

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

<b>Rulemaking Re Amending Electric</b>	<b>:</b>	
<b>Service Reliability Regulations</b>	<b>:</b>	<b>Docket No. L-00030161</b>
<b>At 52 Pa. Code Chapter 57</b>	<b>:</b>	

**COMMENTS OF ALLEGHENY POWER**

**I. INTRODUCTION**

Allegheny Power submits comments in response to the Pennsylvania Public Utility Commission's (Commission) Proposed Rulemaking Order and Request For Comments on the proposed monitoring of reliability performance of electric distribution companies (EDCs). The Proposed Rulemaking Order was issued by the Commission June 26, 2003, and published in the Pennsylvania Bulletin October 4, 2003. (33 Pa.B. 4921).

**II. SUMMARY**

Allegheny Power (AP) endorses the Commission's efforts to monitor distribution reliability and to achieve uniform reporting content and frequency. Quarterly and annual reporting of common reliability statistics, such as SAIFI and CAIDI, should be adequate to track reliability trends. AP is concerned, however, that short-term statistics and reports on the EDCs' operations might be used to judge reliability, which is best evaluated over a longer term. There will be significant statistical variability in quarterly data, which could lead to misinterpretation of reliability trends. The variability is caused by common and seasonal events including storms, underground dig-ins, vehicles hitting poles, and animal

interference. AP is also concerned about the proprietary nature of some of the data proposed to be collected and the frequency of such requests. AP believes that the Commission should request information such as cost and expense data, staffing levels, and call-out acceptance only if the EDC is not meeting long-term reliability targets. This information is proprietary and is not needed to monitor reliability. As currently proposed, the simultaneous reporting to outside parties of proprietary data could lead to data being used out of context. For example, storm damage repair or unexpected new connection work can cause non-critical maintenance to be rescheduled – one reason that accurate quarterly data can be misleading.

### **III. COMMENTS ON REPORTING REQUIREMENTS**

The following sections address key points in the Proposed Rulemaking Order.

#### **A. Annual Report**

The Rulemaking proposes to change the due date of the annual report from May 31 to March 31. AP proposes that the annual report be due April 30. In support of its proposal, AP points out that April 30 is also the due date of the Federal Energy Regulatory Commission Form 1. A due date of March 31 may not allow sufficient time for EDCs to collect all necessary cost and reliability data in the format requested by the Commission. The additional month should not hinder the Commission's ability to monitor reliability since the Commission will be receiving quarterly reports.

#### **B. Proprietary Data**

The Rulemaking proposes to require reporting information that is used for

business operations and not entirely correlated to reliability statistics. AP concurs with the reporting of the commonly used reliability statistics, such as SAIFI, CAIDI and SAIDI. Once appropriate benchmarks are established, trends can be identified for each of the accepted statistics. But AP contends that much of the proposed requested data is proprietary and not needed to monitor reliability. Examples are quarterly and year-to-date transmission and distribution operation and maintenance (O&M) budget and expenses, capital budgets and expenditures, staffing levels, contractor hours, circuit remedial actions, transmission and distribution inspection/maintenance goals/objectives, and call-out acceptance rates. Reporting such information is inappropriate for the following reasons:

- i. The information is not necessary for monitoring reliability trends and should not be required as long as the EDC is meeting its performance standards. If an EDC is not meeting its long-term reliability targets, then certain information might be appropriate for the Commission to evaluate as part of its audit or remedial review.
- ii. Data is extremely variable depending upon the time of year and business conditions. For instance, weather affects reliability statistics to a greater degree during summer storm season. Also, spending on maintenance and capital projects is not uniform throughout the year and varies because of weather. The timing of projects can change based on new business requirements, storm restoration and other influences. A quarterly view is simply not useful. The information could be subject to misinterpretation and lead to improper conclusions even if the EDC is

meeting its reliability targets.

iii. Budgeted and actual expenses will vary by EDC as far as uniformity of work included. Few, if any, EDCs currently budget by FERC account.

iv. A downward trend in O&M expenses does not necessarily indicate decreasing emphasis on reliability. The opposite might be true. Efficiency improvements have yielded better productivity and reliability gains at reduced cost. Strategic investments in technology have provided opportunities to report, track, and respond to outages more efficiently than in the past.

C. Quarterly Reporting

The Rulemaking proposes quarterly reporting for reliability statistics and other data. Although AP agrees with the quarterly reporting of common reliability statistics such as SAIFI and CAIDI, AP notes that reporting information quarterly further creates a tendency to analyze reliability, best evaluated over the long term, on a short-term horizon. Statistical variability in the data as described could lead to misinterpretation of reliability trends.

D. MAIFI Reporting

The Commission proposes that EDCs submit MAIFI data on an “as available” basis. AP agrees that MAIFI data should only be required where it is available. MAIFI statistics are not recorded and not readily available at AP. As AP has disclosed in prior filings, AP’s field equipment does not provide meaningful data for momentary interruptions.

E. Five Percent “Worst Performing” Circuits

The Rulemaking proposes that EDCs submit a list of their five percent worst-performing circuits on a quarterly basis. Providing a list of the five percent worst-performing circuits more frequently than annually is not practical. Action plans are established for circuit reliability on an annual basis based upon trends. Quarterly statistics, especially with seasonal variations, are not useful. Further, a circuit will in all likelihood remain on a worst-performing circuit list for up to one year until its statistics are removed from the 12-month rolling index. Consequently, remedial action may only need to be addressed if a circuit remains on the list for at least five consecutive quarters.

F. Major Event Reporting

The Rulemaking proposes a description of each major event on a quarterly basis. AP believes that quarterly reporting of major events on a detailed level duplicates the current process of providing reports to the Commission as the events occur and adds undue administration to the reporting process.

#### **IV. CONCLUSION**

AP appreciates the opportunity to comment on the Proposed Rulemaking Order. AP understands and respects the importance of the Commission’s responsibility to monitor reliability performance. AP’s primary concern is the reporting of proprietary information not useful in monitoring reliability trends. Much of proposed information would be more appropriate for Commission remedial review when an EDC is not meeting its performance standards. AP also believes it is important that all parties

recognize the factors -- weather, vehicle accidents, and trees falling from outside the utility's right-of-way -- that affect reliability in the short term and contribute to considerable variability in reliability statistics. Short-term and seasonal variations could lead to misinterpretation of long-term reliability trends.

Respectfully submitted,

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By:

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