CITIZENS' Electric COMPANY
Over a Century of Service

April 29, 2026

Mr. Matthew Homsher
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

RE: Docket No. M-2023-3039027 – Annual Reliability Report

Dear Secretary Homsher,

Enclosed please find the 2025 Annual Reliability Report for Citizens' Electric Company. Please contact me at 570-522-6143 or andersonp@citizenselectric.com if I can answer any questions.

Best Regards,

Patrick F. Anderson

Patrick F. Anderson
Senior Director of Engineering & Operations

cc: Clinton McKinley (via email)

Citizens' Electric Company
Annual Electric Service Reliability Report
2025

Prepared by Patrick F. Anderson
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4/29/2026

§ 57.195(b)(1) - An overall current assessment of the state of the system reliability in the EDC's service territory including a discussion of the EDC's current programs and procedures for providing reliable electric service.

Citizens' Electric Company improved from the previous years' reliability indices. Outages were caused mainly by off right-of-way trees, followed by equipment failures and then animal contacts. The Moore line accounted for 73% of the total CMI during the previous year and several actions were taken to mitigate exposure on the circuit, including removing dozens of danger trees outside the right-of-way. The two total outages in 2025 on the Moore line accounted for less than 1% of the overall CMI on the system as a result. The

The Company began a five-year aerial drone inspection program that consists of infrared thermal scanning and close up visual inspections of all overhead facilities from a top-down view. In the first year, two major issues were reported and remediated before incidents occurred. Also, the Company continues to participate in and gather information from various industry best practices groups. These groups include members from diverse utility groups such as the Pennsylvania Rural Electric Association, the Energy Association of Pennsylvania, and the National Rural Electric Cooperative Association. The Company will continue to implement best practices defined by these groups as appropriate.

Citizens' Electric was again recognized in 2025 as a "Tree Line USA" utility. This award from the National Arbor Day Foundation recognized the Company for the 23rd consecutive year for its use of nationally approved trimming techniques and procedures in its vegetation management program. The Company continues to partner with the Penn State Extension for its annual educational session. This event provides education not only for Company employees, but also the current vegetation management contractor, and local municipal road and public works crews. Topics covered include directional pruning and landscaping techniques, pest mitigation, and updates on other environmental threats to Pennsylvania forests. By inviting local municipalities, we encourage cooperative relationships, as well as garner the mutual benefits of consistent vegetation management practices throughout the area.

Citizens' Electric Company does not own or maintain any transmission facilities.

Current Maintenance Program		
Program	**Description**	**Cycle**
Infrared Inspection	All substation equipment biennially, and 1/3 of all overhead lines each year.	3 years
Vegetation Management	Each year, all primary lines are visually inspected. This comprehensive field inspection allows us to identify areas that require trimming. We maintain a 4-year trimming cycle, but all areas are inspected annually to help identify unexpected "hot spots." All areas needing attention are trimmed by the end of the 3rd quarter.	Annual
Visual Line Inspection	All distribution lines and pole hardware are visually inspected during preparation of tree trimming contract. Line sections receiving infrared inspection are also inspected visually during that process.	Annual
Padmount Equipment Inspection	Padmounted equipment is visually inspected to identify and correct any developing problems or safety concerns.	4 Years
3Ø Padmount Transformer Oil Test	Insulating oil is tested from every 3Ø padmounted transformer on our system, and all substation power transformers.	Annual
Line Equipment Inspection	All air switches, circuit tie switches, capacitors, regulators, and reclosers are visually inspected. Where applicable, proper operation of control equipment is verified and counter readings are recorded.	Annual
Pole Inspection and Treatment	Poles are inspected and treated at the ground line. External and/or internal decay inhibitors are applied where appropriate.	10 Years
Danger & Reject Pole Replacements	Replace condemned poles identified during pole inspection.	As needed, annually
Substation Equipment Inspection	Entire station is visually inspected. Equipment batteries are tested, communications equipment operation is verified, fans are tested, various gauge and counter readings are recorded. An infrared inspection is performed on all equipment twice a year.	Monthly
Recloser Maintenance	Change oil, check and adjust mechanism, check contacts, test operation *Recloser replacement program commenced in 2022. Recloser maintenance program is a voluntary initiative managed in parallel with the Company's approved I&M plan.*	N/A

§ 57.195(b)(2) - A description of each major event that occurred during the year being reported on, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted to avoid or minimize the impact of similar events in the future.

Date	Time	Duration (Minutes)	Customers Affected	Cause
8/4/25	13:11	228	1,492	At approximately 13:11 on 8/4/25, a vehicle struck a three-phase pole four miles from the substation causing the breaker to trip to lockout. It was a clear and calm day when 1,492 customers were interrupted as a result of the bottom of the pole being sheared off. Several crews were dispatched; some beginning the repairs and one crew performing switching immediately restoring all but 27 customers within 82 minutes. The pole was replaced once the scene was cleaned up and made safe by first responders since it was unable to be braced temporarily. The final remaining customers were restored at 16:59.

§ 57.195(b)(3) - A table showing the actual values of each of the reliability indices (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the EDC's service territory for each of the preceding 3 calendar years. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer minutes interruptions, the number of customers affected and the minutes of interruption. If MAIFI values are provided, the number of customer momentary interruptions shall also be reported.

Prior 3 Years Reliability Indices							
Year	SAIFI	SAIDI	CAIDI	Avg # of Customers Served	# of Interruptions	# of Customers Interrupted	Customer Interruption Minutes
2025	0.32	38.8	121.4	7,232	43	2,314	280,900
2024	0.45	64.3	143.7	7,176	59	3,209	461,213
2023	0.32	29.0	89.8	7,139	42	2,309	207,294
2022	0.27	27.5	100.5	7,103	62	1,947	195,608

§ 57.195(b)(4) - A breakdown and analysis of outage causes during the year being reported on, 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 Analysis by Cause				
Outage Cause	**% of Interruptions**	**Number of Interruptions**	**Number of Customers Affected**	**Customer Interruption Minutes**
Off R/W Trees	51%	22	2,094	262,800
On R/W Trees	0%	0	0	0
Animal	16%	7	140	10,673
Weather	2%	1	3	157
Equipment	26%	11	75	7,098
Vehicle	2%	1	1	85
Other	2%	1	1	87
Total		43	**2,314**	**280,900**

Trees were again the most impactful cause of outages in 2025, accounting for 51% of total outages. All tree-related outages were attributed to off right-of-way trees and accounted for 94% of the total CMI. Equipment failures were second-most in frequency and were mainly as a result of failed porcelain cutouts and lightning arrestors. As inspections are carried out every year to identify these types of components that more often cause outages, the Company has three years left until the most recent inspection cycle results captures the remaining porcelain switches on the system that have not been proactively identified.

The company continues to emphasize hazard tree identification and removal with employees, tree contractors and customers. In 2026, the Company will focus more effort on mowing and clearing of three-phase right-of-way to reduce the amount of clearing that will need to be done in future years. The system will continue to be built to standards that typically exceed the NESC. Also, the Company will continue to evaluate new equipment, techniques and trends for their benefit to reliability while monitoring industry best-practices regarding storm-hardening.

§ 57.195(b)(6) - A comparison of established transmission and distribution inspection and maintenance goals/objectives versus actual results achieved during the year being reported on. Explanations of any variances shall be included.

Program	Goal	Completed	Comment
Infrared Inspection	Substation and 1/3 of all overhead lines	100%	Substation, all three-phase and 1/3 of single-phase line inspected.
Vegetation Management	Entire System (9 circuits), as needed	100%	9 circuits inspected, trimmed as needed.
Visual Line Inspection	Entire System (9 circuits)	100%	9 circuits inspected.
Padmount Equipment Inspection	245	100%	245 locations inspected. *
3Ø Padmount Transformer Oil Test	56	100%	56 transformers tested. *
Line Equipment Inspection	168	100%	168 locations inspected. * • 22 Capacitors • 47 Reclosers • 12 Regulators • 87 Switches
Pole Inspection and Treatment	688	100%	688 Poles Inspected. *
Danger and Reject Pole Replacement	"Danger" poles identified: 5 "Reject" poles identified: 4	100%	5 "danger" poles replaced. 4 "reject" poles replaced.
Substation Equipment Inspection	12 Monthly Inspections	100%	12 inspections completed.
Recloser Maintenance		0%	Program discontinued. *Recloser replacement program commenced in 2022. Recloser maintenance program is a voluntary initiative managed in parallel with the Company's approved I&M plan.*

***** *Quantity revised to reflect equipment in service at time of inspection.*

§ 57.195(b)(7) - A comparison of budgeted versus actual transmission and distribution operation and maintenance expenses for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.

Program	Budget $	Actual $	Comment
Infrared Inspection		8,905	Not budgeted individually. 100% completed.
Line Equipment Inspection		15,413	Not budgeted individually. 100% completed.
Padmount Equipment Inspection		7,151	Not budgeted individually. 100% completed.
3Ø Padmount Transformer Oil Test		7,454	Not budgeted individually. 100% Completed.
Visual Line Inspection			Not budgeted individually, included in Vegetation Management accounting. 100% completed.
Vegetation Management	200,815	196,580	100% of planned work completed.
Pole Inspection and Treatment	38,000	37,829	100% completed.
Substation Equipment Inspection		5,792	Not budgeted individually. 100% completed.
Total		**279,124**	

§ 57.195(b)(8) - A comparison of budgeted versus actual transmission and distribution capital expenditures for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.

Project	Budget Amount $	Actual Expenditures $	Variance $	Comment
General Construction	1,479,053	1,249,276	229,777	This line item is heavily influenced by customer driven work. When customer work does not materialize as expected, manhours are reallocated to mix of capital and O&M work as necessary.
Transformers	183,784	250,003	(66,219)	Increased material costs and customers paying higher costs for shortest lead times
Meters	56,132	116,391	(60,259)	Remaining proactive changeouts in 2025, carried over from previous year. Additional meters purchased in advance to save on 2026 costs.
Strickler Rd Relocation	14,907	47,688	(32,781)	Added scope involving telecom company poles and relocating one customer's service to underground.
Melmar Dr Relocation	65,418	90,631	(25,213)	Inflated contractor costs beyond expected costs and scope changes to set up final relocation phase for URD in 2027.
Three Phase Recloser Pilot	37,907	42,476	(4,569)	Additional troubleshooting time spent on unique programming for DTT scheme replacing legacy program and control.
Single Phase Recloser Replacements	28,800	17,716	11,084	Poles were in good shape and recloser changeouts were simple for the few planned locations.
Total	**1,866,001**	**1,814,181**	**51,820**	

§ 57.195(b)(9) - Quantified transmission and distribution inspection and maintenance goals/objectives for the current calendar year detailed by system area (that is, transmission, substation and distribution).

Program	Goal
Infrared Inspection	Substation and 3 circuits
Vegetation Management	Entire System (9 circuits), as needed
Visual Line Inspection	Entire System (9 circuits)
Padmount Equipment Inspection	192 Locations
3Ø Padmount Transformer Oil Test	62 Transformers
Line Equipment Inspection	162 Locations
Pole Inspection and Treatment	692 Poles
Danger and Reject Poles	To be determined from pole inspections
Substation Equipment Inspection	12 Monthly Inspections
Recloser Maintenance	N/A (program discontinued)

All goals are in the substation and distribution areas. The Company does not own or operate any transmission facilities.

§ 57.195(b)(10) - Budgeted transmission and distribution operation and maintenance expenses for the current year in total and detailed by the EDC's own functional account code or FERC account code as available.

(These items are not budgeted by FERC account.)

Program	Budget $	Comment
Infrared Inspection	N/A	Not budgeted individually
Vegetation Management	361,000	
Visual Line Inspection	N/A	Not budgeted individually
Aerial Line Inspection	24,000	Year 2 out of 5-year inspection cycle
Padmount Transformer Inspection	N/A	Not budgeted individually
3Ø Padmount Transformer Oil Test	N/A	Not budgeted individually
Line Equipment Inspection	N/A	Not budgeted individually
Pole Inspection and Treatment	40,000	
Danger and Reject Poles	N/A	Not budgeted individually
Substation Equipment Inspection	N/A	Not budgeted individually
Recloser Maintenance	N/A	Not budgeted individually
Total	**$425,000***	*Only includes Vegetation Management, Aerial Line and Pole Inspection Programs

§ 57.195(b)(11) - Budgeted transmission and distribution capital expenditures for the current year in total and detailed by the EDC's own functional account code or FERC account code as available.

(These items are not budgeted by FERC account.)

Project	Budget Amount $
General Construction	1,438,903
Transformers	185,152
Meters	30,288
Pheasant Ridge Rd Relocation	42,801
Wyndham Hills Relocation	148,850
Three Phase Substation Recloser	109,912
Single Phase Recloser Replacements	60,847
Total	**2,016,753**

§ 57.195(b)(12) - <u>Significant changes, if any, to the transmission and distribution inspection and maintenance programs previously submitted to the Commission.</u>

No significant changes.

Citizens' Electric Company Emergency Load Control and Energy Conservation Procedure

Definitions[1]:

EMERGENCY LOAD CONTROL

An Emergency Load Control situation exists whenever:

(a) The demands for power on all or part of the utility's system exceed or threaten to exceed the capacity then actually and lawfully available to supply such demands.

(b) System instability or cascading outages could result from actual or expected transmission overloads or other contingencies.

(c) Such conditions exist in the system of another public utility or the regional transmission organization with which the utility's system is interconnected and cause a reduction in the energy or capacity available to the utility from that source or threaten the integrity of the utility's system. In this case, the utility shall take the reasonable steps as the time available permits to bring the demands within the then-available energy and capacity or to otherwise control load. The steps shall include, but shall not be limited to, reduction or interruption of service to one or more customers, in accordance with the utility's procedures for controlling load.

EMERGENCY ENERGY CONSERVATION

An Emergency Energy Conservation situation exists whenever:

(a) Events result or, in the judgment of the utility, threaten to result in a restriction of the energy or capacity available to the utility through the regional transmission organization, so that service to the utility's customers is or will be adversely affected. In the event of an emergency energy conservation situation, the utility shall take reasonable measures that it believes necessary and proper to limit electricity consumption in its service territory. The measures may include, but are not limited to, reduction, interruption, or suspension of service to one or more of its customers, or classes of customers, or circuits in accordance with the utility's procedure for emergency energy conservation.

[1] 52 PA Code § 57.52

Procedure:

Upon notification, typically by PPL Electric Utilities, that an Emergency Load Control or Emergency Energy Conservation Event is in progress, the Company will immediately take steps to shed load by the prescribed amount. Load shed will typically be performed by interrupting one or more circuits at the St. Mary Street substation to achieve the required load reduction. Circuits will normally be rotated in 15-minute intervals to minimize the effects of lost load diversity at restoration and to limit inconvenience to customers. Annually, the Company will compile a table of the typical summer and winter circuit loads and sample feeder rotation plans (**Confidential Table 1 in a separate document upon request**). Note that Citizens' Electric does not have the ability to implement system-wide automatic voltage reductions; however, reductions implemented by PPL Electric on its transmission system will reduce Citizens' Electric's distribution voltage.

These values are typical seasonal peak readings; however, switchmen should determine actual circuit loads utilizing SCADA or substation demand meters prior to switching in order to verify that required load reductions are being achieved.

Circuits to be interrupted and interruption intervals should be chosen based on the required load reduction. Confidential Table 2 illustrates a typical circuit rotation schedule to achieve a requested 4MW (~10%) reduction in summer load.

This rotation will continue until the Company is notified that the emergency has ended. The circuits scheduled for the next interval should be interrupted before the circuits from the prior interval are restored to avoid creating a spike in load.

Special Considerations:

Annually, the Company will evaluate and document any special considerations for particular customers that apply during an Emergency Load Control or Emergency Energy Conservation Event. Such special considerations may include notices to health care institutions or other customers who may have back-up generation, the existence of dual feeds to a customer from different circuits and coordination with local and regional emergency management organizations.

Notifications:

In the event of either an Emergency Load Control or Emergency Energy Conservation Event as defined above, the following emergency notification requirements apply:

(1) During Emergency Load Control situations, initial notice shall be provided by telephone to the Commission no later than the time a voltage reduction warning is issued on the electric

system. If a utility does not have the capability to implement system-wide automatic voltage reductions, notice shall be provided to the Commission prior to the implementation of emergency measures which would have a direct impact on firm customers. Notification shall be provided to the Commission as each subsequent load control procedure is either implemented or cancelled. During the load emergency situation, the affected utility shall provide other emergency related information to the Commission that the Commission determines to be necessary. Information shall be provided by fax[2] at a minimum of every 3 hours commencing with initial notification of an emergency situation and shall include the following where applicable:

(i) System operating capacity.
(ii) Current system load.
(iii) Projected system peak load and hour.
(iv) System operating reserve capacity.
(v) Capacity transactions.
(vi) Unavailable generating units.
(vii) Status of implementation of emergency operating procedures.
(viii) Customers and loads affected by manual load shedding, if applicable.

(2) During Emergency Energy Conservation situations, notice shall be provided by telephone to the Commission at the time of initial implementation of measures which the utility determines to be necessary to conserve available fuel supplies and which would have a direct impact on firm customers. Notification shall be provided to the Commission as each subsequent emergency conservation procedure is either implemented or cancelled. During the Emergency Energy Conservation situation, the affected utility shall provide other emergency related information to the Commission that the Commission determines to be necessary. Information shall be provided by fax[2] at a minimum of every 3 hours commencing with initial notification of an emergency situation and shall include the following where applicable:

(i) Fuel inventories.
(ii) Fuel deliveries.
(iii) Burn rates.
(iv) Curtailment schedules, if applicable.

Appropriate fax and other contact information for the Commission is maintained in Appendix F of the Company's Business Continuity Plan.

(3) The Company will designate emergency contact individuals from which emergency information may be obtained and provide the Commission with a current list of contacts.

[2] 52 PA Code § 57.52 specifies 'fax' as the means of communication, however PUC Staff may direct the required means of communication during an emergency event.

Note that since the Company operates within the integrated PJM bulk power system, PJM will normally provide the above notification and other emergency related information to the Commission and will serve as the Company's designated representative if the emergency affects the entire integrated system, in accordance with 52PA§57.52(4)

(4) Section 67.1 (relating to general provisions) does not apply to either Emergency Load Control situations or Emergency Energy Conservation situations.

(5) The Commission will provide information to the Pennsylvania Emergency Management Agency during emergency situations.

(6) The Commission will designate emergency contact individuals to be contacted by the utilities to meet the requirements of this section. The Commission will provide the current list of Commission contacts to the utilities and the Pennsylvania Emergency Management Agency.

Testing & Responsibility:

This procedure shall be reviewed during the annual Emergency Response Plan Tabletop Exercise.

The manager of engineering and operations is responsible for verifying that all analysis, testing and revision of this procedure are completed as required.

Verification:

Nathan B Johnson
President & CEO

Date