultant to review, evaluate, and implement IT procedures, policies, and cybersecurity protocols.

As discussed in response to recommendation III-4, PCL&P has purchased and is testing necessary software for its operations.

LGC is currently reviewing IT platform and needs. It will determine how implementing any necessary changes impacts the current affiliate services agreement

C. Actions to be taken:

Management will review existing IT infrastructure, identify deficiencies, recommend improvements, and create implementation process.

D. Individual responsible for implementation:

Russel Miller, VP Energy Supply & Business Development

E. Date implementation to be completed:

May 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-6	Engage a trusted outside agency or security specialist to conduct a vulnerability assessment and penetration test on PCLP and LGC facilities periodically.
------	--

A. Accept

B. Actions to be taken:

The companies will engage a third-party security specialist to conduct the recommended assessment and testing.

C. Individual responsible for implementation:

Matthew Cook, LGC VP Engineering & Operation

D. Date implementation to be completed:

May 1, 2019

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-7	Correct minor deficiencies in physical security at PCLP and LGC facilities, implement a system of security inspections at all facilities, and improve security measures.
------	--

A. Accept

B. Actions already taken:

PCL&P has strengthened both its camera and alarm systems.

C. Actions to be taken:

The companies will correct the minor physical security deficiencies identified by the Commission's audit staff and perform ongoing physical security reviews of all facilities

D. Individual responsible for implementation:

Matthew Cook LGC, LGC VP Operations & Engineering

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

December 1, 2019

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

IX-8	Review and modify LGC's policy of not providing fire extinguishers at gate stations, and provide adequate first aid equipment, extinguishers, and safety data sheets at all work locations.
------	---

A. Accept

B. Actions to be taken:

LGC will place safety data sheets at its locations and implement CNG's safety data sheet program.

LGC will place fire extinguishers and first aid equipment at all gate stations and at its offices.

C. Individual responsible for implementation:

Matthew Cook, LGC VP Engineering & Operation

D. Date implementation to be completed:

May 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

X-1	Automate the LGC meter reading process to eliminate manual and redundant data entry tasks to improve efficiencies.
-----	--

A. Accept

B. Actions to be taken:

LGC will make endeavor to make meter reading processes more efficient. It will first evaluate the costs associated with and feasibility of the use of tablets for data entry, import and export of data between software applications, and/or modifications to LGC's CIMS. LGC will then consider implementing these options.

C. Individual responsible for implementation:

Matthew Cook, LGC VP Engineering & Operation

D. Date implementation to be completed:

December 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

X-2	Document policies and procedures to govern customer service practices.
-----	--

A. Accept

B. Actions already taken:

PCL&P is now providing its own customer service functions through two customer service representatives.

C. Actions to be taken:

PCL&P will document its customer service policy and procedures in a customer service handbook.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

Matthew Cook, LGC VP Engineering & Operation

E. Date implementation to be completed:

December 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

X-3	Reduce long-term customer arrearages by implementing various collection methods including increased customer contact, review of customer repayment plans and terms, etc.
-----	--

A. Accept

B. Actions already taken:

PCL&P hired a collection firm to contact customers of records for dormant accounts. The company is in the process of hiring a third Customer Service Representative with the specific responsibility of managing delinquent and dormant accounts and establishing payment agreements.

C. Actions to be taken:

PCL&P will create and document debt collection policies and procedures and include them in its customer service manual. PCL&P will attempt to provide various options for customers to pay past due balances while maintain utility service.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General Manager

E. Date implementation to be completed:

June 1, 2018

**Pike County Light & Power Company and Leatherstocking Gas Company
Implementation Plan
Focuses Management and Operations Audit
Docket Nos. D-2017-2584891 and D-2017-2584892**

XI-1	Continue efforts to ensure compliance with time sensitive stipulations of the Settlement Agreement.
------	---

A. Accept

B. Actions already taken:

To date, PCL&P has complied with the Commission order approving the Settlement of CNGHC's acquisition from O&R of PCL&P.

Concerning the specific provisions discussed in the audit, PCL&P continues to comply with these provisions, as noted below.

Cast Iron and Bare Steel Study (CIBS). PCL&P continues to perform the CIBS Study and will have it timely completed.

Staffing and Contractors. PCL&P will fill necessary staffing positions or, where applicable request permission to fill these positions with contractors. PCL&P has received permission to use certain contractors already, and has engaged the following contractors:

- Electric line construction company
- Gas operation and meter reading company
- Pole inspection/treatment company
- Underground facility locating company
- Storm assistance and recovery service
- Gas and electric meter reading, construction, and installation of mains and surveys

Interest Rate Swap. PCL&P, as noted in its most recent quarterly report required by the Settlement, has accepted a final term sheet from its lender refining its fixed rate debt and will file a securities certificate.

C. Actions to be taken:

PCL&P will continue to comply with the Commission's Orders.

D. Individual responsible for implementation:

Steven Grandinali, PCL&P General manager

E. Date implementation to be completed:

February 28, 2018