

CITIZENS' ELECTRIC COMPANY

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September 21, 2012

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SEP 21 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

M-2009-2094773

Dear Ms. Chiavetta,

Enclosed please find an original and three copies of the Biennial Inspection, Maintenance, Repair and Replacement Plan for Citizens' Electric Company for the period January 1, 2014–December 21, 2015.

Please contact me at 570-522-6143 or kelchnerj@citizenselectric.com if I can answer any questions.

Sincerely,

A handwritten signature in black ink that reads "John A. Kelchner". The signature is written in a cursive, flowing style.

John A. Kelchner, PE
Vice President, Engineering & Operations

cc: Yasmin Snowberger, PE (via email)

**Biennial Inspection, Maintenance, Repair and Replacement Plan
of Citizens' Electric Company of Lewisburg, PA**

For the period of January 1, 2014 – December 31, 2015

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Submitted by:
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Vice President, Engineering & Operations
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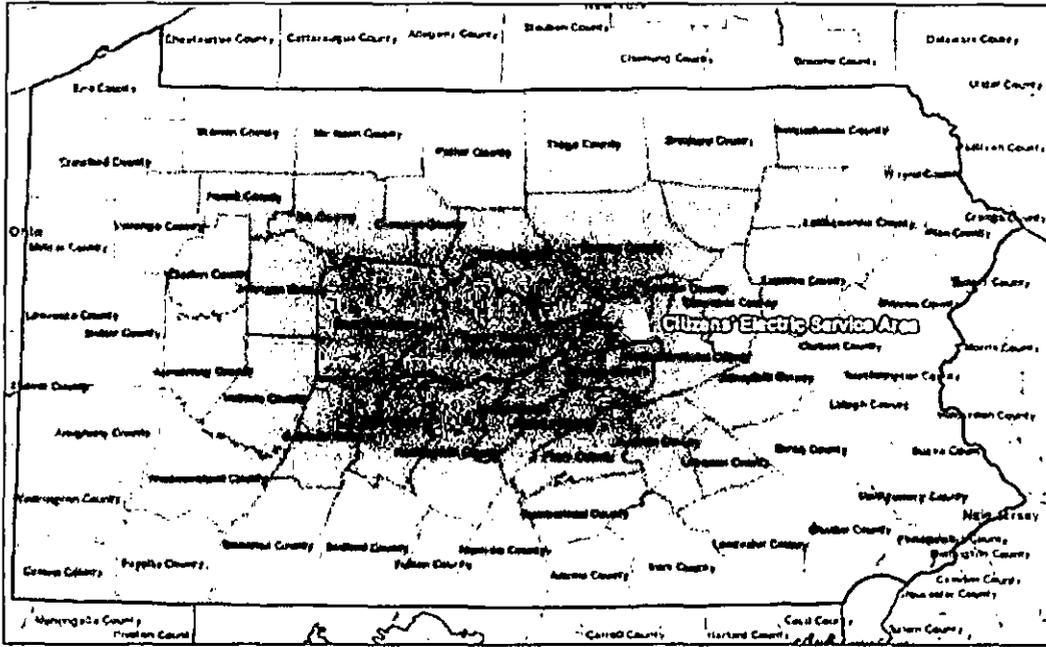
September 20, 2012

Contents

Introduction	2
§ 57.198(n)(1). Vegetation management	4
Program Description	4
Inspection Plan	4
Justification	4
§ 57.198(n)(2). Pole inspections	5
Program Description	5
Inspection Plan	6
Justification	6
§ 57.198(n)(3). Pole inspection failure.....	7
Corrective Maintenance	7
Justification	7
§ 57.198(n)(4). Distribution overhead line inspections.....	8
Program Description	8
Inspection Plan	8
Justification	8
§ 57.198(n)(5). Inspection failure.	9
Corrective Maintenance	9
Justification	9
§ 57.198(n)(6). Distribution transformer inspections.....	10
Program Description	10
Inspection Plan	11
Justification	11
§ 57.198(n)(7). Recloser inspections.....	12
Program Description	12
Inspection Plan	12
Justification	12
§ 57.198(n)(8). Substation inspections.....	13
Program Description	13
Inspection Plan	13
Justification	13

Citizens' Electric Company of Lewisburg, PA submits its biennial inspection and maintenance plan in accordance with regulations at 52 Pa Code § 57.198. This plan is effective January 1, 2014.

Citizens' Electric Company serves approximately 6,800 customers in a 55 square mile area as shown on the map below. The service territory encompasses Lewisburg, PA and surrounding municipalities within Union County. The Company's distribution system includes 161 miles of overhead primary lines, 53 miles of underground primary lines and one distribution substation.



The inspection and maintenance program as described in the following pages has not significantly changed for many years. The Company has found the program to be a reasonable and cost-effective way to identify emerging problems, allowing them to be addressed in a timely manner.

During 2011, the Company experienced increases in SAIDI, SAIFI, and CAIDI. These increases were largely due to an unusual number of outages caused by off right-of-way trees and weather. Reliability is a top priority for the Company. To maintain its longstanding levels of high reliability, it employs a concept of continuous improvement to address any emerging trends. For example, focused efforts to negotiate removal of off right-of-way hazard trees are continuing, and yielding success. The Company also has an ongoing commitment to assess all opportunities to harden its distribution system against weather-related outages and participates in relevant industry "best practices" groups. It has noted improvement in reliability statistics during 2012 and expects this trend to continue.

The Company is seeking one waiver pertaining to § 57.198(n)(2)(vi), loading calculations. This is discussed further on page six.

§ 57.198(n)(1). Vegetation management.

The statewide minimum inspection and treatment cycle for vegetation management is between 4-8 years for distribution facilities. An EDC shall submit a condition-based plan for vegetation management for its distribution system facilities explaining its treatment cycle.

Program Description

Citizens’ Electric Company performs a comprehensive visual inspection of all overhead primary lines on an annual basis. During this inspection, the condition of vegetation is assessed, and treatment needs for the current year are quantified. The inspection also provides an opportunity to identify any off right-of-way “hazard” trees and work with affected property owners to secure removals.

Vegetation maintenance work is specified to achieve a four-year treatment cycle across all parts of the Company’s service territory. However, flexibility is maintained to trim any high-priority “hot spots” identified during the annual inspection. Specific work requirements are identified in Company document “*Distribution Vegetation Management Specification.*” Following tree-related service interruptions, affected areas are assessed to determine whether any out-of-cycle maintenance is required.

Inspection Plan

All primary circuits will be inspected each year.

Vegetation Inspection Distribution Circuit Name	Total Overhead Circuit Miles	Inspection Plan (Miles to be Inspected)	
		2013	2014
Bucknell	3.6	3.6	3.6
Linntown	5.3	5.3	5.3
St. Mary St.	6.3	6.3	6.3
Rt. 192	42.9	42.9	42.9
Rt. 45	62.5	62.5	62.5
Rt. 15	20.6	20.6	20.6
Buffalo Road	6.7	6.7	6.7
Moore	7.7	7.7	7.7
Eastern	5.6	5.6	5.6
Total	161.2	161.2	161.2

Justification

Vegetation management is performed in accordance with ANSI A300 and Z133 standards, utilizing generally accepted industry practices. The National Arbor Day Foundation has recognized Citizens’ Electric as a “Tree Line USA” utility for the past 10 years. This plan complies with § 57.198(n)(1). No waiver is being requested.

§ 57.198(n)(2). Pole inspections.

Distribution poles shall be inspected at least as often as every 10—12 years except for the new southern yellow pine creosoted utility poles which shall be initially inspected within 25 years, then within 12 years annually after the initial inspection. Pole inspections must include:

- (i) Drill tests at and below ground level.*
- (ii) A shell test.*
- (iii) Visual inspection for holes or evidence of insect infestation.*
- (iv) Visual inspection for evidence of unauthorized backfilling or excavation near the pole.*
- (v) Visual inspection for signs of lightning strikes.*
- (vi) A load calculation.*

Program Description

Citizens' Electric Company conducts pole inspections on a ten year cycle. All poles in the cycle receive a visual inspection to identify conditions of deterioration or potential hazards. Poles are inspected for items including but not limited to:

- evidence of decay
- lightning damage
- insect infestation
- presence of vines or other vegetation
- unauthorized excavation
- missing guy guards
- damaged pole hardware
- broken ground wires

In addition to the visual inspection, all poles receive a sound and bore test to detect internal decay at or near the ground line. For poles older than 10 years, a ground line excavation is conducted to visually inspect the pole's condition just below the ground line. After excavation, an external treatment is applied to protect the pole from future deterioration at the ground line area.

When indicated by the inspection, poles are treated internally with insect and decay inhibitors to help extend remaining life. Based on data obtained during the inspections, remaining pole strength is calculated. Detailed inspection requirements are identified in Company document "*Wood Pole Inspection & Maintenance Program.*"

Inspection Plan

To maximize efficiency, pole inspections are scheduled by dividing the service territory into geographic grids. To the extent possible, an effort has been made to equalize the number of poles inspected each year. However, some quantity variation occurs on a year-to-year basis. On a system-wide basis, all poles are inspected every ten years. The total number of distribution poles in Citizens' Electric's system is 5,855.

Pole Inspection Map Section	Number of Poles to be Inspected	
	2014	2015
21652900	205	
21752900	426	
21653000		215
21753000		340
Total	631	555

Justification

This plan complies with inspection intervals specified in § 57.198(n)(2) and with generally accepted industry practices. However, a waiver is being requested for § 57.198(n)(2)(vi) relating to pole load calculations.

In an effort to reduce inventory costs, Citizens' Electric Company has standardized on the purchase of class 3 poles for typical primary pole sizes. This results in a decreased number of inventory items, an increase in inventory turnover and a corresponding savings in carrying costs. It also results in poles having strength in excess of the minimum required by the NESC at the time of installation. Remaining strength is calculated as part of the pole inspection process, to ensure the pole is still capable of performing as required.

The Company is not aware of any pole failures on record. Through the comprehensive inspection and maintenance programs in place, deteriorated poles are detected and replaced prior to failure. The inclusion of pole loading calculations when performing pole inspections would result in a significant cost increase, with no corresponding improvement in reliability.

§ 57.198(n)(4). Distribution overhead line inspections.

Distribution lines shall be inspected by ground patrol a minimum of once every 1-2 years. A visual inspection must include checking for:

- (i) Broken insulators.*
- (ii) Conditions that may adversely affect operation of the overhead transformer.*
- (iii) Other conditions that may adversely affect operation of the overhead distribution line.*

Program Description

Citizens' Electric Company performs a comprehensive visual inspection of all overhead primary lines on an annual basis. During this inspection, an assessment is made of the overall condition of equipment such as insulators, transformers, crossarms, and pole hardware. This inspection also provides an opportunity to check for other adverse conditions such as excavation near poles, easement encroachments, etc.

Inspection Plan

All primary circuits will be inspected each year.

Overhead Line Inspection Distribution Circuit Name	Total Overhead Circuit Miles	Inspection Plan (Miles to be Inspected)	
		2014	2015
Bucknell	3.6	3.6	3.6
Linntown	5.3	5.3	5.3
St. Mary St.	6.3	6.3	6.3
Rt. 192	42.9	42.9	42.9
Rt. 45	62.5	62.5	62.5
Rt. 15	20.6	20.6	20.6
Buffalo Road	6.7	6.7	6.7
Moore	7.7	7.7	7.7
Eastern	5.6	5.6	5.6
Total	161.2	161.2	161.2

Justification

This plan complies with the requirements of § 57.198(n)(4). No waiver is being requested.

§ 57.198(n)(3). Pole inspection failure.

If a pole fails the groundline inspection and shows dangerous conditions that are an immediate risk to public or employee safety or conditions affecting the integrity of the circuit, the pole shall be replaced within 30 days of the date of inspection.

Corrective Maintenance

Poles which are found to be deficient during the inspection process are categorized as priority, reinforceable and regular reject. Priority poles are those which are identified as posing an imminent risk of failure. Priority poles are reported to the Company immediately when found. These poles are promptly replaced, typically within 7 days, in all cases within 30 days.

Justification

This plan complies with the requirements of § 57.198(n)(3). No waiver is being requested.

§ 57.198(n)(5). Inspection failure.

If critical maintenance problems are found that affect the integrity of the circuits, they shall be repaired or replaced no later than 30 days from discovery.

Corrective Maintenance

Deficiencies identified during the overhead line inspection are addressed according to their severity. Issues which Citizens' Electric could reasonably expect to affect the reliability of the circuit will be repaired within 30 days.

Justification

This plan complies with the requirements of § 57.198(n)(5). No waiver is being requested.

§ 57.198(n)(6). Distribution transformer inspections.

Overhead distribution transformers shall be visually inspected as part of the distribution line inspection every 1-2 years. Above-ground pad-mounted transformers shall be inspected at least as often as every 5 years and below-ground transformers shall be inspected at least as often as every 8 years. An inspection must include checking for:

- (i) Rust, dents or other evidence of contact.*
- (ii) Leaking oil.*
- (iii) Installation of fences or shrubbery that could adversely affect access to and operation of the transformer.*
- (iv) Unauthorized excavation or changes in grade near the transformer.*

Program Description

Citizens' Electric Company performs a visual inspection of overhead transformers as part of its annual overhead line inspection program. Overhead transformers are evaluated for items including:

- Bushing condition (check for cracks, burns or other signs of problems)
- Tank condition (rust, dents, leaks, etc.)
- Condition of cutouts, arrestors and other associated hardware

Above-ground pad-mounted devices, including transformers and primary cabinets are inspected every four years. Items evaluated include but are not limited to:

- Accessibility (bushes, fences or other obstructions which would limit access)
- Warning labels
- Oil leaks
- Security (operation of 2 locking mechanisms, erosion, animal damage or grade changes which might allow unauthorized access)
- Condition of cable terminations and arrestors
- Overall tank condition

Citizens' Electric Company does not utilize any below-ground transformers.

Inspection Plan

All overhead transformers will be inspected each year as part of the annual overhead line inspection program.

Overhead Transformer Inspection Distribution Circuit Name	Total Overhead Transformers	Inspection Plan (Transformers to be Inspected)	
		2014	2015
Bucknell	61	61	61
Linntown	188	188	188
St. Mary St.	99	99	99
Rt. 192	418	418	418
Rt. 45	554	554	554
Rt. 15	237	237	237
Buffalo Road	118	118	118
Moore	160	160	160
Eastern	65	65	65
Total	1,900	1,900	1,900

Above-grade pad-mounted devices, including transformers and primary cabinets, will be inspected every four years in accordance with the following schedule:

Pad-Mounted Device Inspection Cycle	Subdivisions	Inspection Plan (Devices to be Inspected)	
		2014	2015
Inspection Cycle 2	Tara Manor, Heim Heights, Brookpark Farm	198	
Inspection Cycle 3	Deer Lane, Cambridge Lane, Villa Vista		164
Total		198	164

Citizens' Electric Company has a total of 751 pad-mounted devices in service.

Justification

This plan complies with the requirements of § 57.198(n)(6). No waiver is being requested.

§ 57.198(n)(7). Recloser inspections.

Three-phase reclosers shall be inspected on a cycle of 8 years or less. Single-phase reclosers shall be inspected as part of the EDC's individual distribution line inspection plan.

Program Description

Citizens' Electric Company performs a visual inspection of all reclosers as part of its annual overhead line inspection program. In addition, all reclosers are visited at least once a year for a more in-depth inspection to identify any emerging problems and address them before system reliability is affected. The inspection includes but is not limited to the following:

- Condition of bushings, tank, arrestors and associated hardware
- Condition and rating of bypass equipment
- Counter reading

Inspection Plan

All reclosers will be inspected annually in accordance with the following plan.

Recloser Inspection Distribution Circuit Name	Total No. of Reclosers	Inspection Plan (Reclosers to be Inspected)	
		2014	2015
Bucknell	2	2	2
Linntown	1	1	1
St. Mary St.	3	3	3
Rt. 192	14	14	14
Rt. 45	19	19	19
Rt. 15	11	11	11
Buffalo Road	2	2	2
Moore	5	5	5
Eastern	2	2	2
Total	59	59	59

Justification

This plan complies with the requirements of § 57.198(n)(7). No waiver is being requested.

§ 57.198(n)(8). Substation inspections.

Substation equipment, structures and hardware shall be inspected on a cycle of 5 weeks or less.

Program Description

Citizens' Electric Company performs monthly substation inspections. These inspections are intended to detect any emerging problems or trends so they can be resolved before system reliability is impacted. Inspections include but are not limited to:

- Power transformers
- Station reclosers
- Structures and related equipment including bus, arrestors, switches and insulators
- Control equipment
- Battery statuses
- Security and alarm equipment
- Communications equipment
- Control house
- Fence/gates

In addition, comprehensive voltage, current, pressure, oil level and operations counter readings are recorded.

Inspection Plan

Monthly substation inspections will be completed.

Substation Inspection Substation Name	Inspection Plan (Inspections to be completed)	
	2014	2015
St. Mary St.	12	12
Total	12	12

Justification

This plan complies with the requirements of § 57.198(n)(8). No waiver is being requested.

CITIZENS' ELECTRIC COMPANY
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Lewisburg, PA 17837

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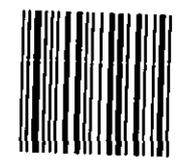
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