

Citizens' Electric Company
Summer Reliability Forum Summary Report
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05/31/2012

The stormy weather of 2011 impacted Citizens' Electric's service territory.

Fortunately, no extended restoration events occurred; however, the various snow, wind, and rain storms did have some effect on the Company's reliability statistics. SAIFI, SAIDI and CAIDI metrics all increased slightly. The Company experienced a significant increase in weather-related outages and a small increase in tree-related outages. So far, 2012 has been a much more settled period and all indices are now trending downward.

Citizens' Electric was recognized for the tenth 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. This program includes a goal to aggressively identify and negotiate removal of off right-of-way "hazard" trees, in an effort to reduce outages from this cause.

Recent initiatives to reduce the number of outages caused by animals are producing results. Due to widespread installation of wildlife protection, the Company experienced a decrease in the number of animal-related outages. There was also a decrease in outages due to vehicles and "other" causes during 2011.

During 2011, the Company successfully implemented significant new capabilities for its Interactive Voice Response (IVR) telephone system. The new system is tightly integrated with the Company's Outage Management System (OMS) to provide an informative interactive experience for customers. It provides customized information based on whether the caller is part of a known outage or is reporting a new outage. Customers are informed of their estimated restoration time when they call as part of a known outage. In addition, the

system can be used to make selective outbound calls, providing proactive outage updates or other information as appropriate.

Efforts to make information available to customers via online outlets continued. During the year, the Company launched a new Facebook page and created a Twitter presence. These tools will be most useful to help communicate with customers during significant outage events, but can also be used as education and information tools during non-emergencies. The Company also continued its outreach to collect email addresses from its customers during 2011. This information will be used to provide outage status updates directly to affected customers who choose to receive them.

In July 2012, the Company will be introducing a new online customer service tool called SmartHub. This tool will allow customers to download a free customized application to their smartphone or tablet which will provide secure access to a rich set of features. For example, customers will be able to view and pay bills, report outages, check on outage status, analyze hourly usage, and request additional services. All functionality will also be available to customers via SmartHub online which will be accessed from the Company's web site.

During the year, much work was done to replace and upgrade aging facilities. The Company continued its ongoing underground cable replacement program with the replacement of a significant amount of 1970s-vintage cable in a residential subdivision. Additional replacements are budgeted for 2012 and beyond. Other projects underway include the upgrade of select overhead feeder conductors to ensure continued service quality in areas of historically high growth.

Together, these initiatives will help Citizens' Electric maintain its high level of reliability and customer satisfaction throughout 2012 and into the future.