



CITIZENS' ELECTRIC COMPANY

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April 25, 2017

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

RE: Docket M-2016-2522508

Dear Ms. Chiavetta,

Enclosed please find the First Quarter, 2017 Reliability Report for Citizens' Electric Company.

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

Sincerely,

A handwritten signature in cursive script that reads "John A. Kelchner". The signature is written in dark ink and is positioned above the printed name and title.

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

cc: Pennsylvania Office of Consumer Advocate
Pennsylvania Office of Small Business Advocate
Dan Searfoorce (via email)
David Washko (via email)

Citizens' Electric Company
Quarterly Service Reliability Report
First Quarter, 2017

Prepared by John A. Kelchner, PE
Vice President of Engineering & Operations
570-522-6143

kelchnerj@citizenselectric.com

April 25, 2017

§ 57.195(e)(1) - A description of each major event that occurred during the preceding quarter, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted in order to avoid or minimize the impact of similar events in the future.

No Major Events occurred during the preceding quarter.

§ 57.195(e)(2) - Rolling 12-month reliability index values (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the EDC's service territory for the preceding quarter. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer interruptions, the number of customers affected, and the customer minutes of interruption. If MAIFI values are provided, the report shall also include the number of customer momentary interruptions.

| Index | Rolling 12-Month Value for Quarter |
|-------|------------------------------------|
| SAIFI | 0.38 |
| SAIDI | 67 |
| CAIDI | 175 |

| Total # of Customers Served | # of Interruptions | # of Customers Affected | Customer Minutes |
|-----------------------------|--------------------|-------------------------|------------------|
| 6,987 | 64 | 2,678 | 467,351 |

The following outages were approved for exclusion as Major Events during the preceding 12-month period and are not included in the above calculations:

| Date | # of Customers Affected | Customer Minutes |
|------------|-------------------------|------------------|
| 11/8/2016 | 1,008 | 41,468 |
| 11/19/2016 | 1,833 | 248,388 |

§ 57.195(e)(5) - A rolling 12-month breakdown and analysis of outage causes during the preceding quarter, including the number and percentage of service outages, the number of customers interrupted, and customer interruption minutes categorized by outage cause such as equipment failure, animal contact, tree related, and so forth. Proposed solutions to identified service problems shall be reported.

| Outage Cause | Number of Interruptions | % of Interruptions | Number of Customers Affected | Customer Interruption Minutes |
|---------------|-------------------------|--------------------|------------------------------|-------------------------------|
| On R/W Trees | 2 | 3 | 8 | 810 |
| Animals | 11 | 17 | 76 | 3,466 |
| Equipment | 20 | 31 | 1,256 | 148,415 |
| Off R/W Trees | 18 | 28 | 804 | 229,372 |
| Weather | 6 | 9 | 491 | 62,875 |
| Vehicle | 0 | 0 | 0 | 0 |
| Other | 7 | 11 | 43 | 22,413 |
| Total | 64 | | 2,678 | 467,351 |

Discussion

The Company continued to experience an usual number of outages during the first quarter of 2017. A significant contribution came from off right-of-way trees during the extended wet and windy weather that occurred throughout the quarter. The Company also continued to see some outages caused by Ash trees impacted by borers.

To address the increasing tree-related outages, the Company has continued to commit increased budget amounts to vegetation management. Again in 2017, the expenditure planned will be nearly twice the amount budgeted just five years ago. The Company's vegetation coordinator, line crews, and trimming contractors have all been advised to continue working to identify and remove off right-of-way target trees wherever possible.

A noteworthy outage occurred on March 27th, when a PPL supply problem interrupted 32 Citizens' customers for almost eleven hours. This single outage made a significant contribution to interruption minutes for the quarter.

The Company is looking forward to improved reliability statistics in future quarters. As a point of reference, it has not experienced a single outage to date in the second quarter.