

Citizens' Electric Company 2026 Summer Readiness Overview 5/29/2026

Summary

Citizens' Electric Company's approved 2026 inspection and maintenance plan is well underway. This plan was designed to help ensure that system facilities remain in good condition and ready for the storm season.

A. Reliability Enhancement Program

a. Enhanced Vegetation Management

Citizens' Electric has been investing resources to identify and remove off right-of-way hazard trees for over 15 years. Vegetation management personnel—both internal and contracted—as well as field staff have been trained to identify trees of concern and report them for consideration as hazard tree removals. There have been some problems due to the effects of the emerald ash borers over the years, but the frequency has declined in the past year.

Citizens' Electric was recently recognized for the twenty-fourth consecutive year as a “Tree Line USA” utility. This award from the National Arbor Day Foundation recognizes the Company for using nationally approved trimming techniques and procedures in its vegetation management program.

b. Storm Hardening

The Company is entering the storm season for 2026 with its annual tree trimming in progress. Annual substation maintenance and a recloser upgrade is currently in progress while one major system improvement project is scheduled to start soon.

The Company has further continued its efforts to replace porcelain hardware—namely cutouts—system wide. As these components continue to be replaced, the likelihood of outages decreases. Sufficient inventory of new cutouts has been maintained despite increasing lead times and crews will continue to replace porcelain both proactively and incidentally as they are found.

c. Fuses/Reclosers/Automatic Switches

Scheduled maintenance on reclosers has been discontinued in favor of a newly implemented replacement program. The 2026 replacement reclosers were ordered early in the year and are expected to be delivered in the latter half of the year as lead times have increased. Reclosers with the highest number of operations or other known maintenance needs will be prioritized for earliest replacement.

d. Smart Grid

All smart grid systems, including AMR infrastructure, Outage Management System, GIS Mapping and associated online and telephone customer service systems are fully operational and ready for processing outage transactions.

e. Conservation Voltage Reduction (CVR) Activity

Citizens' Electric does not utilize substation voltage regulation equipment. As a result, the Company does not currently have a Conservation Voltage Reduction (CVR) program.

f. Any other relevant continual improvement activity

Projects are constantly being evaluated throughout the year as new customer work and outage trends are identified. So far this year, two additional smaller projects have been created to replace aging infrastructure that was identified during last year's overhead line inspections.

g. New programs/new technology implementation/storage pilots, etc.

There are no new programs being implemented in 2026.

B. Preventative Maintenance Programs

a. Capacitor Inspections

The Company currently has 22 capacitor locations in service. In accordance with its approved inspection and maintenance plan, all locations have been inspected this year and are available as needed.

b. Vegetation Management

Nearly all the Company's routine vegetation work is completed by contractors annually. This work is typically conducted during the early spring and summer months. This allows the Company to better respond to any unexpected "hot spots" that may require attention during the growing season. This schedule also helps ensure that contract crews will be present during the bulk of the summer storm season so they can be quickly deployed for restoration work if needed. The Company continued its aggressive program of maintenance and danger tree removals again this year.

The Company's Vegetation Management Coordinator closely monitors work performed to ensure it is done in accordance with contract specifications and to verify that all work included in the contract is completed. Daily work reports are received from the contractor. These reports include a list of work performed by each crew on a particular day. Reports are reviewed by the Company's inspector to verify overall contract completion.

As an additional performance measure, the Company's Vegetation Management Coordinator monitors all tree-related outages to help identify and respond to emerging trends as quickly as possible, and to assess the Company's overall vegetation program effectiveness.

c. Substation Inspections

All monthly substation inspections have been completed on schedule. Any issues requiring attention have been addressed.

d. Aerial Patrols/UAV Drone Use

The Company began a five-year cycle of annual aerial patrols on the distribution system in 2025, and inspections are underway this spring in year two. All identified critical problems from these patrols via drones will be addressed in a timely manner according to their priority.

e. Infrared Inspections

Infrared inspections are performed on all three-phase primary overhead line sections each year and all single-phase line sections on a three-year cycle. The Company tracks progress electronically and expects to complete 100% of these inspections by year-end. Any major issues found have been addressed.

f. Any other relevant continual improvement activity

Citizens' Electric audits a portion of all inspections to ensure accuracy and completed a review of several digital and paper inspection forms in early 2026.

g. New programs/new technology implementation/storage pilots, etc.

There are no new programs being implemented in 2026.

C. Capacity Planning

The Company provides load forecasts and works closely with its transmission provider and System Operator to ensure continued transmission capacity availability. The Company's transmission provider completed a line reconductor and reconfiguration project in 2023 that provides increased capacity and additional supply sources for reliability purposes. Another similar project is planned in the same area later in 2026.

System and feeder loading patterns and circuit voltage profiles are analyzed to ensure adequate capacity at all points on the Company's distribution system. Citizens' distribution system has plenty of capacity to accommodate new EVs and behind-the-meter DER, even with the increased rate of new applications. Any plans for data centers would need to be discussed at the transmission level within Citizens' territory as the scope of work would likely require the construction of a new substation.

D. Significant Storm Lessons Learned from 2025

The 2025 summer storm season resulted in fewer outages than the previous year between Q2 and Q3. Most of the outages were due to off right-of-way trees. Throughout the first quarter of 2026, the Company sustained two off right-of-way tree outages. The majority of the CMI was due to three vehicle accidents.

Learnings and Notable Successes:

- Equipment failures have remained a smaller percentage of the outages and overall lower CMI. This has been a strong focus over several years for the Company, as stated in previous reports. The Company will continue to monitor equipment failure outage trends to identify any other possible initiatives that would continue to decrease the impact of outages due to aging infrastructure such as porcelain cutouts and arresters.
- 48 trees were proactively removed near power lines last year and 61 have been removed so far year-to-date. Some of these trees were outside the typical trimming scope, and thus the Company needed to obtain rights from property owners to remove these trees.
- The "danger" trees removed in 2024 on the Company's worst-performing circuit still show to have had an immediate impact as very few tree outages have occurred since then on the Moore feeder. A similar approach will be taken to

reduce exposure on the Rt 15 feeder this year where other similar trees issues have resulted in three-phase permanent outages.

E. 2026 Summer Readiness

a. Capacity Additions

2026 capital work focuses on reliability improvements where inaccessible single-phase lines are being relocated along the roads in both overhead and underground construction. There are no other projects this year directed towards capacity additions.

b. Transmission Preparedness

The Company does not own any transmission facilities. However, it provides load forecasts and works closely with its transmission provider to ensure continued transmission capacity availability.

c. Event Preparedness

Lessons learned from the 2025 events have been discussed with staff—office and field—and storm preparedness and response topics are frequently covered in morning briefings as well as safety and staff meetings. All potential severe weather forecasts are communicated to the line staff to encourage quick and complete responses to callouts.

d. Training

Line personnel are continually trained in updates to the mobile application used during outage restoration and follow-up work. A recurring training exercise was performed with office staff on storm response and communications in May. All line personnel training is up to date in accordance with Company training plans and OSHA requirements.

e. Personnel

Three employees in the operations area retired last year so there has been a focus on training apprentices and scheduling customer and capital work ahead of schedule. This will help to account for extra time that may be needed to safely carry out the work on each of the projects this year.

Citizens' Electric's management team has been entrusted by the shareholders, customers and the Public Utility Commission to provide safe and reliable service at a fair cost. To address this core responsibility and the potentially negative impact from failure to plan, management has adopted a long-term and methodical transition strategy that will prevent a lapse in experience and job knowledge that is so necessary to effectively operate the Company.

As a result, three linemen were added to the staff in 2025 to accommodate the retirements mentioned above. It typically takes up to seven years to fully develop a journeyman lineman so while no retirement announcements are currently pending, it will still be important to share supply of knowledge with the newer employees and develop their skills to keep a safe and proficient workforce.

f. Any other relevant continual improvement activity

New service requests and a large amount of fiber make ready work have some impact on the preparation for the summer storm season as small improvements are being made on and around the same overhead facilities.

g. New programs/new technology implementation/storage pilots, etc.

Several security cameras were replaced with new ones in the early spring around the building area adjacent to the substation. These cameras have newer technology built in and some of them will assist with the surveillance of the substation in case there would be an incident.

F. Storm Response

a. Outage Restoration Strategy

Citizens' Electric employs a restoration strategy which aims to restore customers in the most efficient way possible. Ensuring the safety of the public and the Company's employees is the first priority. Crews are first dispatched to trouble locations that will restore service to the largest number of customers in the shortest amount of time, with priority given to incidents that will restore service to critical public infrastructure. Next, outages affecting individuals or small groups of customers are restored.

b. Communications and Outreach

In addition to providing timely information through traditional methods such as newsletters, newspaper articles, and direct employee contact, the Company utilizes social media by means of Facebook.

The Company continues to encourage its customers to utilize the online and mobile portal called 'SmartHub.' Customers frequently report outages and communicate concerns via SmartHub, and much of the feedback received following events is the result of direct replies to SmartHub notifications, an encouraging sign that many customers are looking to it as their primary source of information regarding outage restoration.

Customers can also monitor restorations via the Company's online outage map, which is updated real time from OMS.

The Company plans to host an electric safety trailer demonstration as part of an annual community outreach event scheduled in August. The Company will use this event, multiple local grade school presentations, as well as other opportunities to educate on electric safety, storm response and preparedness.

The Company maintains information exchange with county EMA officials and coordinates response to local emergencies as needed.

c. Outage Restoration and Storm Response Best Practice Implemented and/or Identified for Future Implementation

The Company participates in various statewide and national industry organizations, including the PA Best Practices Team. It will continue monitoring the findings and recommendations of these groups and will implement them where appropriate.

d. Any other relevant continual improvement activity

The above information satisfies the overall preparedness for storm response for the Company.

e. New programs/new technology implementation/storage pilots, etc.

New voltage detectors were purchased and provided to field crews this year. These newer devices have more features including additional alerting methods.

G. Supply Chain Issues

a. Procurement concerns for equipment/materials

The Company continues to maintain exceptional service to customers despite ongoing procurement issues with three-phase padmount transformers. Several manufacturers simply cannot commit to the turnarounds on material orders they had in years past which has increased our administrative efforts to ensure adequate stocking levels. For a short duration in 2025, lead times had improved and looked as though they were returning to pre-2020 times, but recent global events again have set lead times back in 2026. Despite industry struggles for long-lead time equipment, the Company has adapted and will still provide the same quality service customers have come to expect.

H. Wildfire Preparedness

The Company maintains a Wildfire Mitigation Strategy which is reviewed annually with staff. This strategy exists for the benefit of public safety, enhances grid resilience, and protects the Company from severe financial and legal liabilities. By implementing targeted vegetation management and deploying advanced weather-monitoring technologies, Citizens' Electric reduces the risk of utility-ignited fires. This proactive approach ensures regulatory compliance, maintains the trust of the surrounding communities, and minimizes major service disruptions due to wildfires.

Conclusion

The Company believes it is ready and well-positioned for the coming summer storm season. Through the application of the above initiatives, safety, reliability, and customer satisfaction will be maintained throughout 2026.