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February 24, 2026

VIA ELECTRONIC FILING

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, Filing Room
Harrisburg, PA 17120

RE: Pike County Light & Power Company's (Gas) Annual Asset Optimization Plan for year ending December 31, 2025

Dear Secretary Homsher:

Enclosed for filing please find Pike's Annual Asset Optimization Plan for the year ending December 31, 2025.

If you have any questions, please contact me.

Very truly yours,

/s/ Whitney E. Snyder

Whitney E. Snyder

Counsel to Pike County Light & Power Company

WES/das
Enclosure

cc: Nancy Karlovich, PCLP
John VanZant, BTUS (via email, jvanzant@pa.gov)



2025 Gas Annual Asset Optimization Plan

Pike County Light & Power Company

For the Period of January 1, 2025 – December 31, 2025

Submitted by:

Nancy Karlovich
General Manager
105 Schneider Lane
Milford, Pa 18337
nkarlovich@pclpeg.com
Dated: February 24, 2026

I. Executive Summary

This is Pike County Light & Power's ("Pike") third gas Annual Asset Optimization Plan (AAOP) report, for the year ending December 31, 2025, of its previously approved Long Term Infrastructure Improvement Plan ("LTIIIP") described below.

II. Introduction

Act 11 of 2012 ("Act 11") authorized the Commission to approve a distribution system improvement charge ("DSIC") upon petition by a public utility to recover the utility's reasonable and prudent costs incurred to repair, improve or replace certain eligible distribution property that is part of the utility's distribution system. As a precondition to implementing a DSIC, a utility is required to receive Commission approval for an LTIIIP that is consistent with the provisions of Section 1352 of the Pennsylvania Public Utility Code and the Commission's regulations and implementing orders. Any utility with a DSIC is required to file an AAOP. Pike is providing this AAOP consistent with its Commission-approved DSIC and Ordering Paragraph 2 of the Commission's June 13, 2019, Order approving Pike's LTIIIP.

A utility's AAOP is intended to provide the Commission and the public with an overall status report regarding a utility's progress in making infrastructure improvements pursuant to its Commission-approved LTIIIP utility's AAOP must identify its near-term construction projects that will be funded by the DSIC, consistent with the LTIIIP.

Specifically, 52 Pa. Code § 121.6 requires the AAOP to include: 1) a description of all eligible property repaired, improved and replaced in the immediately preceding 12-month period; and 2) a detailed description of all the facilities to be improved in the upcoming 12 months, pursuant to the utility's LTIIIP.

III. Background

On April 6, 2022, Pike filed a petition for approval of a modified gas LTIIIP. The long-term goal of the plan is to eliminate the low-pressure gas system currently serving areas of Matamoras and replace it with a medium pressure system. In its modified gas LTIIIP, Pike revised the order in which projects would be completed within the LTIIIP without changing the total scope of work, allowing the Company to replace its gas infrastructure more economically by reducing the footage of new pipe required to be installed. The costs savings resulting from these changes will help offset the increase in main replacement costs discussed below in Section IV. On August 4, 2022, the Commission approved Pike's LTIIIP at P-2019-3007304 ("LTIIIP Approval Order").

- a. Description of Eligible Property Repaired, Improved and Replaced in the 12-Month Period: January 1, 2025 through December 31, 2025

Pursuant to 52 Pa. Code § 121.6(b)(l), this section specifies all the eligible property repaired, improved and replaced in the prior 12-month period under its LTIP and prior year's AAO plan.

i. 2025 Pike AAO

In 2025, Pike completed two main replacement projects: (1). Avenues O and P; and (2). Bertha Street. The 2025 projects LTIP budget was \$1,087,223. The bid proposals were \$847,644 for Avenues O&P, and \$841,133 for Bertha Street (COMBINED TOTAL \$2,029,260). The actual spend for the 2025 LTIP was \$2,136,470.

Comparing the bids for 2025 to prior years, Pike has seen a significant increase in the cost per foot of main replaced at the end of 2024 through 2025. The bids for 2025 are greater than the budgeted amounts

ii. Main Replacements.

As planned, in 2025, Pike replaced 4,307 feet of main along Bertha Street and 4,636 feet along Avenues O & P. This includes 138 feet of Aldyl A to be replaced per the Commission's order.

iii. Service Replacements.

As planned, and as noted above in (ii), Main Replacements, Pike replaced 61 services on Avenues O & P, and 51 services on Bertha Street.

b. Description of Eligible Property to Be Improved and Replaced in the Upcoming 12-Month Period: January 1, 2026 - December 31, 2026

In 2026, Pike plans to complete two main replacement projects: (1). Avenues C and B; and (2). Avenue N. Avenues C & B includes replacement of approximately 2,068 feet of various sizes of main as well as the replacement/relocation of approximately 30 services. Avenue N consists of approximately 4,555 feet of main and 67 services.

The 2026 projects LTIP budget is \$2,028,540. The bid proposals are \$482,892 for Avenues B & C, and \$910,770 for Avenue N (COMBINED TOTAL \$1,393,662). Not included in the bid proposals are internal engineering cost and labor of Pike employees, however we expect these projects to be completed at or under budget.

Upon completion of the two gas main replacement projects scheduled for 2026, PCLP will have completed 8.06 miles of the 12 total GMR miles, or 67% of the mains related to the LTIP Gas main-service replacement program, and within 73% of the time expected complete the LTIP.

IV. Financials

In 2025, Pike competitively bid 2026's projects, to control project cost. Pike has expanded the contractor pool to improve competition, but two factors have kept pricing up; (1) inflation, which has affected both the cost of materials as well as the cost of the contractor labor force; and (2) in August 2023, New York enacted prevailing wages laws under the auspices of the Roadway Excavation Quality Assurance Act. Because Pike competes with New York contractors for its workforce, the New York law has driven up costs for the Company.

V. LTIIP Table

Year	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	TOTAL
Main Footage - Planned	3,603	7,001	6,367	5,476	8,100	8,100	8,732	7,284	6,711	6,077	6,703	74,154
Main Footage - Actual Replaced	3,147	6,582	7,342	796	8,545	4,792	8,510					
Accelerated Main Budget	\$230,000	\$396,000	\$440,000	\$704,000	\$1,395,000	\$983,125	\$1,353,460	\$1,238,280	\$1,140,870	\$1,215,400	\$1,206,540	\$10,302,675
Actual Spent	\$246,211	\$528,742	\$592,517	\$118,553	\$1,076,797	\$782,769	951,462.15					
Services Planned	37	55	55	56	106	120	109	126	65	70	67	866
Service Replaced	18	26	65	7	109	87	111					
Accelerated Service Budget	\$111,000	\$165,000	\$165,000	\$196,000	\$405,000	\$480,000	\$675,800	\$820,260	\$444,308	\$502,409	\$504,921	\$4,469,698
Actual Spent	\$63,000	\$120,000	\$240,000	\$28,000	\$419,000	\$394,215	1,185,007.66					
Total Accelerated Budget	\$341,000	\$561,000	\$605,000	\$900,000	\$1,800,000	\$1,463,125	\$2,029,260	\$2,028,540	\$1,585,178	\$1,717,809	\$1,711,461	\$14,742,373
Total Actual Spent	\$309,211	\$648,742	\$832,517	\$146,553	\$1,495,797	\$1,176,984	\$2,136,469.81					

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 MAIL ONLY

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/s/ Whitney E. Snyder
Whitney E. Snyder

DATED: February 24, 2026