



Wellsboro Electric Company

P. O. Box 138 • 33 Austin Street • Wellsboro, PA 16901 • (570) 724-3516 • FAX (570) 724-1798

April 20, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

Dear Rosemary Chiavetta, Secretary,

2010 Annual Reliability Report

Enclosed is an original and six (6) copies of the 2010 Annual Reliability Report for Wellsboro Electric Company.

Sincerely,

Robert S. McCarthy
Vice-President, Operations & Engineering
Wellsboro Electric Company

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APR 20 2011

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Wellsboro Electric Company
33 Austin St.
Wellsboro, PA 16901

ANNUAL RELIABILITY REPORT FOR THE YEAR OF 2010

Report Submitted by: Robert S. McCarthy, Vice-President, Engineering and Operations

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

The name, Title, Telephone Number and E-Mail address of the person who has knowledge of the matters and can respond to inquiries.

Robert S. McCarthy

Vice-President, Operations and Engineering

Phone: 570-724-3516

E-Mail: bobbym@ctenterprises.org

Address: 33 Austin St, P.O. Box 138, Wellsboro, PA. 16901

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.

Substations:

Wellsboro has just completed Phase II of a substation project, that includes two power transformers in a split bus design that will supply the needs of the entire service territory. Circuit transfer to the new Buena Vista Substation will begin in 2011, when completed in the next few years, existing power transformers in our Austin St yard will be removed and all circuit feeders will reside in the Buena Vista St. station.

Substation will be inspected monthly, oil samples will be taken from each transformer every other year.

Currently Wellsboro has (16) voltage regulators in use at our substation locations, these units will be phased out as circuit feeders are transferred to the Buena Vista Substation, both power transformers in Buena Vista operate with tap changers and the voltage regulators will not be needed in the future, until these voltage regulators are removed from service they will continue to be monitored and maintained as needed.

Infrared imaging is conducted annually on all in-service substation equipment and select sections of the distribution system.

Wellsboro Electric will visually inspect 5000 distribution poles in 2011, the visual inspection will include an inspection of the pole looking for obvious defects in the pole, cross-arms and related electrical equipment, Attachments of phone and cable will also be inspected to insure compliance with the requirements of the National Electrical Safety Code.

700 distribution poles will be tested to determine the internal and below grade condition of the poles.

Wellsboro uses a self protected internally fused transformers for all residential and small commercial accounts on our 12 KV system, this type of transformer eliminates the open fuse link, in addition all transformers have an animal guard installed on the high side bushings and insulated leads from the transformer to the primary power line in an attempt to prevent an animal or tree related contact outage on the transformers.

For our poly phase and all customers still served by our 4 KV system a conventional transformer is used and on all these installations a fused cutout is installed to protect the transformer, we only use polymer cutouts, due to the large number of failures of porcelain cutouts, an animal guard is installed on the high side bushing and insulated lead wires are used from the high side bushings up to the primary power line connection and an insulated equipment bracket is used to isolate the electrical equipment from the distribution pole, this also helps to eliminate animal related outages, all installations are protected by lightning arrestors.

Wellsboro Electric tracks causes of outages with an Outage Management System (OMS) this data is reviewed to determine circuits and installations that are experiencing multiple outages and corrective action can be planned from this data.

Wellsboro Electric has a multi-year contract with Asplundh Tree Experts of Willow Grove, PA. to provide clearing and trimming of select lines on our system, we currently trim or clear Fifty Five miles of circuit at a minimum each year, in 2011 our Middlebury circuit is ungoing a complete trim cycle, Asplundh trims and clears according to spec's established by Wellsboro Electric.

Wellsboro has an educational program in place in conjunction with the Wellsboro Shade Tree Commission and the Borough of Wellsboro in an attempt to educate the customers on the proper location and species of tree's that can be planted near power lines. We also participate in a hazard tree removal program with the Shade Tree Commission in order to indentify and remove hazard trees along the power lines.

Wellsboro Electric will continue to install permanent fault locators on select overhead and underground circuits, these devices provide a great tool to the operations department when an outage occurs in eliminating unnecessary patrols of areas and enables us to restore service quicker.

Wellsboro Electric was awarded a grant for the DOE for the installation of Smart Metering; we currently have 660 residential meters on-line and plan to begin the implemetation of Commerical and Industrial meters in 2011. When this project is completed at the end of 2012 we will have 50% of the residential customer and 100% of the commercial customers on a two way AMR system.

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 eliminate the impacts of similar events in the future.

MAJOR EVENTS

Date	Time Of Event	Duration of Event	# Of Customers Affected	Cause
5/1/2010	3:48 AM	32 Min	957	Vehicle Accident
5/8/2010	3:30 PM	20.5 Hrs	1199	High Wind
9/2/2010	11:12 PM	1 hr 47 min	3026	Failed Substation Relay
9/10/2010	5:29 PM	45 Min	3026	Failed Substation Relay
10/15/2010	12:15 PM	45 Min	1420	Off Right-of-Way Tree

Actions taken for these events, the events related to the high wind event, the circuits involved had a complete visual inspection of both the equipment and Right of Way.

The two events related to the failed substation relay, the relay was tested and is unable to be downloaded to see what failed in the relay, the relay caused two false trips to the substation, this is the second time we have had one of these relays fail, Cooper Idea Plus primary relays have been replaced by SEL relays.

A table showing the actual values of each of the reliability indices (SAIFI, CAIDI, SAIDI) for the EDC'S service territory for each of the preceding Three (3) calendar years. The report shall include the data used in calculating the indices, namely the average number of customers affected and the minutes of interruption

	SAIFI	SAIDI	CAIDI
BENCHMARK FOR WECO	1.23	153	124
ROLLING TWELVE MONTH STANDARD	1.66	278	167

RELIABILITY INDEX TABLE FOR SAIFI, SAIDI AND CAIDI FOR A THREE YEAR PERIOD.

	SAIFI	SAIDI	CAIDI
2008	1.07	97.8	91
2009	1.21	116.9	96.4
2010	0.98	74.07	62.41

2008 OUTAGE DATA AVERAGE NUMBER OF CUSTOMERS SERVED 5998

CAUSE	NUMBER OF OUTAGES	NUMBER OF CUSTOMERS AFFECTED	CUSTOMER MINUTES
Animals	55	1300	117133.2
Vehicles	6	258	39627.6
Electrical Overload	3	490	47397
Equipment Failure	50	1415	103190.4
Ice	1	22	16126.2
Lightning	14	713	36481.8
Tree's	42	1316	156877.2
Unknown	72	855	70885.2
Wind	1	1	78

2009 OUTAGE DATA AVERAGE NUMBER OF CUSTOMERS SERVED 6202

CAUSE	NUMBER OF OUTAGES	NUMBER OF CUSTOMER AFFECTED	CUSTOMER MINUTES
Animals	48	1115	78880.8
Vehicles	2	361	91797.6
Decay	7	7	735
Equipment Failure	52	2888	314370.6
Lightning	8	125	11067.6

Public Contact	3	67	5716.2
Tree's	32	927	86348.4
Tree, On ROW	3	6	2742.6
Tree, Off ROW	7	217	25329
Unknown	68	1586	105003
Wind	15	222	6742.8

2010 OUTAGE DATA

AVERAGE NUMBER OF CUSTOMERS SERVED 6519

Animals	40	1317	20029.94
Vehicles	2	182	10220.4
Decay	3	5	106.8
Electrical Overload	8	864	44445.22
Equipment Failure	29	982	43494.63
Lightning	9	80	6516.6
Public Contact	9	725	49693.2
Trees	26	1079	92171.58
Tree, On ROW	0	0	0
Tree, Off ROW	10	617	60020.42
Unknown	40	524	25115.16
Wind	1	3	205.2

A breakdown and analysis of outage causes during the year being reported on, including the number and percentage of outages, the number of customers interrupted, and customer interruption minutes categorized by outage cause.

2010	Average Number of Customer Served 6519			
Cause	Number of Interruptions	Percentage of Interruptions	Customer Minutes	Customers Affected
Animals	40	22.6%	20029.94	1317
Vehicles	2	1.1%	10220.4	182
Decay	3	1.7%	106.8	5
Electrical Overload	8	4.5%	44445.22	864
Equipment Failure	29	16.4%	43494.63	982
Lightning	9	5.1%	6516.6	80
Public Contact	9	5.1%	49693.2	725
Tree's	26	14.7%	92171.58	1079
Tree, on ROW	0	0.0%	0	0
Tree, off ROW	10	5.6%	60020.42	617
Unknown	40	22.6%	25115.16	524
Wind	1	0.6%	205.2	3

57.195 Section (b) Item 6

A comparison of established transmission and distribution inspection and maintenance goals and objectives versus actual results achieved during the year being reported on. Explanation of any variances shall be included.

Code	Description	Goal/Objective	Actual Results
582	Substation Oil Testing	50% of all units	100% Complete
593.8	Sectionlizing/Fuse Coord	One Circuit	100% Complete
593.8	Substation Chemical Spraying	All Substations	100% Complete
593.8	Pole Testing	700 Poles	100% Complete
593.8	Visual Line Inspection	5000 Poles	100% Complete
593.8	Infrared Imaging	Substations	100% Complete
593.1	Right of Way Clearing	50 Miles	100% Complete
	55 Miles Actual Completion		
593.9	Voltage Regulator Rebuilds	Three Units	100% Complete
	Six Units were done in 2010		
593.9	OCR Rebuild/Repair	Nine Units	100% Complete
593.9	Phase Marking	One Circuit	100% Complete
595.8	Transformer Repair	As Needed	Complete
	Permanent Fault Indicators	Install 24 Units	100% Complete

A comparison of budgeted versus actual transmission and distribution operations and maintenance expenses for the year being reported on in total and detailed by the EDC'S account or FERC code, Explanations of any variances 10% or greater shall be included.

TRAINING AND SAFETY

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2010 budget</u>	<u>2010 Actual</u>
588.20	Substation School One Man	\$ 700.00	\$ -
588.20	Underground School One Man	\$ 700.00	
588.20	Keyman Conferences (Crew Chief & Linemen)	\$ 1,000.00	\$ 230.00
588.20	Keyman Conferences (Supervisors)	\$ 1,000.00	
588.20	Chainsaw School One	\$ 600.00	\$ 1,309.00
588.40	Audiometric Testing	\$ 600.00	\$ 549.00
588.40	Drug/Alcohol Testing/ CDL Physicals	\$ 2,400.00	\$ 2,579.00
588.40	PREA Bi-Monthly Safety Meetings	\$ 3,000.00	\$ 1,826.00
588.40	PREA Supt and Engineering Section Meetings	\$ 1,500.00	\$ 34.00
588.40	EAPA Meetings	\$ 1,000.00	\$ 110.00
926.90	Safety glasses & eye exams	\$ 600.00	\$ 370.00
		\$ 13,100.00	\$ 7,007.00

57.195 Section (b) Item 7

DISPATCHING / RENTALS / LEASING

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2010 Budget</u>	<u>2010 Actual</u>
589.00	Pager Rental	\$ 1,300.00	\$ 1,274.00
589.00	Radio Tower Rental	\$ 3,600.00	\$ 3,600.00
589.00	Radio Line Lease	\$ 1,200.00	\$ 1,114.00
589.00	Pole Leasing - WECO on Frontier	\$ 23,000.00	\$ 20,740.00
589.00	Pole Leasing - Rail Crossings	\$ 1,400.00	\$ 1,361.00
593.20	Cell-Phone - Crew Chief	\$ 1,000.00	\$ 468.00
921.60	Cell -Phone- VP, Operations and Pres/CEO	\$ 4,000.00	\$ 4,023.00
921.70	After-Hours Dispatching/Call Center	\$ 40,000.00	\$ 44,088.00
		\$ 75,500.00	\$ 76,668.00

MAINTENANCE / OPERATIONS EXPENSES

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2010 Budget</u>	<u>2010 Actual</u>
582.00	Transformer Oil Testing	\$ 2,000.00	\$ -
586.00	Meter Dept - Tri-County Labor	\$ 4,000.00	\$ 2,977.00
586.30	Meter Tool Budget	\$ 500.00	\$ 50.00
588.00	Eng/Oper Misc Printing	\$ 500.00	\$ 88.00
588.00	Right of Way Filing Fee's	\$ 500.00	\$ -
588.00	Tree Replacement Program	\$ 500.00	\$ -
588.00	Arbor Day Activities	\$ 300.00	\$ 296.00
588.90	Engineering Tool Budget	\$ 600.00	\$ 737.00
593.00	Fire Resistant Clothing	\$ 3,000.00	\$ 2,685.00
593.00	Di-Electric Overshoes	\$ 2,000.00	
593.10	Right of Way Clearing	\$ 160,000.00	\$ 164,700.00
593.10	Right of Way's Tree Notes	\$ 25,000.00	\$ 19,124.00
593.10	Right of Way's Chemical Program	\$ 15,000.00	\$ -
593.40	Crew Expenses, Food/Misc Outage Related	\$ 500.00	\$ 107.00
593.80	Rubber Goods/Hotline Equipment Testing	\$ 2,500.00	\$ 2,927.00
593.80	Rubber Goods/Hotline Equipment Replacement	\$ 2,000.00	\$ 1,700.00
593.80	Pole Numbers/ Phase Markers/Transformer Markers	\$ 1,000.00	\$ 1,362.00
593.80	Substation Chemical Spraying	\$ 500.00	\$ 162.00
593.80	Pole Testing	\$ 12,000.00	\$ 5,615.00
593.80	Infrared Imaging	\$ 500.00	
593.90	Regulator / OCR Repairs	\$ 8,000.00	\$ 12,356.00
593.90	OCR/Relay Calibration/Testing	\$ 5,000.00	
594.90	Pennsylvania One Call Expenses	\$ 5,000.00	\$ 2,245.00
595.80	Transformer Disposal	\$ 8,000.00	\$ 699.00
595.80	Transformer Repair	\$ 9,000.00	\$ 3,878.00
597.00	Meter Dept. - AMR Maintenance Agreement	\$ 6,000.00	\$ 5,100.00
597.00	SCADA Maintenance Contract	\$ 5,500.00	\$ 8,275.00
597.00	Meter Dept - Meter Test Set Certification	\$ 1,500.00	\$ 1,400.00
908.00	Key Accounts	\$ 3,000.00	\$ 1,099.00
920.60	VP, Operations & Engineering Seminars/Meetings	\$ 6,000.00	\$ 7,512.00
923.20	Misc Engineering Services	\$ 8,000.00	\$ 769.00
923.20	Questline	\$ 1,200.00	\$ 1,125.00
930.20	Mapping	\$ 25,000.00	\$ 1,531.00
930.30	VOAM Dues	\$ 300.00	\$ 130.00
930.30	VOAM Meeting Expenses	\$ 400.00	\$ -

\$ 324,800.00	\$ 248,649.00
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57.195 Section (b) Item 7

BUILDING AND GROUNDS

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2010 Budget</u>	<u>2010 Actual</u>
588.00	Repair of Customer's Property	\$ 2,000.00	\$ 2,721.00
932.00	Dumpster - Pole Yard	\$ 1,200.00	\$ 1,215.00
932.00	Maintenance, Yards, Subs, Etc.	\$ 8,000.00	\$ 1,361.00
932.00	Emergency Generator Maintenance Contract	\$ 3,000.00	\$ 1,261.00
932.00	Snow Removal	\$ 4,000.00	\$ 1,518.00
932.10	Maintenance Office Building	\$ 5,000.00	\$ 3,693.00
932.20	Maintenance - (SCADA / AMR / ETC)	\$ 2,500.00	\$ -
932.30	Maintenance Tool Budget	\$ 300.00	\$ 160.00
932.30	Maintenance Operations Building	\$ 4,000.00	\$ 4,617.00
932.30	Maintenance Storage Garage	\$ 100.00	\$ -
		\$ 30,100.00	\$ 16,546.00
	BUDGET TOTAL	\$ 443,500.00	\$ 348,870.00

Explanations of any variances 10% or Greater

Section on Safety and Training- Budgeted \$13,100 - Actual was \$ 7007.00

Training schools was attending as employee's were available to be released to attend when employees were needed to cover sick time, vacations, etc. Costs was below budget due to employees not attending schools as planned.

588.4 PREA Bi-Monthly Safety Meeting - Under budget due to less training required from PREA, More training was conducted in-house

588.4 PREA Supt and Engineering Section Meeting - Under budget due to less Participation form Wellsboro due to employee availability.

588.4 EAPA Meetings - Same as above

926.9 Safety Glasses and Exams - As needed budget item

593.2 Cell-Phone - Crew Chief under budget, costs lowered than expected, less usage

582 Transformer Oil Testing- Completed late in 2010, cost will be in 2011

586 Meter Dept - Tri-County Labor - An as needed account

586.3 Meter Dept Tool Budget- An as needed account

588 Eng /Oper Misc Printing - An as needed account

588 Right of Way Filing Fee's - None done in 2010

588 Tree Replacement Program - None needed in 2010

593.1 Right of Way, Tree Notes - Less needed in 2010

593.1 Right of Way Chemical Program - None conducted in 2010

593.4 Crew Expenses, Food/Misc Outage Related - An as needed account

593.8 Rubber Goods Testing - More testing needed in 2010

593.8 Rubber Goods Replacement - Less needed to be replaced

593.8 Pole Numbers / Phase Markers / Transformer Markers - More needed to complete phase marking a a distribution circuit

57.195 Section (b) Item 7

593.8 Substation Chemical Spraying - Not as much needed in 2010

593.8 Pole Testing - Locked a lower price than budgeted

593.8 Infrared Imaging - Was done in-house

593.9 Regulator/OCR Repair - Budget was combined with OCR Calibration /Testing
total budget for the two items was \$13,000, actual cost for both \$ 12,356.00

594.9 PA One Call Expenses - Less cost involved with One Call Activities

595.8 Transformer Disposal - Was scheduled late in 2010, most cost will be in 2011

595.8 Transformer Repair - An as needed Item

597 AMR Maintenance Agreement - Agreement was slightly less than planned

597 SCADA Maintenance Contract - Price increase in 2010 that was not planned

908 Key Accounts - An as needed Item

920.6 VP, Operations/Engineering - higher due to more meeting than planned

923.2 Misc Engineering Services - An as needed item

930.2 Mapping - Project not kicked off due to continuing technology changes will do
in 2011

930.3 Voam Dues - Lower than anticipated costs

930.3 Voam Meeting Expenses - No meeting in 2010

588 Repair of customer property - Cost higher due more repairs needed, wetter than
normal spring

932 Maintenance, Yards, Subs, Etc - An as needed item

932 Maintenance of Emergency Generator - Less maintenance needed

932 Snow Removal - Less needed

932.1 Maintenance Office Building - An as needed item

932.3 Maintenance Tool Budget - An as needed item

57.195 Section (b) Item 7

932.2 Maintenance Operations Building - More needed than planned, Mostly due to replacement of entrance doors

932.3 Maintenance Storage Garage - None needed in 2010

Wellsboro Electric Company

2010 Capital Budget - Engineering & Operations

GL Code	Description	2010 Budget	Actual Cost YTD 12/31/2010	Variance Over/Under YTD 12/31/2010	Over/Under 10% or \$10,000
110	30 - New Services	\$ 57,000	\$ 60,344	\$ 3,344	5.87%
700/701	Outdoor Light's	\$ -	\$ 7,635	\$ 7,635	#DIV/0!
602	Transformer - Cost	\$ -	\$ 27,707	\$ 27,707	#DIV/0!
604	Regulator - Cost	\$ -	\$ 8,009	\$ 8,009	#DIV/0!
608	Reliability Improvements	\$ 40,000	\$ 73,302	\$ 33,302	83.26%
	Substation Retirements	\$ -	\$ 1,199	\$ 1,199	#DIV/0!
607	Pole Replacements	\$ 150,000	\$ 277,214	\$ 127,214	84.81%
<u>Construction</u>					
113	Ives Run, URD Replacement	\$ 45,000	\$ -	\$ (45,000)	-100.00%
113	Bodine St.	\$ 55,000	\$ 11,445	\$ (43,555)	-79.19%
603	Sectionilizing	\$ 10,000	\$ 14,226	\$ 4,226	42.26%
<u>Misc</u>					
603	Fault Indicators - Overhead Line	\$ 6,000	\$ 5,329	\$ (671)	-11.18%
	Mapping	\$ 5,000	\$ -	\$ (5,000)	-100.00%
	Metering Upgrades	\$ 4,000	\$ -	\$ (4,000)	-100.00%
G/L #397	Radio Equipment, Truck 6	\$ 4,000	\$ -	\$ (4,000)	-100.00%
G/L #391	Laptop Computers	\$ 5,000	\$ -	\$ (5,000)	-100.00%
Sub-Total		\$ 381,000	\$ 486,411	\$ 105,411	27.67%
G/L #392 - Transportation Equipment					
Lease	2010 Jeep Cherokee - Car #1	\$ 35,000	\$ 15,219	\$ (19,781)	-56.52%
Lease	2010 One-Ton Service Truck #5	\$ 58,000	\$ 54,585	\$ (3,415)	-5.89%
Total Transportation Equipment		\$ 93,000	\$ 69,804	\$ (23,196)	-24.94%
Total 2010 Capital Budget		\$ 474,000	\$ 556,214	\$ 82,214	

57.195 Section (b) Item 8

Wellsboro Electric Company

2010 Capital Budget		Actual		Variance	
W. O. 101 - 09		Cost		Over/Under	
Station - G/L #362 - Station Equipment		YTD		YTD	
Description	Qty	2010 Budget	12/31/2010	12/31/2010	Over/Under 10% or \$10,000
Structure and Equipment	1	\$ 115,000	\$ 186,553	\$ 71,553	62.22%
25 MVA Power Transformer	1	\$ 770,000	\$ 771,025	\$ 1,025	0.13%
Feeder Breakers	4	\$ 86,000	\$ -	\$ (86,000)	-100.00%
Fault Interrupter	1	\$ 54,000	\$ 71,248	\$ 17,248	31.94%
Relay Panels	1	\$ 22,500	\$ -	\$ (22,500)	-100.00%
Circuit Exits	4	\$ 23,200	\$ -	\$ (23,200)	-100.00%
Control Wiring	1 Lot	\$ 8,500	\$ -	\$ (8,500)	-100.00%
Labor		\$ 57,500	\$ 134,174	\$ 76,674	133.35%
Others		\$ -	\$ 15,900	\$ 15,900	#DIV/0!
		\$ 1,136,700	\$ 1,178,900	\$ 42,200	3.71%
10% Contingency		\$ 113,670	\$ -	\$ (113,670)	-100.00%
		\$ 1,250,370	\$ 1,178,900	\$ (71,470)	-5.72%

10% Cont

Wellsboro Electric Company

2010 Capital Budget - Engineering & Operations

Smart Choice Project - AMR/AMI - Work Order No. 200 - 09
 Department of Energy-Recovery Act 2009
 Federal Grant No. DE-OE0000307
 Recipient/Identifying Number 09-0027

Wellsboro Electric Company - 55% Cost	\$529,570
Department of Energy - 45% Cost	<u>\$431,625</u>
Total Project Cost	\$961,195

	Federal Share	Federal Payment's YTD <u>12/31/2010</u>	Balance Federal Share	
Federal - Reimbursement - 45%	\$ 431,625	\$ 84,465	\$ (347,160)	-80.43%

Smart Choice Project - AMR/AMI - Work Order No. 200 - 09

	2010 Budget	Actual Cost YTD <u>12/31/2010</u>	Variance Over/Under YTD <u>12/31/2010</u>	Over/Under 10% or \$ <u>10,000</u>
	\$ 250,000	\$ 282,017	\$ 32,017	12.81%

2010 WECO Budget

TOTAL CAPITAL BY PROJECT

	\$ 381,000	\$ 486,411	\$ 105,411	27.67%
2010 Construction Budget	\$ 93,000	\$ 69,804	\$ (23,196)	-24.94%
2010 Transportation Equipment	\$ 1,250,370	\$ 1,178,900	\$ (71,470)	-5.72%
2010 Substation-Phase II Meter System	\$ 250,000	\$ 282,017	\$ 32,017	12.81%

\$ 1,974,370	\$ 2,017,131	\$ 42,761	2.17%
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57.195 Section (b) Item 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 codes or FERC account code as available. Explanations of any variances 10% or greater shall be included.

Variance report of any account over 10%

608 Reliability Improvements - Over budget, this account is used to correct items found during line inspections, storm damage repairs, etc.

607 Pole Replacements - Over Budget due to more poles needing replaced during line inspections and pole testing.

Under item GL 113 of Ives Run and Bodine St. costs were reallocated from these accounts to other item account such as 608, Reliability improvements, 607- Pole Replacements and the accounts of 700/701 Outdoor Lights, 602, Transformer Costs, 604, Regulator Costs to cover costs as needed in these accounts

G.L. Code 700, 701, 602, 604 were added to budget tracking after the budget was completed in 2010, they are now a part of the budgets going forward, in 2011 they have a budgeted cost with each item and will be tracked.

603 Sectionizing - Over Budget - Mostly due to the replacement of porcelain cutouts over what was planned in 2010

Mapping and Metering upgrades- No activity in this accounts due to the mapping project pushed off while we research new technologies in the field and the meter upgrades was held due to Wellsboro Electric being awarded a DOE grant for Smart Metering which will cover most of these Projects

397 Radio Equipment - Equipment was not purchased in 2010

391 Laptop Computers - Items not purchased until we move forward with Mapping update project.

392 Jeep Cherokee - Under Budget due to vehicle received later in year than planned due to availability of unit from leasing company.

W.O. 101-09 Substation

Total cost YTD is slightly under budget, as the details shows items were over budget and some under budget, mostly due to either increased costs for material that what was originally estimated or material was delayed.

57.195 Section (b) Item 8

W.O. 200-09 Smart Choice Project

Slightly over budget, due to material cost increases from when the project was put together in 2009.

Note: This is a ARRA grant form the Department of Energy

57.195 Section (b) Item 9

Quantified transmission and distribution inspection and maintenance goals/objectives for the current calendar year detailed by system area.

Substations

582 Transformer Oil Testing	50% of in-service units
593.8 Substation Chemical Treatment -	100% of all substations
593.8 Infrared Imaging	100% of substations
592.11 Substation Inspections	Inspect Monthly

Distribution System

593.1 Right of Way Clearing Program	Trim/Reclear 55 Miles of Middlebury Circuit
593.1 Right of Way Tree Notes	As needed for storm clean-up and Hazard trees
593.1 Right of Way Chemical	As Needed for distribution system and cut tree s stump treatment
593.8 Pole Testing	Test 1000 distribution poles
593.9 Regulator/OCR Repairs	Rebuilt and test Three Voltage Regulators and Six Oil Circuit Reclosers
593.9 OCR/Relay Calibration/Testing	Test/ Calibrate Buena Vista #1 Relays
593.2 Overhead Line Inspections	Inspect 5000 Distribution poles by Visual Inspection
593.81 OCR/Regulator Inspections	Inspection all units on distribution system by visual inspection twice a year
594.11 Underground Inspection	Complete visual inspection of Delmar Ridge Development and Hills Creek State Park

57.195 (b) (10)

Wellsboro Electric Co.

Budgeted transmission and distribution operation and maintenance expenses for the current year
in total and detail by the EDC'S own functional account code

WELLSBORO ELECTRIC COMPANY

2011 Engineering and Operations Budget

TRAINING AND SAFETY

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2011 Budget</u>
588.20	Substation School Two Men	\$ 1,400.00
588.20	Underground School Two Men	\$ 1,400.00
588.20	Keyman Conferences (Crew Chief & Linemen)	\$ 1,000.00
588.20	Keyman Conferences (Supervisors)	\$ 700.00
588.20	Chainsaw School One	\$ 1,300.00
588.20	Stringing and Sagging School	\$ 3,000.00
588.40	Audiometric Testing	\$ 600.00
588.40	CDL Physicals	\$ 1,000.00
588.40	PREA Bi-Monthly Safety Meetings	\$ 2,000.00
588.40	Random Drug & Alcohol Testing	\$ 1,400.00
588.40	PREA Supt and Engineering Section Meetings	\$ 1,200.00
588.40	EAPA Meetings	\$ 500.00
926.90	Safety glasses & eye exams	\$ 500.00
		\$ 16,000.00

DISPATCHING / RENTALS / LEASING

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2011 Budget</u>
589.00		
589.00	<u>DESCRIPTION</u>	<u>2011 Budget</u>
589.00		
589.00	Pager Rental	\$ 1,300.00
589.00	Radio Tower Rental	\$ 3,600.00
593.20	Radio Line Lease	\$ 1,200.00
921.60	Pole Leasing - WECO on Frontier	\$ 21,000.00
921.60	Pole Leasing - Rail Crossings	\$ 1,400.00
921.70	Cell-Phone - Crew Chief	\$ 500.00
	Cell-Phone - VP, Operations	\$ 2,000.00
	Cell-Phone - Pres/CEO	\$ 2,000.00

WELLSBORO ELECTRIC COMPANY

2011 Engineering and Operations Budget
 After-Hours Dispatching/Call Center

\$ 45,000.00

\$ 78,000.00

MAINTENANCE / OPERATIONS EXPENSES

G.L.

	<u>2011 Budget</u>
582.00	
586.00 <u>DESCRIPTION</u>	
586.30	
588.00 Transformer Oil Testing	\$ 2,000.00
588.00 Meter Dept - Tri-County Labor	\$ 3,000.00
588.00 Meter Tool Budget	\$ 600.00
588.00 Eng/Oper Misc Printing	\$ 500.00
588.90 Right of Way Filing Fee's	\$ 500.00
593.00 Tree Replacement Program	\$ 500.00
593.00 Arbor Day Activities	\$ 300.00
593.10 Engineering Tool Budget	\$ 600.00
593.10 Fire Resistant Clothing	\$ 3,000.00
593.10 Di-Electric Overshoes	\$ 2,000.00
593.40 Right of Way Clearing	\$ 160,000.00
593.80 Right of Way's Tree Notes	\$ 25,000.00
593.80 Right of Way's Chemical Program	\$ 10,000.00
593.80 Crew Expenses, Food/Misc Outage Related	\$ 500.00
593.80 Rubber Goods/Hotline Equipment Testing	\$ 3,000.00
593.80 Rubber Goods/Hotline Equipment Replacement	\$ 2,500.00
593.80 Pole Numbers/ Phase Markers/Transformer Markers	\$ 1,000.00
593.90 Substation Chemical Spraying	\$ 300.00
593.90 Pole Testing	\$ 10,000.00
594.90 Infared Imaging	\$ 500.00
595.80 Regulator / OCR Repairs	\$ 10,000.00
595.80 OCR/Relay Calibration/Testing	\$ 1,000.00
597.00 Pennsylvania One Call Expenses	\$ 3,000.00

WELLSBORO ELECTRIC COMPANY

2011 Engineering and Operations Budget

597.00 Transformer Disposal	\$ 7,000.00
597.00 Transformer Repair	\$ 6,000.00
908.00 Meter Dept. - AMR Maintenance Agreement	\$ 5,200.00
920.60 SCADA Maintenance Contract	\$ 6,000.00
923.20 Meter Dept - Meter Test Set Certification	\$ 1,400.00
923.20 Key Accounts	\$ 3,000.00
930.20 VP, Operations & Engineering Seminars/Meetings	\$ 6,000.00
930.30 Misc Engineering Services	\$ 10,000.00
930.30 Questline	\$ 1,200.00
Mapping	\$ 15,000.00
VOAM Dues	\$ 200.00
VOAM Meeting Expenses	\$ 200.00

\$ 301,000.00

G.L.

588.00 DESCRIPTION

932.00	<u>2011 Budget</u>
932.00 Repair of Customer's Property	\$ 3,000.00
932.00 Dumpster - Pole Yard	\$ 1,200.00
932.00 Maintenance, Yards, Subs, Etc.	\$ 3,000.00
932.10 Emergency Generator Maintenance Contract	\$ 3,500.00
932.20 Snow Removal	\$ 3,000.00
932.30 Maintenance Office Building	\$ 5,000.00
932.30 Maintenance - (SCADA / AMR / ETC)	\$ 2,000.00
932.30 Maintenance Tool Budget	\$ 200.00
Maintenance Operations Building	\$ 4,000.00
Maintenance Storage Garage	\$ 100.00

\$ 25,000.00

BUDGET TOTAL \$420,000.00

Budgeted transmission and distribution capital expenditures for current year in total and detailed by the EDC'S own account codes

Wellsboro Electric Company
2011 Capital Budget - Engineering & Operations

<u>GL Code</u>	<u>Description</u>		<u>2011 Budget</u>	<u>Actual Cost YTD 1/31/2011</u>	<u>Variance Over/Under YTD 1/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
100	New Services	30	\$ 57,000.00	\$ -	\$ (57,000.00)	-100.00%
300	Misc System Improvements		\$ 25,000.00	\$ -	\$ (25,000.00)	-100.00%
301	Poles for Additional Height		\$ 12,000.00	\$ -	\$ (12,000.00)	-100.00%
600	Special Equipment		\$ 8,000.00	\$ -	\$ (8,000.00)	-100.00%
601	Transformer Replacements/Upgrades		\$ 10,000.00	\$ -	\$ (10,000.00)	-100.00%
602	Transformers		\$ 30,000.00	\$ -	\$ (30,000.00)	-100.00%
603	Cutouts		\$ 10,000.00	\$ -	\$ (10,000.00)	-100.00%
604	Regulators		\$ 30,000.00	\$ -	\$ (30,000.00)	-100.00%
605	Capacitors		\$ -	\$ -	\$ -	#DIV/0!
606	anchors /Guys Replacement		\$ 5,000.00	\$ -	\$ (5,000.00)	-100.00%
607	Pole Replacements		\$ 200,000.00	\$ -	\$ (200,000.00)	-100.00%
608	Reliability Improvements		\$ 20,000.00	\$ -	\$ (20,000.00)	-100.00%
609	Addition of Grounds		\$ 2,000.00	\$ -	\$ (2,000.00)	-100.00%
610	OCR'S		\$ 6,000.00	\$ -	\$ (6,000.00)	-100.00%
700	Street Lights		\$ 4,000.00	\$ -	\$ (4,000.00)	-100.00%
701	Customer Yard Lights		\$ 6,000.00	\$ -	\$ (6,000.00)	-100.00%
603	Sectionilizing		\$ 10,000.00	\$ -	\$ (10,000.00)	-100.00%

Budgeted transmission and distribution capital expenditures for current year in total and detailed by the EDC'S own account codes

Wellsboro Electric Company
2011 Capital Budget - Engineering & Operations

<u>GL Code</u>	<u>Description</u>	<u>2011 Budget</u>	<u>Actual Cost YTD 1/31/2011</u>	<u>Variance Over/Under YTD 1/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
<u>CONSTRUCTION</u>					
	Substation Feeders	\$ 62,000.00	\$ -	\$ (62,000.00)	-100.00%
	Material \$ 40,000.00				
	Labor \$ 20,000.00				
	Rental Eqp \$ 2,000.00				
	Route 287 South (Step-Down Relocation)	\$ 46,000.00	\$ -	\$ (46,000.00)	-100.00%
	Transformers \$ 26,000.00				
	Labor \$ 10,000.00				
	Material \$ 10,000.00				
	East Ave Voltage Conversion	\$ 122,450.00	\$ -	\$ (122,450.00)	-100.00%
	Transformers \$ 78,900.00				
	Material \$ 13,300.00				
	Labor \$ 30,250.00				
	Wellsboro Plaza Upgrade	\$ 40,000.00	\$ -	\$ (40,000.00)	-100.00%
	Transformers \$ 18,000.00				
	Material \$ 15,000.00				
	Labor \$ 7,000.00				
	McDonald's URD	\$ 20,000.00	\$ -	\$ (20,000.00)	-100.00%
	Transformer \$ 8,000.00				
	Material \$ 7,000.00				
	Labor \$ 5,000.00				
	<u>Misc</u>				
603	Fault Indicators - Overhead Line	\$ 6,000.00	\$ -	\$ (6,000.00)	-100.00%
	Mapping	\$ 10,000.00	\$ -	\$ (10,000.00)	-100.00%
	Metering Upgrades	\$ 5,000.00	\$ -	\$ (5,000.00)	-100.00%

Budgeted transmission and distribution capital expenditures for current year in total and detailed by the EDC'S own account codes

**Wellsboro Electric Company
2011 Capital Budget - Engineering & Operations**

<u>GL Code</u>	<u>Description</u>	<u>2011 Budget</u>	<u>Actual Cost YTD 1/31/2011</u>	<u>Variance Over/Under YTD 1/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
G/L #397	Radio Equipment	\$ 2,000.00	\$ -	\$ (2,000.00)	-100.00%
G/L #391	Computers	\$ 5,000.00	\$ -	\$ (5,000.00)	-100.00%
	Sub Total	\$ 753,450.00	\$ -	\$ (753,450.00)	-100.00%
G/L #392	<u>Vehicles - Capital Leases</u>				
	Chevy Equinox	\$ 29,000.00	\$ -	\$ (29,000.00)	-100.00%
	Bucket Truck Purchase leased truck	\$ 50,000.00	\$ -	\$ (50,000.00)	-100.00%
		\$ 79,000.00	\$ -	\$ (79,000.00)	-100.00%
	Total 2011 Budget	\$ 832,450.00	\$ -	\$ (832,450.00)	

57.195 Section (b) Item 11 Con't

Wellsboro Electric Company

2011 Capital Budget - Engineering & Operations

Phase II - Buena Vista Substation

	<u>Description</u>	<u>2011 Budget</u>	<u>Actual Cost YTD 1/31/2011</u>	<u>Variance Over/Under YTD 1/31/2011</u>	<u>Over/Under Percentage</u>
<u>G/L</u>	Labor	\$ 45,000.00	\$ -	\$ (45,000.00)	-100.00%

362

57.195 Section (b) Item 11 Con't

**Wellsboro Electric Company
2011 Capital Budget - Engineering & Operations**

Smart Choice Project		Actual Cost YTD <u>1/31/2011</u>	Variance Over/Under YTD <u>1/31/2011</u>	Over/Under Percentage
AMR/AMI	<u>2011 Budget</u>			
Meter Project	\$ 250,000.00	\$ -	\$ (250,000.00)	-100.00%

TOTAL CAPITAL BY PROJECT

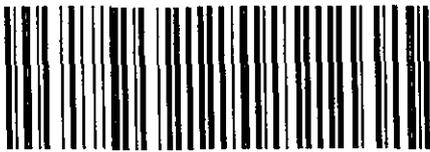
2011 Construction Budget	\$ 832,450.00
2011 Substation	\$ 45,000.00
Meter System	\$ 250,000.00
	\$ 1,127,450.00

57.195 Section (b) Item 12

Significant changes, if any to the transmission and distribution inspection and maintenance programs previously submitted to the Commission.

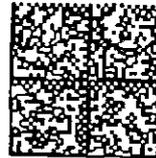
No significant changes in 2010. Wellsboro is currently reviewing and making changes to the inspection and maintenance programs for 2012 to comply with Commission order on inspection and maintenance that goes in effect for Wellsboro on 1-1-12

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