

CITIZENS' ELECTRIC COMPANY

1775 INDUSTRIAL BLVD • P.O. BOX 551 • LEWISBURG, PA 17837-0551 • (570) 524-2231 • FAX: (570) 524-5887

April 25, 2012

RECEIVED

APR 27 2012

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Ms. Rosemary Chiavetta
Pennsylvania Public Utility Commission
PO Box 3265
Harrisburg, PA 17105-3265

L-00030161

Dear Secretary Chiavetta,

Enclosed please find an original and six copies of the 2011 Annual Reliability Report for Citizens' Electric Company.

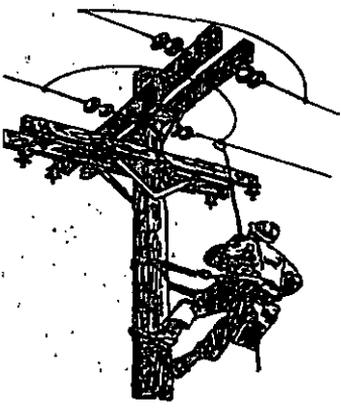
Please contact me at 570-522-6143 or kelchnerj@citizenselectric.com if I can answer any questions.

Sincerely,

A handwritten signature in black ink that reads "John A. Kelchner". The signature is written in a cursive style with a long horizontal stroke at the end.

John A. Kelchner, PE
Vice President of Engineering & Operations

cc: Pennsylvania Office of Consumer Advocate
Pennsylvania Office of Small Business Advocate
Yasmin Snowberger, PE (via email)



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

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

RE: Submission of 2012 Annual Resource Planning Report

Dear Secretary Chiavetta:

In accordance with 52 Pa, Code §§ 57.141-57.154, Citizens' Electric Company of Lewisburg, PA is submitting one (1) original and three (3) copies of the *2012 Annual Resource Planning Report*. We have also submitted an email file of the report compiled in Excel format directly to Yasmin Snowberger.

Due the brevity and simplicity of our report, it has been adopted in its entirety as the *Report Summary*, which will be available for inspection at Citizens' office at 1775 Industrial Boulevard, Lewisburg, Pennsylvania. If you have any questions or require more information, please contact me at 570-522-6141.

Sincerely,

Eric W. Winslow, PE
President & CEO

Enclosures

CC: Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1923

Office of Small Business Advocate
300 N. Second St Suite 1102
Harrisburg, PA 17101

CITIZENS' ELECTRIC COMPANY
OF
LEWISBURG, PA

ANNUAL RESOURCE PLANNING REPORT
REPORT SUMMARY

APRIL 27, 2012

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PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Contact: Eric W. Winslow, PE
President and CEO
570-522-6141
winslowe@citizenselectric.com

ANNEX B

FORM	SECTION	DATA REQUESTED	APPLICABILITY
<u>ARPR 1</u>	57.142(a)	Historical and Forecast Energy Demand	EDC
<u>ARPR 2</u>	57.142(b)	Historical and Forecast Connected Peak Load	EDC
<u>ARPR 3</u>	57.142(c)	Historical and Forecast Number of Connected Customers	EDC
<u>ARPR 4</u>	57.142(d)	Historical and Forecast Peak Load and Energy Demand	Control Area
<u>ARPR 5</u>	57.143(a)	Existing Generating Capability	EDC & Control Area
<u>ARPR 6</u>	57.143(a)	Future Generating Capability Installations, Changes and Removals	EDC & Control Area
<u>ARPR 7</u>	57.143(a)	Projected Capacity and Demand	Control Area
<u>ARPR 8</u>	57.145	Qualifying Facility and Independent Power Production Facilities	EDC
<u>ARPR 9</u>	57.147	Scheduled Imports and Exports	Control Area
<u>ARPR 10</u>	57.148	Summary of Demands, Resources and Energy for the Previous Year	EDC
<u>ARPR 11</u>	57.144	Transmission Line Projection	EDC
<u>ARPR 12</u>	57.149	Conservation and Load Management Program Description	EDC

Current Year = 2012

FILINGS ARE DUE ON OR BEFORE MAY 1

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Company Name: Citizens' Electric Company

ARPR 1. Historical and Forecast Energy Demand (MWh)

Index Year (a)	Actual Year (b)	Residential (c)	Commercial (d)	Industrial (e)	Other* (f)	Sales For Resale (g)	Total Consumption (h)	System Losses (i)	Company Use (j)	Net Energy For Load (k)
-1	2011	84903	28876	50263	635	0	164677	5905	210	170792
0	2012	86860	29542	51422	649	0	168473	7177	210	175860
1	2013	88406	30068	52336	662	0	171472	7308	210	178990
2	2014	88848	30218	52599	665	0	172330	7345	210	179885
3	2015	89292	30369	52863	668	0	173192	7383	210	180785
4	2016	89738	30521	53127	671	0	174057	7421	210	181688

* "Other" sales include public street and highway lighting, other sales to public authorities, sales to railroads and railways, and interdepartmental sales.

NOTE: Energy demand figures reflect expected Act 129 reductions, if applicable

Company Name: Citizens' Electric Company

ARPR 2. Historical and Forecast Connected Peak Load (MW)

Index Year (a)	Actual Year (b)	Summer*		Winter*		Annual Peak Load (g)	Annual Load Factor (h)
		Peak Load (c)	Date & Time (d)	Peak Load (e)	Date & Time (f)		
-1	2011	37.8	July 21, 2011 16:00	39.9	Jan. 4, 2012 8:00	39.9	48.9%
0	2012	40.8		47.1		47.1	42.6%
1	2013	41.6		47.7		47.7	42.8%
2	2014	42.3		48.3		48.3	42.5%
3	2015	43.1		48.9		48.9	42.2%
4	2016	43.9		49.5		49.5	41.9%

* The winter peak follows the summer peak. The summer season is June through September and the winter season is December through March of the following year.

NOTE: Peak load figures reflect expected Act 129 reductions, if applicable.

Company Name: Citizens' Electric Company

**ARPR 3. Historical and Forecast Number of Connected Customers
(Year End)**

Index Year (a)	Actual Year (b)	Residential (c)	Commercial (d)	Industrial (e)	Other* (f)	Total Customers (g)
-1	2011	5701	1047	41	34	6823
0	2012	5726	1062	42	34	6864
1	2013	5760	1077	43	34	6914
2	2014	5795	1092	44	34	6965
3	2015	5835	1107	45	34	7021
4	2016	5880	1122	45	34	7081

* "Other" sales include public street and highway lighting, other sales to public authorities, sales to railroads and railways, and interdepartmental sales.

Company Name: Citizens' Electric Company

**ARPR 4. Historical and Forecast Peak Load and Energy Demand*
(MW & MWh)**

Control Area or Region (if applicable):

Index Year (a)	Actual Year (b)	Summer**		Winter**		Net Energy For Load (g)
		Peak Load (c)	Date & Time (d)	Peak Load (e)	Date & Time (f)	
-1	2011	37.8	July 21, 2011 16:00	39.9	Jan. 4, 2012 8:00	170792
0	2012	40.8		47.1		175860
1	2013	41.6		47.7		178990
2	2014	42.3		48.3		179885
3	2015	43.1		48.9		180785
4	2016	43.9		49.5		181688

* In lieu of this form, EDCs may submit a copy of EIA-411 or its equivalent.

** The winter peak follows the summer peak. The summer season is June through September and the winter season is December through March of the following year.

Company Name: Citizens' Electric Company

ARPR 5. Existing Generating Capability (as of January 1 of current year)

Control Area or Region (if applicable):

Station and Unit No. (a)	Location (b)	Date Installed (c)	Unit Type (d)	Primary Fuel		Alternate Fuel		Net Capability-MW		Changes During Past Year		% Ownership Share (m)	Notes (n)
				Fuel Type (e)	Transp. Method (f)	Fuel Type (g)	Transp. Method (h)	Summer (i)	Winter (j)	MW (k)	Reason (l)		
				Not Applicable									

Company Name: Citizens' Electric Company

ARPR 6. Future Generating Capability Installations, Changes and Removals

Control Area or Region (if applicable):

Station and Unit No. (a)	Location (b)	Unit Type (c)	Primary Fuel		Alternate Fuel		Net Capability-MW		Effective Date (j)	Status (k)	% Ownership Share (l)	Notes (m)
			Fuel Type (d)	Transp. Method (e)	Fuel Type (f)	Transp. Method (g)	Summer (h)	Winter (i)				
Not Applicable								No Generation				

ARPR 7. Projected Capacity and Demand (MW)*

Control Area or Region:

Season:

	Actual	Projected				
	2011	2012	2013	2014	2015	2016
1 Internal Demand	39.9	47.1	47.7	48.3	48.9	49.5
2 Direct Control Load Management	0	0	0	0	0	0
3 Interruptible Demand	0	0	0	0	0	0
4 Net Internal Demand (1-2-3)	39.9	47.1	47.7	48.3	48.9	49.5
5 Total Owned Capacity	0	0	0	0	0	0
Nuclear						
Hydro						
Pumped Storage						
Steam						
Coal						
Oil						
Gas						
Dual Fuel						
Combustion Turbine						
Oil						
Gas						
Dual Fuel						
Combined Cycle						
Oil						
Gas						
Dual Fuel						
Other						
6 Inoperable Capacity	0	0	0	0	0	0
7 Net Operable Capacity (5-6)	0	0	0	0	0	0
8 Independent Power Producers	0	0	0	0	0	0
9 Capacity Purchases	39.9	47.1	47.7	48.3	48.9	49.5
10 Capacity Sales	0	0	0	0	0	0
11 Total Installed Capacity (5+8)	0	0	0	0	0	0

* In lieu of this form, EDCs may submit a copy of EIA-411 or its equivalent.

Company Name: Citizens' Electric Company

ARPR 8. Qualifying Facility and Independent Power Production Facilities

Facility Name (a)	Location (b)	Energy Source (c)	Purchased Energy (kWh) (d)	Total Generation (kWh) (e)	Contract Capacity (kW) (f)	Total Capacity (kW) (g)	Effective Date(s) (h)	Status and Type (i)
Bucknell University	Lewisburg, PA	NG, FO2	8,334,404	42,769,342	None	6,000	N/A	CA

Company Name: Citizens' Electric Company

ARPR 9. Scheduled Imports and Exports (MW)

Control Area or Region:

Season:

Participant Type Code	Name of Participant	2012	2013	2014	2015	2016
	Not Applicable		No Generation			
	Totals					

Company Name: Citizens' Electric Company

ARPR 10. Summary of Demands, Resources and Energy for the Previous Year

	Peak Day (MW)		Calendar Year (MWh) 2011	Notes
	Summer 2011	Winter 2010/2011		
Reporting EDC:				
Purchases	33.0	33.3	162456	
Independent Power Producers	4.8	6.6	8336	
Sales			164677	
Electric Generation Suppliers:				
(1)	0	0	0	No Customer Shopping
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				
Total MWh Supplied by EGSS	0	0	0	

Company Name: Citizens' Electric Company

ARPR 11. Transmission Line Projection

Transmission Line Name (a)	Location (b)	Design Voltage (c)	Length (d)	Construction Start Date (e)	In Service Date (f)	Line Cost (g)
Not Applicable	No Transmission					

Company Name: Citizens' Electric Company

ARPR 12. Conservation and Load Management Program Description*

Program Name:

Customer Class:

Status: Existing X Proposed _____

Contact Person: Eric Winslow

Phone No: 570-522-6141

Program Objective:

Curtail customer load during the PJM 5-High Coincident Peak periods to reduce Citizens' PJM Capacity Obligation and the resulting PJM Capacity charges; pass savings on to participating customers.

Assist the customer to reduce energy expenses and promote energy conservation. The program succeeds by working closely with the customer to enable them to analyze and understand their utility bills, and identify areas to improve energy efficiency and conservation.

Details of Activity and Implementation Schedule:

Citizens' has implemented a three-year Pilot Direct Load Control Program. In 2011, a small number of load control devices were installed on customer equipment, software and communications equipment were installed, and training was provided. The goal in 2011 was to become more familiar with the technology, and ensure that load is actually curtailed during the PJM 5-High, one-hour coincident peak periods. We will also evaluate the net contribution to overall load curtailment by each of the individually controlled devices. In 2012, the program will be gradually expanded to additional customers, while continually evaluating the effectiveness.

In 2011, we conducted residential and commercial energy audits and billing analysis. The Key Accounts Manager worked with large commercial and industrial accounts to maximize their efficiency. We provide a free, technical hotline service for these customers that is intended to provide a resource regarding manufacturing processes, energy efficiencies and environmental issues.

We provide a detailed analysis of load profiles and load factors and explain how the energy consumption pattern affects the bill. We provide and disseminate information to our ratepayers to help them reduce energy consumption both for financial and economic benefits, as well as conservation and ecological savings. Our website provides extensive energy and conservation tools and information.

Conservation Education materials are disseminated via the internet website, newspapers, press releases, advertising, bill inserts and customer newsletters which are published every spring and fall. Citizens' employees visit schools, have taught energy conservation at a county sponsored "First Time Homeowner" class and are guest speakers at various organizations meetings providing information regarding safety, customer choice and de-regulation and energy efficiency and conservation.

Actual and/or Anticipated Results:

Year	Peak Load Reduction (kW)	Load Shifted to Off-Peak (kW)	Energy Savings				Other Results
			Electric (kWh)	Gas (CCF)	Oil (Gallons)	Coal (Tons)	
2011	Indeterminate						

Monetary and Personnel Resources:

Estimated Workhours	Categorized Program Expenses (\$)				
	Payroll	Advertising	Customer Grants	Other	Total
300	\$11,400	\$1,200	\$0	\$2,600	\$15,200

SYMBOL CODES

STATUS/REASON FOR CHANGE

P	Planned for installation but not utility authorized
L	Regulatory approval pending but not under construction
T	Regulatory approval received but not under construction
U	Under construction, less than 50% of plant completed
V	Under construction, greater than 50% of plant completed
A	Generating unit capability increased (rerated or relicensed)
D	Generating unit capability decreased (rerated or relicensed)
M	Generating unit is in deactivated shutdown status
S	Generating unit returned to service from deactivated shutdown status
R	Generating unit permanently removed from any service

FUEL TYPE

WH	Waste Heat
COL	Coal (general)
BIT	Bituminous Coal
SUB	Sub-Bituminous Coal
ANT	Anthracite Coal
LIG	Lignite Coal
PC	Petroleum Coke
LNG	Liquified Natural Gas
MTH	Methanol
GAS	Gas (general)
NG	Natural Gas
RG	Refined Gas
BFG	Blast Furnace Gas
COG	Coke Oven Gas
UNK	Unknown at the time
GST	Geothermal Steam
MUL	Multi-Fueled
REF	Refuse (solid waste)
OIL	Oil (general)
FO1	No. 1 Fuel Oil
FO2	No. 2 Fuel Oil
FO4	No. 4 Fuel Oil

FO5	No. 5 Fuel Oil
FO6	No. 6 Fuel Oil
CRU	Crude Oil
TOP	Top Crude Oil
JF	Jet Fuel
KER	Kerosene
LPG	Liquid Propane Gas
RRO	Re Refined Motor Oil
SNG	Synthetic Natural Gas
UR	Uranium
PL	Plutonium
WAT	Water
TH	Thorium
SUN	Sun
WND	Wind
WD	Wood and Wood Waste
ZZ	None of the above or fuel brought to the plant site that is converted before the combustion process

UNIT TYPE

ST	Steam Turbine - non nuclear
NB	Steam Turbine - Nuclear Boiling Water Reactor
NP	Steam Turbine - Nuclear Pressurized Water Reactor
NH	Steam Turbine - Nuclear High Temp. Gas-cooled Reactor
IC	Internal Combustion Engine
GT	Combustion Turbine
HY	Conventional Hydro
PS	Pumped Storage Hydro
CW	Combined Cycle-Steam Portion Waste Heat Only
CA	Combined Cycle-Steam Portion Auxiliary Fired
CT	Combined Cycle-Combustion Turbine Portion
JE	Jet Engine

FC	Fuel Cell
SO	Solar
WM	Wind Power
GE	Geothermal
ZZ	None of the above
UN	Unknown at the time

TRANSPORTATION METHOD

WA	Water Transportation
TK	Truck
RR	Rail
PL	Pipeline
XX	Unknown at the time
CV	Conveyor

Citizens' Electric Company
Annual Electric Service Reliability Report
2011

Prepared by John A. Kelchner, PE
Vice President of Engineering & Operations
570-522-6143
kelchnerj@citizenselectric.com
04/28/2011

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§ 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 successfully navigated the stormy and unsettled weather of 2011. However, the various snow, wind, and rain events did have some impact on the Company's reliability statistics. SAIFI, SAIDI and CAIDI numbers all had slight increases. The Company experienced decreases in the number of outages due to animals, vehicles and "other" causes, but had a significant increase in weather-related outages and a small increase in tree-related outages.

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. The system provides customized information based on whether the customer is part of a known outage or is reporting a new outage. Once restoration time has been estimated for their particular outage, customers are given that information when they call. The system can also be used to make outbound calls to customers, 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.

Citizens' Electric was again recognized in 2011 as a "Tree Line USA" utility. This award from the National Arbor Day Foundation recognizes Citizens' for using nationally approved trimming techniques and procedures in its vegetation management program.

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

Current Maintenance Programs

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 3 rd 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 airswitches, 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.	5 Years

§ 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
1/12/2011	9:49 AM	36	6,817	The primary PPL 69 kV transmission feed to Citizens' Electric experienced a fault. This interrupted the supply to Citizens' Electric St. Mary St. substation causing a service interruption to all Citizens' customers. Citizens' staff coordinated with PPL dispatchers to initiate switching to an alternate feed. Service was fully restored within 36 minutes.
1/13/2011	3:04 PM	37	6,817	This was the 2nd outage on this PPL transmission line in 2 days and occurred while a PPL contract crew was performing maintenance work on the line. Citizens' staff is involved in dialogue with PPL to identify any opportunities for procedural changes that might help prevent similar outages in the future.
1/24/2011	8:55 AM	97	825	An industrial customer's employee hit a pole while operating material handling equipment causing a fiberglass pole-top bracket to break which resulted in an interruption to the circuit. The driver was not injured. Service was restored to most customers in less than one hour. All customers had service restored within 97 minutes.
3/6/2011	8:27 PM	47	1,306	The Citizens' Electric service territory received nearly 1.5 inches of rain on March 6, 2011. This was followed by strong winds and approximately 12 inches of wet snow into early March 7. As a result, several large trees came down onto the Company's lines causing short interruptions to a total of 1,306 customers.
8/28/2011	8:32 AM	73	887	A 100 foot tall off right-of-way tree fell onto a 3-phase feeder serving 887 customers. This occurred during the peak winds of hurricane Irene and following the receipt of approximately 3 inches of rain in 24 hours. Crews quickly responded and had service restored to all customers in 73 minutes.
9/27/2011	11:44 PM	101	887	A fiberglass insulator bracket failed during very heavy rain, interrupting service to the entire circuit serving 887 customers. The area received more than 2.5 inches of rain on 9/27. Repairs were completed and service was restored to all customers within 101 minutes.
10/29/2011	4:32 PM	84	1,199	During a very heavy wet snow, a circuit locked open at the substation. A crew patrolled the line and found no permanent faults present. The circuit was re-energized successfully. The most likely cause was a heavily snow-loaded tree branch contacting the line.

§ 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.

Year	SAIFI	SAIDI	CAIDI	Avg # of Customers Served	# of Interruptions	# of Customers Interrupted	Customer Interruption Minutes
2011	0.35	44	126	6,823	56	2,390	300,660
2010	0.19	18	98	6,813	54	1,262	124,028
2009	0.20	15	75	6,814	51	1,358	102,265
Standard	0.27	38	141				

§ 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 Cause	Number of Interruptions	% of Interruptions	Number of Customers Affected	Customer Interruption Minutes
On R/W Trees	3	5	94	6,803
Animals	14	25	489	26,341
Equipment	16	29	82	7,526
Off R/W Trees	6	11	846	148,242
Weather	11	20	855	110,112
Vehicle	0	0	0	0
Other	6	11	24	1,636
Total	56		2390	300,660

Off right-of-way trees contributed the most interruption minutes during 2011. The Company continued its focus on identifying high risk trees outside the right-of-way and working with property owners to obtain permission for removals where prudent. Outages caused by weather increased significantly in 2011. In 2010, there were no outage minutes attributed to weather, compared to 110,112 minutes in 2011. Many of these were lightning related, with wind, rain and snow also playing a role. The Company will continue assessing its lightning protection equipment and any possible measures to reduce weather-related outages

§ 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%	All planned areas were 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	176 Locations	100%	174 locations inspected. Quantity adjusted to reflect actual quantity in service at time of inspection.
3Ø Padmount Transformer Oil Test	35 Transformers	100%	35 transformers tested.
Line Equipment Inspection	140 Locations	100%	140 locations inspected. Quantity revised to reflect actual quantity in service at time of inspection.
Pole Inspection and Treatment	652 Poles	93%	604 poles inspected. Quantity revised to reflect actual quantity in service at time of inspection.
Danger and Reject Pole Replacement	6 Poles	100%	6 Poles replaced
Substation Equipment Inspection	12 Monthly Inspections	100%	12 inspections completed.
Recloser Maintenance	3 Reclosers	100%	Completed maintenance on 3 units.

§ 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		6,581	Not budgeted individually. 100% completed.
Vegetation Management	84,350	98,072	Negotiated more tree removals with customers than budgeted. 100% of system completed.
Visual Line Inspection		967	Not budgeted individually. 100% completed.
Padmount Equipment Inspection		4,911	Not budgeted individually. 100% completed.
3Ø Padmount Transformer Oil Test		2,040	Not budgeted individually. 100% Completed.
Line Equipment Inspection		6,767	Not budgeted individually. 100% completed.
Pole Inspection and Treatment	30,250	19,028	Budget estimation included approximately 8% more poles than were actually in service in the area being tested.
Substation Equipment Inspection		3,909	Not budgeted individually. 100% completed.
Recloser Maintenance		9,228	Not budgeted individually.
Total		\$151,503	

§ 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	540,490	531,136	-9,354	
Transformers	110,313	98,364	-11,949	A reduced number of new connections during year required fewer new transformers than budgeted.
Meters	44,037	33,036	-11,001	A reduced number of new connections during year required fewer new meters than budgeted.
Rt. 45 Circuit Reconductor	142,288	19,839	-122,449	Project could not be completed due to a high number of inclement weather days during 2011. Project carried to 2012 budget.
Replace UG in Valley View	113,277	111,709	-1,568	
Bucknell UG Relocation	207,127	117,533	-89,594	New underground cable is installed and energized. Completion of overhead removals delayed at request of Bucknell. Will be completed in 2012 under General Construction.
Form 4D Recloser Controls	19,664	16,864	-2,800	Actual purchase price was less than budgeted
Total	1,177,196	928,481	-248,715	

§ 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	170 Locations
3Ø Padmount Transformer Oil Test	35 Transformers
Line Equipment Inspection	140 Locations
Pole Inspection and Treatment	512 Poles
Danger and Reject Poles	To be determined from pole inspections
Substation Equipment Inspection	12 Monthly Inspections
Recloser Maintenance	11 Reclosers

All goals are in the distribution area. 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	\$92,800	
Visual Line Inspection	N/A	Not budgeted individually
Padmount Transformer Inspection	N/A	Not budgeted individually
3Ø Padmount Transformer Oil Test	\$2,500 (estimated)	Not budgeted individually
Line Equipment Inspection	N/A	Not budgeted individually
Pole Inspection and Treatment	\$24,200	
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	\$119,500	

§ 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	\$730,633
Transformers	\$112,854
Meters	\$47,360
Rt. 45 Circuit Reconductor	\$85,147
UG Replacement in Valley View	\$139,847
Total	\$1,115,841

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

No significant changes.

CITIZENS' ELECTRIC COMPANY
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