



# Wellsboro Electric Company

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

April 30, 2012

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

Dear Rosemary Chiavetta, Secretary,

2011 Annual Reliability Report

Enclosed is an original and six (6) copies of the 2011 Annual Reliability Report for Wellsboro Electric Company.

Sincerely,

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

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APR 30 2012

PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

L-0003 0101

Wellsboro Electric Company  
33 Austin St.  
Wellsboro, PA 16901

ANNUAL RELIABILITY REPORT FOR THE YEAR 2011

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

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SECRETARY'S BUREAU

**57.195 Section (a) Item 2**

**Wellsboro Electric Company**

**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](mailto:bobbym@ctenterprises.org)  
Address: 33 Austin St, P.O. Box 138, Wellsboro, PA. 16901

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SECRETARY'S BUREAU**

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 Electric completed the installation of a new substation in 2010, work is on-going to complete the transfer of feeder circuits into this new station.

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

Substation Transformer #1 will be removed from service in 2012 and have a complete maintenance inspection performed on all electrical equipment by the manufacturer.

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 perform a visual inspection of all poles on four of our circuits, per the terms of the Wellsboro Electric Inspection and Maintenance Plan. Pole will be inspected for obvious defects in the poles, crossarms and related electrical equipment. Attachments of phone and cable will be inspected to insure compliance with the requirements of the National Electrical Safety Code.

1400 distribution poles will be tested to determine the internal and below grade condition of the pole.

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 a 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 installation 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 (55) miles of circuit at a minimum each year, in 2012 our Dresser 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 has 1460 meter in service, when this project is completed at the end of 2012, Wellsboro will have 50% of the residential and 100% of the commercial customers on a two way AMR/AMI 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
1/4/2011	12:51 P.M.	34 Min	1997	Off ROW Tree Limb/Wind
4/16/2011	12:34 P.M.	7 hr's 25 min	2032	High Wind & Rain
5/26/2011	7:31 P.M.	70 hr's 35 min	7211	Thunderstorm's / Loss Power Supply
6/21/2011	11:59 P.M.	10 hr's 2 min	1382	Penelec 34.5 line fell into Wellsboro distribution circuit
9/29/2011	7:11 A.M.	1 hr 14 min	867	Failed A.B. Chance Cutout

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 WEC <sub>o</sub>	1.23	153	124
ROLLING TWELVE MONTH STANDARD	1.66	278	167

## RELIABILITY INDEX TABLE FOR SAIFI, SAIDI AND CAIDI

	SAIFI	SAIDI	CAIDI
2009	1.21	116.9	96.4
2010	0.98	74.07	62.41
2011	1.62	118.62	73.04

## 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

2011 OUTAGE DATA

AVERAGE NUMBER OF CUSTOMERS SERVED 6169

Animal	39	1419	60727.2
Vehicles	1	78	17121
Electrical Overload	4	226	18030
Equipment Failure	99	2656	223132
Fire	1	1	130.8
Ice/Sleet/Frost	1	182	21524
Lightning	9	266	16757.2
Public Contact	1	29	1147.2
Trees	55	783	39868
Tree, Off ROW	24	1602	161351.4
Unknown	86	2640	156782.2
Wind	4	97	15205

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.

2011		Average Number of Customers Served 6169		
Cause	Number of Interruptions	Percentage of Interruptions	Customer Minutes	Customers Affected
Animals	39	12.0%	60727.2	1419
Vehicles	1	0.3%	17121	78
Electrical Overload	4	1.2%	18030	226
Equipment Failure	99	30.6%	223231	2656
Fire	1	0.3%	130.8	1
Ice/Sleet/Frost	1	0.3%	21524	182
Lightning	9	2.8%	16757.2	266
Public Contact	1	0.3%	1147.2	29
Tree's	55	17.0%	39868	783
Tree, off ROW	24	7.4%	161351.4	1602
Unknown	86	26.5%	156782.2	2640
Wind	4	1.2%	15205	97
	324	100.0%	731875	9979

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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	1000 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	55 Miles	100% Complete
593.9	Voltage Regulator Rebuilds	Three Units	100% Complete
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 vaiances 10% or greater shall be included.

**TRAINING AND SAFETY**

<b>G.L. Code</b>	<b>Description</b>	<b>2011 Budget</b>	<b>2011 Actual</b>
588.2	Substation School	\$ 1,400.00	\$ -
588.2	Underground School	\$ 1,400.00	\$ -
588.2	Keyman Conference (Linemen)	\$ 1,000.00	\$ -
588.2	Keyman Conference (Supervisors)	\$ 700.00	\$ -
588.2	Chainsaw School	\$ 1,300.00	\$ -
588.2	Stringing and Sagging School	\$ 3,000.00	\$ -
588.4	Audiometric Testing	\$ 600.00	\$ -
588.4	Drug,Alcohol Testing/ CDL Physicals	\$ 2,400.00	\$ 2,581.00
588.4	PREA Safety Meetings	\$ 2,000.00	\$ -
588.4	PREA Eng and Oper Section Meetings	\$ 1,200.00	\$ 1,995.00
588.4	EAPA Meetings	\$ 500.00	\$ 247.00
926.9	Safety Glasses and Eye Exams	\$ 500.00	\$ -
		\$ 16,000.00	\$ 4,823.00

**DISPATCHING / RENTALS / LEASING**

<b>G.L. Code</b>	<b>Description</b>	<b>2011 Budget</b>	<b>2011 Actual</b>
589	Pager Rental	\$ 1,300.00	\$ 1,327.00
589	Radio Tower Lease	\$ 3,600.00	\$ 3,600.00
589	Radio Line Lease	\$ 1,200.00	\$ 1,126.00
589	Pole Leasing-WECO on Frontier	\$ 21,000.00	\$ 20,740.00
589	Pole Leasing- Rail Crossings	\$ 1,400.00	\$ 1,361.00
593.2	Cell Phone - Crew Chief	\$ 500.00	\$ 468.00
921.6	Cell Phone, VP, Operations	\$ 2,000.00	\$ 1,760.50
921.6	Cell Phone, President/CEO	\$ 2,000.00	\$ 1,760.50
921.7	After-Hours Dispatching	\$ 45,000.00	\$ 43,766.00
		\$ 78,000.00	\$ 75,909.00

**MAINTENANCE / OPERATIONS EXPENSES**

<b>G.L. Code</b>	<b>Description</b>	<b>2011 Budget</b>	<b>2011 Actual</b>
582	Transformer Oil Testing	\$ 2,000.00	\$ 223.00
586	Meter Dept- Tri-County Labor	\$ 3,000.00	\$ -
586.3	Meter Dept - Tool Budget	\$ 600.00	\$ -
588	Eng/Oper Misc. Printing	\$ 500.00	\$ 25.00
588	Right of Way Filing Fee's	\$ 500.00	\$ -
588	Tree Replacement Program	\$ 500.00	\$ -

588	Arbor Day Activities	\$ 300.00	\$ -
588.9	Engineering Tool Budget	\$ 600.00	\$ 284.00
593	FR Clothing / Di-Electric Overshoes	\$ 5,000.00	\$ 5,090.00
593.1	Right of Way Clearing	\$ 160,000.00	\$ 153,995.00
593.1	Right of Way Tree Notes	\$ 25,000.00	\$ 35,046.00
593.1	Right of Way Chemical Program	\$ 10,000.00	\$ 9,167.00
593.4	Crew Expenses, Food,Etc, Outages	\$ 500.00	\$ 501.00
593.8	Rubber Goods/Hotline Testing	\$ 3,000.00	\$ 4,664.00
593.8	Rubber Goods/Hotline Replacements	\$ 2,500.00	\$ 320.00
593.8	Pole Number/Phase Markers,Etc	\$ 1,000.00	\$ 2,423.00
593.8	Substation Chemical Spraying	\$ 300.00	\$ 690.00
593.8	Pole Testing	\$ 10,000.00	\$ 6,906.00
593.8	Infared Imaging	\$ 500.00	\$ -
593.9	Regulator/ OCR Repairs	\$ 10,000.00	\$ 6,540.00
593.9	OCR/Relay Calibration/Testing	\$ 1,000.00	\$ -
594.9	PA One Call Expenses	\$ 3,000.00	\$ 3,180.00
595.8	Transformer Disposal	\$ 7,000.00	\$ 3,898.00
595.8	Transformer Repair	\$ 6,000.00	\$ 28,199.00
597	AMR Maintenance Contracts	\$ 5,200.00	\$ 11,996.00
597	SCADA Maintenance Contract	\$ 6,000.00	\$ 5,100.00
597	Meter Test Set Calibration	\$ 1,400.00	\$ 1,400.00
908	Key Accounts	\$ 3,000.00	\$ 481.00
920.6	VP, Operations, Seminars/Meetings	\$ 6,000.00	\$ 8,581.00
923.2	Misc Engineering Services	\$ 10,000.00	\$ 3,105.00
923.2	Questline	\$ 1,200.00	\$ 1,125.00
930.2	Mapping	\$ 15,000.00	\$ 1,299.00
930.3	VOAM Dues	\$ 200.00	\$ 120.00
930.3	VOAM Meetings	\$ 200.00	\$ -
		\$ 301,000.00	\$ 294,358.00

#### **BUILDINGS AND GROUNDS**

588	Repair of Customer Property	\$ 3,000.00	\$ 2,972.00
932	Dumpster- Pole Yard	\$ 1,200.00	\$ 1,818.00
932	Maintenance, Yards, Subs,Etc.	\$ 3,000.00	\$ 1,973.00
932	Emergency Generator Maintenance	\$ 3,500.00	\$ 7,115.00
932	Snow Removal	\$ 3,000.00	\$ 2,098.00
932.1	Maintenance Office Building	\$ 5,000.00	\$ 9,224.00
932.2	Maintenance-SCADA/AMR/ETC.	\$ 2,000.00	\$ 5,742.00
932.3	Maintenance Tool Budget	\$ 200.00	\$ 663.00
932.3	Maintenance Operations Building	\$ 4,000.00	\$ 11,355.00
932.3	Maintenance Storage Garage	\$ 100.00	\$ -
		\$ 25,000.00	\$ 42,960.00

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Explanation of any variances 10% or Greater

G.L. 588.2 Training schools - Budget unused for schools due to schools being canceled for all the weather events, flooding, tornado's etc, employee's were needed on system to repair and maintain the system.

588.4 PREA Safety Meeting - Did not use the services of PREA in 2011, all training was conducted in-house by Wellsboro and C&T staff.

588.4 PREA Oper and Eng section meeting - over budget slightly, costs to lodging and the general meeting higher than anticipated.

588.4 EAPA Meetings - Cost for meeting lower than anticipated.

926.9 Safety Glasses and Exams - no need in 2011, an as needed item.

582 Transformer Oil Testing - no expense other than labor, transformer tested was under maintenance agreement with covered the cost of oil testing.

586 Meter Dept, Tri-County Labor - an as needed item.

588 Eng/Oper/ROW filing fees, Tree replacement and Arbor Day Activities- all lower than budgeted due to not needing to use the account, an as needed item

588.9 Engineering Tool Budget - An as needed item.

593.1 ROW Tree Notes - Higher than budgeted mainly due to unanticipated tree work due to severe weather events.

593.8 Rubber Goods Testing - More items tested and a higher cost to test than budgeted

593.8 Rubber Goods Replacement - an as needed item.

593.8 Phase/Pole Markers - More items needed than budgeted due to a sectionlizing study completed on one circuit

593.8 Substation Chemical Spraying- More spraying needed in 2012 mainly due to all the wet weather in the spring/summer

593.8 Pole Testing - Lower than budgeted, less pole required ground excavation in 2011

593.8 Infared Imaging - Done in house in 2011

593.9 Regulator/OCR Repairs - Costs of units lower than anticipated

593.9 OCR/Relay Calibration - an as needed item

595.8 Transformer Disposal - lower than budgeted due to less units for disposal

595.8 Transformer Repair - Cost higher due to the failure of a substation unit

597 AMR Maintenance Contract - Higher than budgeted due to the implementation of a new AMI/AMR Two-Way system to replace an older system

597 SCADA - Lower cost than budgeted

908 Key Account - An as needed item

920.6 Vp, Operations - Higher than anticipated travel, lodging and meeting expenses

923.2 Misc Engineering - an as needed item

930.2 Mapping - Not as much completed as planned due to work loads

930.3 VOAM Item - Lower than anticipated cost for this item

932 Dumpster - Pole Yard, More material disposed of than anticipated

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

932 Emergency Generator - Higher than budget due to failure of circuit board in transfer switch

932 Snow Removal - An as needed item

931.2 Maintenance Office - Higher than budgeted due to a roof leak

932.2 Maintenance- SCADA, AMR - Higher than budgeted due to a failure in a fiber optic cable in the substation

932.2 Maintenance Tool Budget - Higher than budgeted due to a couple items that were under budgeted for.

932.2 Maintenance Operations Building - Higher than anticipated due to needed repairs not planned on the building and parking lot.

932.3 Maintenance Storage Garage - nothing needed

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 EDC'S own functional account codes or FERC account code as available. Explanations of any variances 10% or greater shall be included

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

<u>GL Code</u>	<u>Description</u>		<u>2011 Budget</u>	<u>Actual Cost YTD 12/31/2011</u>	<u>Variance Over/Under YTD 12/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
100	New Services	30	\$ 57,000	\$ 222,156	\$ 165,156	289.75%
300	Misc System Improvements		\$ 25,000	\$ 44,639	\$ 19,639	78.56%
301	Poles for Additional Height		\$ 12,000	\$ 8,944	\$ (3,056)	-25.47%
400	Motor Vehicle Accidents		\$ -	\$ 13,201	\$ 13,201	#DIV/0!
600	Special Equipment		\$ 8,000	\$ 6,864	\$ (1,136)	-14.20%
601	Transformer Replacements/Upgrades		\$ 10,000	\$ 5,596	\$ (4,404)	-44.04%
602	Transformers		\$ 30,000	\$ 16,528	\$ (13,472)	-44.91%
603	Cutouts/Sectionilizing		\$ 20,000	\$ 20,683	\$ 683	3.42%
604	Regulators		\$ 30,000	\$ 3,912	\$ (26,088)	-86.96%
605	Capacitors		\$ -	\$ -	\$ -	#DIV/0!
606	Anchors /Guys Replacement		\$ 5,000	\$ 6,716	\$ 1,716	34.32%
607	Pole Replacements		\$ 200,000	\$ 105,269	\$ (94,731)	-47.37%
608	Reliability Improvements		\$ 20,000	\$ 807	\$ (19,193)	-95.97%
609	Addition of Grounds		\$ 2,000	\$ -	\$ (2,000)	-100.00%
610	OCR'S		\$ 6,000	\$ 1,984	\$ (4,016)	-66.93%
700	Street Lights		\$ 4,000	\$ 2,422	\$ (1,578)	-39.45%
701	Customer Yard Lights		\$ 6,000	\$ 18,677	\$ 12,677	211.28%
	Retirements		\$ -	\$ (1,067)	\$ (1,067)	#DIV/0!

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

<u>GL Code</u>	<u>Description</u>	<u>2011 Budget</u>	<u>Actual Cost YTD 12/31/2011</u>	<u>Variance Over/Under YTD 12/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
<b><u>CONSTRUCTION</u></b>					
W.O. #44-11	Substation Feeders	\$ 62,000	\$ 85,386	\$ 23,386	37.72%
	Material \$ 40,000.00				
	Labor \$ 20,000.00				
	Rental Eqp \$ 2,000.00				
W.O. #	Route 287 South (Step-Down Relocation)	\$ 46,000	\$ -	\$ (46,000)	-100.00%
	Transformers \$ 26,000.00				
	Labor \$ 10,000.00				
	Material \$ 10,000.00				
W.O. #96-11	East Ave Voltage Conversion	\$ 122,450	\$ 16,038	\$ (106,412)	-86.90%
	Transformers \$ 78,900.00				
	Material \$ 13,300.00				
	Labor \$ 30,250.00				
W.O. #178-11	Wellsboro Plaza Upgrade	\$ 40,000	\$ 6,684	\$ (33,316)	-83.29%
	Transformers \$ 18,000.00				
	Material \$ 15,000.00				
	Labor \$ 7,000.00				
W.O. #66-11	McDonald's URD	\$ 20,000	\$ 1,630	\$ (18,370)	-91.85%
	Transformer \$ 8,000.00				
	Material \$ 7,000.00				
	Labor \$ 5,000.00				

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

<u>GL Code</u>	<u>Description</u>	<u>2011 Budget</u>	<u>Actual Cost YTD 12/31/2011</u>	<u>Variance Over/Under YTD 12/31/2011</u>	<u>Over/Under 10% or \$10,000</u>
	<b><u>Misc</u></b>				
603	Fault Indicators - Overhead Line	\$ 6,000	\$ 5,475	\$ (525)	-8.75%
	Buena Vista Substation-SCADA	\$ 12,000	\$ -	\$ (12,000)	-100.00%
	Mapping	\$ 10,000	\$ -	\$ (10,000)	-100.00%
	Metering Upgrades	\$ 5,000	\$ -	\$ (5,000)	-100.00%
G/L #397	Radio Equipment	\$ 2,000	\$ 3,224	\$ 1,224	61.21%
G/L #391	Computers	\$ 5,000	\$ 2,643	\$ (2,357)	-47.14%
G/L #394	Tools & Shop Equipment	\$ -	\$ 3,627	\$ 3,627	#DIV/0!
G/L #		\$ -	\$ -	\$ -	#DIV/0!
	Sub Total	\$ 765,450	\$ 602,039	\$ (163,411)	-21.35%
G/L #392	<b><u>Vehicles - Capital Leases</u></b>				
	Chevy Equinox Car #2-2011	\$ 29,000	\$ 30,003	\$ 1,003	3.46%
	Bucket Truck Truck #6	\$ 50,000	\$ -	\$ (50,000)	-100.00%
	Purchase of leased Truck.	\$ 79,000	\$ 30,003	\$ (48,997)	-62.02%
	Total 2011 Budget	\$ 844,450	\$ 632,042	\$ (212,408)	

**Wellsboro Electric Company  
2011 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

	<u>Federal Share</u>	<u>Federal Payment's YTD 12/31/2011</u>	<u>Balance Federal Share</u>	
Federal - Reimbursement - 45%	\$ 431,625	\$ 210,315	\$ (221,310)	-51.27%

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Smart Choice Project - WO - 200-09	<u>2011 Budget</u>	<u>Actual Cost YTD 12/31/2011</u>	<u>Variance Over/Under YTD 12/31/2011</u>	<u>Over/Under Percentage</u>
AMR/AMI				
Meter Project	\$ 250,000.00	\$ 300,759.75	\$ 50,759.75	20.30%

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**TOTAL CAPITAL BY PROJECT**

2011 Construction Budget	\$ 832,450.00	
2011 Substation-SCADA	\$ 12,000.00	Amendment Approved-June 1, 2011
2011 Substation-Phase II	\$ 45,000.00	
Meter System	\$ 250,000.00	
	\$ 1,139,450.00	

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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%

- 100 New Service - Costs higher than anticipated due to more service upgrade and new services, mainly polyphase underground accounts that we did not plan for, most was due to the Marcellus Shale Industry.
- 300 Misc System Improvements - Over Budget, most was due to damage found through out the year that was more than likely cause by severe weather
- 301 Pole for Additional Height -Cost lower than budgeted, fairly new budget item that was added last year due to the Marcellus Shale Industry installing roads and gas pads and requiring upgrade to the height of the facilities.
- 400 Auto Accidents - New Line Item, these are vehicle versus pole accidents
- 600 Special Equipment- cost lower than anticipated, an as needed item
- 601 Transformer Replacements - Lower than anticipated, due to less units requiring upgrades or failures.
- 602 Transformers - Budget item for the purchase of transformers, less units were needed that budgeted, mainly due to a voltage upgrade we did not complete due to other work loads
- 604 Regulators - Repairs were less than we anticipated
- 606 Anchors and Guy Replacement - Higher than anticipated due to more replacements needed during line inspections
- 607 Pole Replacements - Less than budgeted, unable to complete projects due to other work loads
- 608 Reliability Improvements - an as needed item
- 609 Addition of Grounds - an as needed item
- 610 OCR'S - Less repairs and lower costs to repair than anticipated
- 700 Street Lights - Less Repairs needed
- 701 Customer Yard Lights - More units failed than anticipated, if a mercury vapor

light fails they are replaced with a sodium vapor which has a higher install cost

W.O.44-11 Substation Feeders- Cost higher than budgeted due mainly to increased cost for conductors and material, also labor hours were more than estimated.

W.O. # Route 287 - Project not done due to other work loads.

W.O. 96-11 East Ave Voltage Conversion - Project not completed due to other work loads.

W.O. 178-11 Wellsboro Plaza - Project started late in 2011, will be completed in 2012

W.O. 66-11 McDonalds- Project started late in 2011, will be completed in 2012

603 SCADA, Mapping and Metering upgrades were deferred and budget used for other needed items

397 Radio Equipment - Repair costs higher than budgeted

391 Computers - An as needed item

394 Tools and Shop Equipment - Costs higher due to items needed for Substation Feeder installations, that we did not anticipate

392 Vehicles - Did not purchase a Bucket Truck as planned, then purchase of a leased truck was lower than we estimated.

W.O. 200-09 Smart Choices Project - An ongoing project to be completed in 2012

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 Dresser 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 1400 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	Complete inspection of four circuits
593.81 OCR/Regulator Inspections	Inspection all units on distribution system by visual inspection twice a year
594.11 Underground Inspection	All underground on Stony Fork Substation

57.195 (b) Item 10

Budgeted Transmission and Distribution Operations and Maintenance expenses for the current year in total and detail by the EDC'S own functional account code or FERC Code.

WELLSBORO ELECTRIC COMPANY

2012 Engineering and Operations Budget

**TRAINING AND SAFETY**

<b><u>G.L.</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>2011 Budget</u></b>	<b><u>2012 Budget</u></b>
588.20	Substation School Two Men	\$ 1,400	\$ 3,000
588.20	Underground School Two Men	\$ 1,400	\$ -
588.20	Keyman Conferences (Crew Chief & Linemen)	\$ 1,000	\$ 1,000
588.20	Keyman Conferences (Supervisors)	\$ 700	\$ 800
588.20	Chainsaw School One	\$ 1,300	\$ -
588.20	Stringing and Sagging School	\$ 3,000	\$ 5,000
588.40	Audiometric Testing	\$ 600	\$ 600
588.40	CDL Physicals	\$ 1,000	\$ 1,000
588.40	PREA Bi-Monthly Safety Meetings	\$ 2,000	\$ 2,000
588.40	Random Drug & Alcohol Testing	\$ 1,400	\$ 1,400
588.40	PREA Supt and Engineering Section Meetings	\$ 1,200	\$ 1,200
588.40	EAPA Meetings	\$ 500	\$ 400
926.90	Safety glasses & eye exams	\$ 500	\$ 500
		<b>\$ 16,000</b>	<b>\$ 16,900</b>

**DISPATCHING / RENTALS / LEASING**

<b><u>G.L.</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>2011 Budget</u></b>	<b><u>2012 Budget</u></b>
589.00	Pager Rental	\$ 1,300	\$ 1,000
589.00	Radio Tower Rental	\$ 3,600	\$ 3,600
589.00	Radio Line Lease	\$ 1,200	\$ 1,200
589.00	Pole Leasing - WECO on Frontier	\$ 21,000	\$ 21,000
589.00	Pole Leasing - Rail Crossings	\$ 1,400	\$ 1,400
593.20	Cell-Phone - Crew Chief	\$ 500	\$ 500
921.60	Cell-Phone - VP, Operations	\$ 2,000	\$ 2,500
921.60	Cell-Phone - Pres/CEO	\$ 2,000	\$ 2,500
921.70	After-Hours Dispatching/Call Center	\$ 45,000	\$ 45,000
		<b>\$ 78,000</b>	<b>\$ 78,700</b>

WELLSBORO ELECTRIC COMPANY

2012 Engineering and Operations Budget

**MAINTENANCE / OPERATIONS EXPENSES**

<u>G.L.</u>	<u>DESCRIPTION</u>	<u>2011 Budget</u>	<u>2012 Budget</u>
582.00	Transformer Oil Testing	\$ 2,000	\$ 1,500
586.00	Meter Dept - Tri-County Labor	\$ 3,000	\$ 2,500
586.30	Meter Tool Budget	\$ 600	\$ 1,000
588.00	Eng/Oper Misc Printing	\$ 500	\$ 600
588.00	Right of Way Filing Fee's	\$ 500	\$ 500
588.00	Tree Replacement Program	\$ 500	\$ 500
588.00	Arbor Day Activities	\$ 300	\$ 300
588.90	Engineering Tool Budget	\$ 600	\$ 500
593.00	Fire Resistant Clothing	\$ 3,000	\$ 3,000
593.00	Di-Electric Overshoes	\$ 2,000	\$ 2,000
593.10	Right of Way Clearing	\$ 160,000	\$ 160,000
593.10	Right of Way's Tree Notes	\$ 25,000	\$ 30,000
593.10	Right of Way's Chemical Program	\$ 10,000	\$ 25,000
593.40	Crew Expenses, Food/Misc Outage Related	\$ 500	\$ 600
593.80	Rubber Goods/Hotline Equipment Testing	\$ 3,000	\$ 3,000
593.80	Rubber Goods/Hotline Equipment Replacement	\$ 2,500	\$ 2,500
593.80	Pole Numbers/ Phase Markers/Transformer Markers	\$ 1,000	\$ 1,500
593.80	Substation Chemical Spraying	\$ 300	\$ 300
593.80	Pole Testing	\$ 10,000	\$ 20,000
593.80	Infrared Imaging	\$ 500	\$ 500
593.90	Regulator / OCR Repairs	\$ 10,000	\$ 12,000
593.90	OCR/Relay Calibration/Testing	\$ 1,000	\$ 2,000
594.90	Pennsylvania One Call Expenses	\$ 3,000	\$ 4,000
595.80	Transformer Disposal	\$ 7,000	\$ 7,000
595.80	Transformer Repair	\$ 6,000	\$ 6,000
597.00	Meter Dept. - AMR Maintenance Agreement	\$ 5,200	\$ 6,000
597.00	SCADA Maintenance Contract	\$ 6,000	\$ 6,000
597.00	Meter Dept - Meter Test Set Certification	\$ 1,400	\$ 1,500
908.00	Key Accounts	\$ 3,000	\$ 3,000
920.60	VP, Operations & Engineering Seminars/Meetings	\$ 6,000	\$ 6,000
923.20	Misc Engineering Services	\$ 10,000	\$ 15,000
923.20	Questline	\$ 1,200	\$ 1,200
930.20	Mapping	\$ 15,000	\$ 25,000
930.30	VOAM Dues	\$ 200	\$ 200
930.30	VOAM Meeting Expenses	\$ 200	\$ 200
		<b>\$ 301,000</b>	<b>\$ 350,900</b>

WELLSBORO ELECTRIC COMPANY

2012 Engineering and Operations Budget

**BUILDING AND GROUNDS**

<b><u>G.L.</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>2011 Budget</u></b>	<b><u>2012 Budget</u></b>
588.00	Repair of Customer's Property	\$ 3,000	\$ 3,000
932.00	Dumpster - Pole Yard	\$ 1,200	\$ 1,300
932.00	Maintenance, Yards, Subs, Etc.	\$ 3,000	\$ 3,000
932.00	Emergency Generator Maintenance Contract	\$ 3,500	\$ 3,500
932.00	Snow Removal	\$ 3,000	\$ 3,000
932.10	Maintenance Office Building	\$ 5,000	\$ 8,000
932.20	Maintenance - (SCADA / AMR / ETC)	\$ 2,000	\$ 5,000
932.30	Maintenance Tool Budget	\$ 200	\$ -
932.30	Maintenance Operations Building	\$ 4,000	\$ 4,000
932.30	Maintenance Storage Garage	\$ 100	\$ 100

<b>\$ 25,000</b>	<b>\$ 30,900</b>
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**BUDGET TOTAL**

<b>\$ 560,900</b>
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**Non-Utility Property**

418.00	Maintenance Apartment House-31-Austin St-Apt-A & B	\$ 8,000	\$ 8,000
418.00	Maintenance Rental House-29 Austin Street	\$ 3,000	\$ 3,000

<b>\$ 11,000</b>
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**TOTAL MAINTENANCE BUDGET**

<b>\$ 571,900</b>
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57.195 Section (b) Item 11

Budgeted Transmission and Distribution capital expenses for the current year in total and detailed by the EDC'S own account codes.

**Wellsboro Electric Company  
2012 Capital Budget - Engineering & Operations**

<u>GL Code</u>	<u>Description</u>		<u>2012 Budget</u>	<u>Actual Cost YTD 1/31/2012</u>	<u>Variance Over/Under YTD 1/31/2012</u>	<u>Over/Under 10% or \$10,000</u>
100	New Services	30	\$ 100,000	\$ -	\$ (100,000)	-100.00%
103	New Service Upgrade with Retirements		\$ 6,000	\$ -	\$ (6,000)	-100.00%
300	Misc System Improvements		\$ 25,000	\$ -	\$ (25,000)	-100.00%
301	Poles for Additional Height		\$ 5,000	\$ -	\$ (5,000)	-100.00%
400	Motor Vehicle Accidents		\$ -	\$ -	\$ -	#DIV/0!
600	Special Equipment		\$ 5,000	\$ -	\$ (5,000)	-100.00%
601	Transformer Replacements/Upgrades		\$ 8,000	\$ -	\$ (8,000)	-100.00%
602	Transformers		\$ 30,000	\$ -	\$ (30,000)	-100.00%
603	Cutouts/Sectionilizing		\$ 21,000	\$ -	\$ (21,000)	-100.00%
604	Regulators		\$ 15,000	\$ -	\$ (15,000)	-100.00%
605	Capacitors		\$ -	\$ -	\$ -	#DIV/0!
606	Anchors /Guys Replacement		\$ 6,000	\$ -	\$ (6,000)	-100.00%
607	Pole Replacements		\$ 200,000	\$ -	\$ (200,000)	-100.00%
608	Reliability Improvements		\$ 15,000	\$ -	\$ (15,000)	-100.00%
609	Addition of Grounds		\$ 2,000	\$ -	\$ (2,000)	-100.00%
610	OCR'S		\$ 6,000	\$ -	\$ (6,000)	-100.00%
700	Street Lights		\$ 4,000	\$ -	\$ (4,000)	-100.00%
701	Customer Yard Lights		\$ 10,000	\$ -	\$ (10,000)	-100.00%
	Retirements		\$ 6,000	\$ -	\$ (6,000)	-100.00%

**Wellsboro Electric Company**  
**2012 Capital Budget - Engineering & Operations**

<u>GL Code</u>	<u>Description</u>	<u>2012 Budget</u>	<u>Actual Cost YTD 1/31/2012</u>	<u>Variance Over/Under YTD 1/31/2012</u>	<u>Over/Under 10% or \$10,000</u>
<b><u>CONSTRUCTION</u></b>					
113	34.5 Substation Feed	\$ 10,000	\$ -	\$ (10,000)	-100.00%
113	East/West Main Voltage Conversion	\$ 40,000	\$ -	\$ (40,000)	-100.00%
113	Stony Fork Creek Upgrade	\$ 30,000	\$ -	\$ (30,000)	-100.00%
		\$ -	\$ -	\$ -	#DIV/0!
<b><u>Misc</u></b>					
608	Fault Indicators - Overhead Line	\$ 6,000	\$ -	\$ (6,000)	-100.00%
	Buena Vista Substation-SCADA	\$ 8,000	\$ -	\$ (8,000)	-100.00%
	Mapping	\$ 15,000	\$ -	\$ (15,000)	-100.00%
	Aclara Meters - 250	\$ 26,000	\$ -	\$ (26,000)	-100.00%
G/L #397	Radio Equipment	\$ -	\$ -	\$ -	#DIV/0!
G/L #391	Computers	\$ 6,000	\$ -	\$ (6,000)	-100.00%
G/L #394	Tools & Shop Equipment	\$ 10,000	\$ -	\$ (10,000)	-100.00%
		\$ -	\$ -	\$ -	#DIV/0!
	Sub Total	\$ 615,000	\$ -	\$ (615,000)	-100.00%

**Wellsboro Electric Company  
2012 Capital Budget - Engineering & Operations**

<u>GL Code</u>	<u>Description</u>	<u>2012 Budget</u>	<u>Actual Cost YTD 1/31/2012</u>	<u>Variance Over/Under YTD 1/31/2012</u>	<u>Over/Under 10% or \$10,000</u>
G/L #392	<u>Vehicles - Capital Leases</u>				
	Single Reel Wire Trailer	\$ 4,000	\$ -	\$ (4,000)	-100.00%
		\$ -	\$ -	\$ -	#DIV/0!
	Purchase of leased Equipment	\$ 4,000	\$ -	\$ (4,000)	-100.00%
	Total 2012 Budget	\$ 619,000	\$ -	\$ (619,000)	

**Wellsboro Electric Company  
2012 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>
<b>Total Project Cost</b>	<b>\$961,195</b>

	<u>Federal Share</u>	<u>Federal Payment's YTD 9/30/2011</u>	<u>Balance Federal Share</u>	
Federal - Reimbursement - 45%	\$ 431,625	\$ 182,194	\$ (249,431)	-57.79%

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Smart Choice Project - WO - 200-09	<u>2012 Budget</u>	<u>Actual Cost YTD 1/31/2012</u>	<u>Variance Over/Under YTD 1/31/2012</u>	<u>Over/Under Percentage</u>
AMR/AMI				
Meter Project	\$ 250,000.00	\$ -	\$ (250,000.00)	-100.00%

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**TOTAL CAPITAL BY PROJECT**

2012 Construction Budget	\$ 615,000.00
2012 Capital Leases	\$ 4,000.00
2012 Smart-Grid Project	\$ 250,000.00
	<u>\$ 869,000.00</u>

57.195 Section (b) Item 12

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

Significant changes for 2012 will be the implementation of the Inspection and Maintenance Standards as mandated by the PA PUC which went into effect on January 1, 2012.

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PA PUBLIC UTILITY COMMISSION  
SECRETARY'S BUREAU

**WELLSBORO ELECTRIC CO.**

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