



ATTORNEYS AT LAW

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PA PUC
SECRETARY'S BUREAU
FRONT DESK
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

April 2, 2018

VIA ELECTRONIC FILING

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

In re: Focused Management and Operations Audit of Pike County Light & Power Company and Leatherstocking Gas Company LLC; Docket Nos. D-2017-2584891 and D-2017-2584892

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.*

**PIKE COUNTY LIGHT & POWER COMPANY'S STATUS REPORT
REGARDING STAFFING PLAN AND COST-BENEFIT ANALYSIS**

Dear Secretary Chiavetta:

Enclosed you will find Pike County Light & Power Company's Status Report Regarding Staffing Plan and Cost-Benefit Analysis in the above-captioned dockets. 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/WES/das
Enclosures

cc: Steven L. Grandinali, General Manager
Per Certificate of Service

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Focused Management and Operations	:	
Audit of Pike County Light & Power	:	Docket Nos. D-2017-2584891
Company and Leatherstocking Gas	:	D-2017-2584892
Company LLC	:	

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

**PIKE COUNTY LIGHT & POWER COMPANY'S
STATUS REPORT REGARDING STAFFING PLAN
AND COST-BENEFIT ANALYSIS**

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Pursuant to the March 15, 2018 Pennsylvania Public Utility Commission's (Commission) Opinion and Order regarding the Focused Management and Operations Audit (Audit) of Pike County Light & Power (Pike) (Audit Order) and the Acquisition Order,¹ Pike submits this status report regarding Pike' staffing plan and documentation of cost-benefit analysis.

¹ See *Joint Application of Pike County Light and Power Company, Buyer Corning Natural Gas Holding Corporation and Seller Orange and Rockland Utilities, Inc. for a Certificate of Public Convenience Approving the Transfer by Sale of 100% of the Stock of Pike County Light and Power Company from Seller Orange and Rockland Utilities, Inc. to Buyer Corning Natural Gas Holding Corporation*, Docket No. A-2015-2517036 (Order entered August 11, 2016) (August 2016 Order).

Staffing Plan

As Pike has previously reported it has hired the following full-time employees:

1. General Manager
2. Customer Service Manager
3. Billing Clerk
4. Customer Service Representatives (3)
5. Construction Planner.

Pike previously notified the Commission that it had filled a General Technician position. The applicant was offered the position, a background check and drug and alcohol prescreening was performed, but the applicant did not accept the offer. Pike has made another offer today to another candidate. Pike has been and continues to actively attempt to fill one additional full-time position for an additional General Technician, for a total of two full-time General Technicians.

Contractors

Pursuant to the Acquisition Order, Pike requested permission to engage and has engaged the following contractors instead of filling these positions with full time employees:²

1. Technical Field Design Services
2. Pole Inspection and Repair
3. Underground Facility Locating
4. Storm Assistance and Recovery Service
5. Gas and Electric Meter Reading
6. Construction and Installation of Mains and Surveys
7. Electric Contractor
8. Administrative Assistant (part-time temporary).

Cost-Benefit Analysis

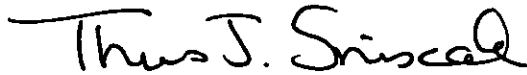
Pike has explained that it uses a “deliberate approach”³ in hiring employees and contractors, which entails Pike monitoring its staffing needs, reviewing potential options, and

² July 25, 2017 Letter Requesting Contractor Approval, Docket No. A-2015-2517036, approved by Secretarial Letter dated August 4, 2017; February 23, 2017 Letter Requesting Contractor Approval, Docket No. A-2015-2517036, approved by Secretarial Letter dated March 3, 2017 (attached as Appendix A).

engaging the course of action Pike, in its managerial discretions, deems most cost-effective and beneficial to the Company and its customers. Pike explained in each of its letter requests that utilizing the above-listed contractors is a cost-benefit because these contractors are an immediate, productive work-force with a vast variety and supply of equipment and experience to perform the necessary work. As to the hiring of full-time employees, Pike agreed in the Settlement that the Commission approved in the Acquisition Order that it would hire “twelve (12) full time equivalent employees” but could also, upon Commission approval, utilize contractors for some of these positions. Pike has done just that consistent with its deliberative approach.

Pike will submit a more detailed cost-benefit analysis by May 15.

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

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Attorneys for Pike County Light & Power Co.

Date: April 2, 2018

³ Pike's deliberate approach is consistent with the Pennsylvania Supreme Court's holding in MCI/Verizon that identification of best practices and quantification of resulting synergy savings is not required for approval of an application for acquisition of a utility. As recognized by the Presiding Officer in the UGI/Southern Union Initial Decision, it is reasonable and prudent for the parties to undertake a deliberate, "best practices" analysis after the transaction is consummated, and any issues that arise during or after this process can and should be addressed at that time, not at the application approval stage. See *Application of UGI Utilities, Inc., UGI Utilities Newco, Inc. and Southern Union Co.*, Docket No. A-12001 1F2000 et al., Initial Decision, slip op. at 31-34 (July 21, 2006) (Colwell, ALJ).

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**PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU**

APPENDIX A



Thomas J. Sniscak
Office: 717 236-1300 x224
tjsniscak@hmslegal.com

Whitney E. Snyder
Office: 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

February 23, 2017

Via Electronic Filing

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

RECEIVED
2018 APR -4 PM 12:03
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SECRETARY'S BUREAU
FRONT DESK

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.*; **Compliance Filing Letter Requesting Contractor Approval**

Dear Secretary Chiavetta:

In compliance with Paragraph 36(h) of the Joint Petition for Settlement in the above-captioned proceeding ("Settlement"), approved by Commission Order dated August 11, 2016, Pike County Light and Power ("PCL&P") hereby requests that a Secretarial Letter be issued within 10 days approving the use of certain contractors. In relevant part, Paragraph 36(h) of the Commission-approved Settlement provides that the Company may demonstrate that staffing some or all of certain positions:

through contractor employees is cost-effective and fulfills PCL&P's obligation to provide service in accordance with the requirements of the Public Utility Code. If PCL&P determines to use contractors for any of the above positions, it shall provide its demonstration to the Commission for review and approval, which shall occur within 10 days of filing. This review and approval requirement shall expire 18 months after the date of closing.

APPENDIX A

As described below PCL&P requests the Commission approve its use of (a) transitional contract employees, 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. Because the Commission-approved Settlement provides for expedited review and approval within 10 days, PCL&P requests that a Secretarial Letter be issued no later than March 6, 2017, approving this request for the following two classes of contractors identified below.

Transitional Contract Employees. PCL&P requests approval for the use of three transitional contract employees for the positions of administrative assistant and two customer service representatives. The administrative assistant position assists the General Manager in various support roles, and performs customer service roles. The customer service representatives will interface with customers to provide customer service and support. The job descriptions for these positions are enclosed.

PCL&P utilizes a hybrid approach to hiring these employees by using an employment agency to assist in identifying qualified candidates, and after extensive interviews and background checks, hires these individuals on a probationary basis through the employment agency. If in PCL&P's judgment these individuals excel at these positions, PCL&P plans to hire them on a permanent basis as full PCL&P employees within six months of their initial agency contract commencement. Currently, PCL&P has engaged an administrative assistant through the employment agency. Regarding the customer service representatives, PCL&P with assistance from the consulting employment agency, distilled the pool of candidates to eight, further refined the pool to four and performed an initial interview with each of them, and will have a final round of interviews with three candidates. PCL&P then plans to engage two customer service representatives through the employment agency by April 2017 with the expectation that they will, based upon performance, become full-time employees after a probationary period.

PCL&P has determined that using this hybrid, transitional contract approach to hiring these employees is cost-effective and will enable PCL&P to continue to provide service in accordance with the Public Utility Code. Utilizing an employment service to identify potential candidates with suitable backgrounds for customer service work, perform administrative human resources functions related to the probationary hiring process, including background checks, and assume overhead costs with respect to these employees during their probationary period, saves PCL&P time and direct and indirect costs, especially related to training. Utilizing this approach during PCL&P's transitional period of change of ownership allows for a smooth transition by enabling PCL&P to quickly identify and obtain qualified individuals on a probationary basis. These employees work or will work under the direct supervision of Steven Grandinali, PCL&P's General Manager, and Katrina Colvin-Stilts, PCL&P's Customer Service Manager.

Technical Field Design Services Contractor Position. PCL&P requests approval for the use of a Technical Field Design Services firm with whom PLC&P has a yearly, renewable Master Agreement. This firm has provided the use a former Orange and Rockland ("O&R") employee

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
February 23, 2017
Page 3

familiar and experienced with PLC&P and its operations. This former employee performs field design work to connect new or upgrade existing customers. This includes new business electric and gas utility service design work, meter and service equipment inspections, field coordination and meeting with customers and building contractors in the field to enable service connections to be completed. Because this contractor's employee is a former O&R employee and has extensive experience with PCL&P's system, he is an ideal candidate for this position. The job description for this contractor is enclosed.

PCL&P has determined that utilizing this contractor is cost-effective and will enable PCL&P to provide service in accordance with the Public Utility Code. PCL&P is currently in peak season of new customer connections. The transitional services agreement with Orange and Rockland for the provision of certain transitional services to PCL&P during the initial phase of new ownership does not provide for these services. Thus, PCL&P determined the most efficient means of providing customers with these services was to utilize a contract employee who is already experienced in this field and specifically with PCL&P's system as a former O&R employee.

Enclosed is the signed verification of Steven Grandinali, PCL&P's General Manager. PCL&P requests that a secretarial letter be issued approving the use of contractors as described above within 10 days (March 6, 2017) pursuant to Paragraph 36(h) of the Order.

Very truly yours,

A handwritten signature in black ink that reads "Thomas J. Sniscak". The signature is written in a cursive style with a horizontal line above the first name.

Thomas J. Sniscak
Whitney E. Snyder

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

Job Title: Administrative Assistant

Job Description:

SUMMARY OF RESPONSIBILITIES

Under direct supervision from the General Manager, performs a variety of administrative functions in support of the Office, the PCL&P Organization, the Facility and the General Manager. Works to facilitate the smooth operation of the day-to-day Organization activities.

MAJOR DUTIES

- Greets and provides feedback/information to visitors, customers and callers, handles their inquiries and takes phone or email messages, and transfers/directs them to the appropriate persons according to their needs; respond to inquiries; research questions and resolve customer problems
- Composes, types, and distributes meetings notes, routine correspondence, Regulatory or internal letters and reports
- Operates and insures proper operation of office equipment such as fax machines, copiers, and phone systems
- Uses computer/tablet for assigned work with spreadsheets, word processing, database management, and any other needed applications such as Edit /Publish PCL&P forms and documents
- Prepares and processes incoming and outgoing mail
- Creates and maintains spreadsheets for tracking purposes such as accounts payable invoices, New Business Applications, Cut-in and Gas Certifications
- Creates and maintains spreadsheets for data entry for preparation of comprehensive PCL&P budgetary goal analysis
- Sets up, organizes, and maintains paper and electronic filing systems for records, (Record Retention requirements) correspondence, and other material including off-site storage, as needed in a logical and easily retrievable manner
- Maintains calendar; schedules appointments, meetings, and conference calls as needed; for GM, Public Affairs Manager and other future staff; prepares agendas for Office staff meetings
- Orders and ensures adequate and appropriate supplies are available for the office including stationary, PPE, communication accessories etc.
- Manage Building/Facilities including Office Cleaners/Landscaper/Refuse Removal/Generator Maintenance/ Inspection and Upkeep of Safety equipment, First Aid Kits/AED/Fire Extinguishers and all related equipment in facility
- Update PCL&P Website, Facebook and social media for customer, contractors and inspection agency information
- Storm Response Support Role
- Support Customer Service function during system electric/gas disturbances
- Maintain all internal postings related to Occupancy, OSHA and other Federal or local requirements

Required Skills

KNOWLEDGE, SKILLS & QUALIFICATIONS

- High School diploma
- 2-4 years of administrative experience; some customer service/relations work experience preferred
- Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, and other standard office procedures and terminology; demonstrates Microsoft Office skills, especially Word and Excel
- Become knowledgeable of the new business company policies, procedures and tariff rate schedule, as well as electric/gas/meter workflow between PCL&P and current or future Utility, Contractor or Vender service provider for efficient project flow and completion
- Actively looks for ways to help internal and external customers and be responsive in a timely manner.
- Integrity and a positive attitude; a self-starter demonstrating initiative while effectively adapting to change
- Must have valid driver's license

CUSTOMER SERVICE REPRESENTATIVE JOB DESCRIPTION

TITLE: Customer Service Representative

DEPARTMENT: Customer Service

DIRECT REPORT: Customer Service Manager

Job Qualifications:

- High School Education
- 2 to 5 Years of Customer Service experience
- Basic computer skills
- Able to pass drug testing requirements from various governmental agencies

Responsibilities:

Daily/Monthly

- Process incoming customer calls for electric outages and gas odor/no gas calls
- Process incoming customer calls and in-person requests for change of service address, meter readings, new customer applications, etc.
- Possess high level of proficiency regarding CIS software used by gas/electric utility company every customer's phone number.
- Update any customer personal information as verified by the customer.
- Document and track customer contacts.
- Provide data for customer service satisfaction metrics as relevant.
- Schedule all necessary service orders daily.
- Run the service list to verify service orders to be completed in-field the next business day.
- Call any landlords, as documented, whose tenants have requested disconnect of their accounts.
- Verify that any account scheduled for shut off by tenant is a valid shut off.
- Call customers to reschedule appointments the customer did not keep the previous day.
- Write Request for Refund/Transfer Request for credit balances on closed accounts.
- Receive and process walk-in customer payments.
- Collect payments from night deposit box.
- Open, process, and balance customer night deposit payments.
- Open, process, and balance customer payments received by mail.
- Run and stamp checks for bank deposit.
- Complete daily balancing sheet for all payments received.
- Balance cash drawer.
- Run MVRS programs so that meter reading is completed as scheduled and readings are available for billing.
- Assign routes to each meter reader for completion.

- Review turn on orders, shut off orders, meter transfers, and meter-not-read appointments and assign to Meter Credit Attendant(s) for completion. Collection work is prepared for Meter Credit Attendant. Collection work is prepared for meter readers when there are not any meter routes to be read.
- Review completed work on service orders. Record collection work on AS400 as completed. Write up lock off non-payment accounts and generate orders.
- Prepare billing information for daily billing (average temperature information, service dates, etc.).
- Review Meter-Not-Read letters for mailing. Generate orders as needed for meters not read in 10 months.
- Maintain "After-Hours" Meter Not Read List, and assign to be completed.
- Liaison for NYS Public Service Commission for customer complaints. Contact customers and respond as required to PSC.
- Assist Customer Collections Representative with calls from Department of Social Services.
- Assist Customer Collections Representative in receiving and recording HEAP approvals for customer accounts.
- Liaison for Catholic Charities, Salvation Army, American Red Cross, and Office for Aging.
- Maintain Gas Service Denials file.
- Take incoming customer calls and in person inquiries on delinquent bills and set up payment terms.
- Take incoming customer calls and in person inquiries on bills.
- Customer Correspondence.
- Approve adjustments from over estimates on customer accounts.
- Approve penalty allows and balance transfer requests on customer accounts.
- Maintain Return Check file and collect payment for checks.
- Review returned gas bills for new addresses and for customers who moved without notifying CNG. Generate service orders as needed to terminate service.
- Process payments made to the attention of the credit department from both Night Deposit and Post Office mail.
- Review and approve daily summary reports from billing.
- Approve daily billing.
- Assist field personnel from other departments with information from customer account records.
- Home Energy Fair Practices Act (HEFPA) Liaison- Disconnection results in a customer being unable to use heating facilities (gas leaks/warning tags)
- Review daily logs from C & T Call Center.
- Prepare collection calls for C & T as per schedule, and fax to C & T.
- Review daily collection call log for C & T.
- Liaison for Metrix Matrix Customer Satisfaction Survey.
- Gather contact information and give to IT Manager for Customer Survey work.
- Address Customer Advocate Alerts.

- Prepare list of accounts to be locked off. Distribute lists to Customer Collections Representative and Stand-by personnel.
- Request meter changes on meter problems. Maintain Meter Investigation file.
- Prepare Company and PAPUC reports as required.
- Update Written Payment Agreements for processing.
- Prepare detailed meter reading calendar, MRVS schedule for meter routes, schedule meter-not-read cards and letters to be mailed. Schedule "After Hours" Meter-Not-Read to be completed.
- Review reports from customer satisfaction survey metrics.
- Prepare Collection Call schedule.
- Review potential write off list for transfers.
- Send final letter to potential write off accounts.
- Determine write offs and run program to process.

Annually

- Prepare general meter reading schedule for each month.
- Prepare Dormant Account Review each September as per PSC and assign to Meter Credit Attendant to complete.
- Prepare and have printed budget bill stuffer as appropriate.
- Prepare and have printed HEAP stuffer for mailing as required.
- Prepare and have printed Customer Bill of Rights stuffer for mailing as required.
- Maintain Bankruptcy files. See that bankruptcy accounts are added to write off lists. Request Security Deposits on active accounts filing bankruptcy. Complete Proof of Claim forms.
- Telephone delinquent accounts to make payment arrangements.
- Prepare documentation for Theft of Service situations.
- Run edits for 15 day delinquent notices and 72 hour delinquent notices. Review accounts and post notices for printing and updating.
- Act as Liaison for Department of Social Services and Home Energy Assistance Program (LIHEAP).
- Verify and process LIHEAP vouchers and return for payments.
- Process LIHEAP payments.
- Maintain records for accounts on Public Assistance, and voucher direct pay accounts. Follow payments being received.
- Close and update meter change orders.
- Prepare Meter Inventory.
- Send write off accounts to collection agency along with printed account history.
- File completed Customer Refund Request forms.
- Create new key tags for customer keys in our possession and note all relevant accounts.
- Update all Active Landlord (ACT/LLD) accounts as needed.

Job Title: Technical Field Designer

Job Description:

SUMMARY OF RESPONSIBILITIES

Under direct supervision from the General Manager, perform a variety of field investigation functions included but limited to providing electric and gas service to new and existing customers, damage assessment, customer inquiries related to service quality, tree investigations, perform visual electrical equipment and aperture inspection and reporting, etc. and work to facilitate a smooth operation between of the day-to-day field activities.

MAJOR DUTIES

- **New Business:**
 - Meet Applicant, electrical/plumber contractors
 - Design new and upgrade service for electric overhead, underground and gas
 - Inspect Service work by contractor
 - Design and layout subdivision
- **System Capital Work:**
 - Layout Design Capital electric reinforcement projects
 - Design Work Order Packages for Electric Distribution Projects
 - Prepare designs for bid packages turn key
 - Review and prepare bid package evaluations
- **Inspection and Maintenance**
 - Perform pole to pole visual inspections and prepare work orders
- **Implement and develop a Work Management System**
 - Assist with creation compatible work units of measure
 - Manpower plan and forecast
- **Storm Restoration:**
 - Provide damage assessment personnel
 - Provide site safety personnel
- **Easement and Right of Way acquisition preparation and investigation**

Required Skills but not limited too

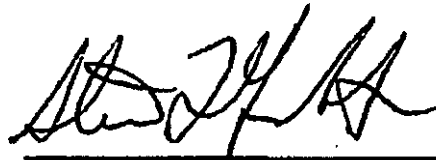
KNOWLEDGE, SKILLS & QUALIFICATIONS

- High School diploma;
- 2 or 4 year Degree preferred or equivalent;
- 8-10 years electric or gas utility field experience;
- General knowledge with electric or gas construction practices and operation
- Become familiar with Company electric and gas construction standards
- Become familiar with Company electric and gas inspection and maintenance procedures and terminology;
- Become knowledgeable of the new business company policies, procedures and tariff rate schedule, as well as electric/gas/meter workflow between PCL&P and current or future Utility, Contractor or Vender service provider for efficient project flow and completion

- Some experience interacting with customers;
- Integrity and a positive attitude; a self-starter demonstrating initiative while effectively adapting to change
- Must have valid driver's license

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).

A handwritten signature in black ink, appearing to read 'Steve L. Grandinali', written over a horizontal line.

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

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



Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire

DATED: February 23, 2017



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH ST, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

March 3, 2017

A-2015-2517036

THOMAS J. SNISCAK, ATTORNEY
HAWKE MCKEON & SNISCAK LLP
100 NORTH TENTH ST
HARRISBURG, PA 17101

Re: Pike County Light and Power Company Compliance Filing Letter Requesting Contractor Approval

Dear Mr. Sniscak:

On Feb 23, 2017, Pike County Light and Power Company (Pike) filed a Compliance Filing Letter Requesting Contractor Approval in compliance with Paragraph 36(h) of the Joint Petition for Settlement.¹ Pike has requested that the Commission issue a Secretarial Letter within 10 days approving the use of certain contractors.

Based on a review of the information provided by Pike and its current needs of operation, it appears the contractor staffing request is reasonable for the manner stated in the compliance filing and is hereby approved as written.

If you are dissatisfied with the resolution of this matter, you may appeal this decision, as set forth in 52 Pa. Code §5.44, file a petition with the Commission within 10 days of the date of this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosemary Chiavetta", is written over a horizontal line.

Rosemary Chiavetta
Secretary

Cc Paul Diskin, TUS
Darren Gill, TUS
Daniel Searfoorce, TUS

¹ The Petition for Settlement was approved by Commission Order dated August 11, 2016, at Docket No. A-2015-2517036.



Thomas J. Sniscak
Office: 717 236-1300 x224
tjsniscak@hmslegal.com

Whitney E. Snyder
Office: 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

July 25, 2017

Via Hand Delivery

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

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2017 JUL 25 PM 1:07
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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.*; **Compliance Filing Letter Requesting Contractor Approval; PUBLIC VERSION**

Dear Secretary Chiavetta:

In compliance with Paragraph 36(h) of the Joint Petition for Settlement in the above-captioned proceeding ("Settlement"), approved by Commission Order dated August 11, 2016, Pike County Light and Power ("PCL&P") hereby requests that a Secretarial Letter be issued within 10 days approving the use of certain contractors. In relevant part, Paragraph 36(h) of the Commission-approved Settlement provides that the Company may demonstrate that staffing some or all of certain positions:

through contractor employees is cost-effective and fulfills PCL&P's obligation to provide service in accordance with the requirements of the Public Utility Code. If PCL&P determines to use contractors for any of the above positions, it shall provide its demonstration to the Commission for review and approval, which shall occur within 10 days of filing. This review and approval requirement shall expire 18 months after the date of closing.

As described below PCL&P requests the Commission approve its use of five contractors. Because the Commission-approved Settlement provides for expedited review and approval within 10 days, PCL&P requests that a Secretarial Letter be issued no later than August 4, 2017, approving this request for the contractors identified below.

1. **Pole Inspection and Repair.** PCL&P proposes to utilize OSMOSE to perform pole inspections and remedial actions for poles. OSMOSE will perform the PUC-required twelve-year cycle inspections and maintenance of PCL&P's poles. OSMOSE has performed these inspections and remedial work for PCL&P for many years under Orange and Rockland's prior ownership of PCL&P.
2. **Underground Facility Locating.** PCL&P proposes to utilize USIC to perform mark outs of underground facilities within the public right of way pursuant to requests that PCL&P receives from PA One Call. USIC is the largest national underground facility location with a long history of experience in utility underground facility location and working with One Call. USIC performs 70 million locates annually. See <https://www.usicllc.com/>.
3. **Storm Assistance and Recovery Service.** PCL&P proposes to utilize OSMOSE, during outages that require assessment in preparation of restoration, for field personnel to assess damage to PCL&P utility equipment, and if necessary return damaged equipment and materials to PCL&P's offices. OSMOSE has performed this role for PCL&P for many years under Orange and Rockland's prior ownership of PCL&P.

[BEGIN HIGHLY CONFIDENTIAL]

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
July 25, 2017
Page 3

[END HIGHLY CONFIDENTIAL]

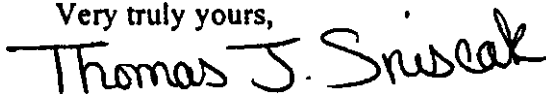
PCL&P has determined that utilizing each of these contractors is cost-effective and will enable PCL&P to provide service in accordance with the Public Utility Code. Each of these contractors is experienced in providing the respective services described above in accordance with utility standards, and PCL&P will diligently monitor their performance of these services to ensure PCL&P is providing service in accordance with the Public Utility Code.

PCL&P has determined that hiring of contractors to perform the individual functions is cost effective primarily due to the fact they are an immediate, productive workforce with vast variety and supply of equipment to perform the work. In the case of pole inspection and treatment, the inspection and treatment functions require specialized tools and/or application licensing to perform the work. For locating, the locator will be able to respond to day to day and emergency mark-outs, due to their employees working in the four surrounding utilities, including Orange and Rockland and Met Ed. All of the above contractors have flexibility in the number of available manpower, which provides an immediate expertise, well trained and equipped personnel. Using experienced contractors that already have the necessary equipment available to them will be more efficient for PCL&P than attempting to piece together a full-time labor force, especially where the work needed consists of highly differential tasks on a sporadic basis.

The above paragraphs are HIGHLY CONFIDENTIAL because the contractors in question remain competing candidates for the respective contracts.

Enclosed is the signed verification of Steven Grandinali, PCL&P's General Manager. PCL&P requests that a secretarial letter be issued approving the use of contractors as described above within 10 days (August 4, 2017) pursuant to Paragraph 36(h) of the Order.

Very truly yours,



Thomas J. Sniscak
Whitney E. Snyder

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

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

PA PUC
SECRETARY'S BUREAU
FRONT DESK

2017 JUL 25 PM 1:07

RECEIVED

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



Thomas J. Sniscak, Esquire
Whitney E. Snyder, Esquire

DATED: July 25, 2017

RECEIVED
2017 JUL 25 PM 1:07
PA PUC
SECRETARY'S BUREAU
FRONT DESK



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
400 NORTH ST, HARRISBURG, PA 17120

IN REPLY PLEASE
REFER TO OUR FILE

August 4, 2017

A-2015-2517036

THOMAS J. SNISCAK, ATTORNEY
HAWKE MCKEON & SNISCAK LLP
100 NORTH TENTH ST
HARRISBURG, PA 17101

Re: Pike County Light and Power Company Compliance Filing Letter Requesting Contractor Approval

Dear Mr. Sniscak:

On Jul 25, 2017, Pike County Light and Power Company (Pike) filed a Compliance Filing Letter Requesting Contractor Approval in compliance with Paragraph 36(h) of the Joint Petition for Settlement.¹ Pike has requested that the Commission issue a Secretarial Letter within 10 days approving the use of certain contractors.

Based on a review of the information provided by Pike and its current needs of operation, it appears the contractor staffing request is reasonable for the manner stated in the compliance filing and is hereby approved as written.

We also advise Pike to perform a review of hired contractors to determine if they meet the definition of an affiliated interest under 66 Pa. C.S. § 2101, and if necessary, submit a filing in accordance with 66 Pa. C.S. § 2102, Relations with Affiliated Interests.

If you are dissatisfied with the resolution of this matter, you may appeal this decision, as set forth in 52 Pa. Code §5.44, file a petition with the Commission within 10 days of the date of this letter.

Sincerely,

Rosemary Chiavetta
Secretary

Cc Paul Diskin, TUS
Daniel Searfoorce, TUS

¹ The Petition for Settlement was approved by Commission Order dated August 11, 2016, at Docket No. A-2015-2517036.

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

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2018 APR -4 PM 12:04
PA PUC
SECRETARY'S BUREAU
FRONT DESK

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 FIRST CLASS MAIL


Pennsylvania Public Utility Commission
Bureau of Technical Utility Services
Reliability and Emergency Preparedness
PO Box 3265
Harrisburg, PA 17105-3265

Pennsylvania Public Utility Commission
Bureau of Investigation & Enforcement
PO Box 3265
Harrisburg, PA 17105-3265

Pennsylvania Public Utility Commission
Bureau of Audits
PO Box 3265
Harrisburg, PA 17105-3265

Office of Small Business Advocate
Commerce Building, Suite 202
300 North 2nd Street
Harrisburg, PA 17101

Office of Consumer Advocate
555 Walnut Street
5th Floor Forum Place
Harrisburg, PA 17101



Thomas J. Sniscak
Whitney E. Snyder

DATED: April 2, 2018

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2018 APR -4 PM 12:04
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