

**Richard G. Webster, Jr.**  
Vice President  
Regulatory Policy & Strategy

PECO  
2301 Market Street  
S15  
Philadelphia, PA 19103

Telephone 215.841.5777  
Fax 215.841.6208  
www.peco.com  
dick.webster@peco-energy.com

September 21, 2017

**Via Federal Express**

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17105-3265

**Re: Management Efficiency Audit, PUC Docket No. D-2016-2562303**

Dear Secretary Chiavetta:

Enclosed please find PECO Energy Company's ("PECO") Implementation Plan for the Pennsylvania Public Utility Commission Management Efficiency Investigation Audit at Docket No. D-2016-2562303. In addition, an electronic copy of the Plan will be sent to Cherie Pyle via e-mail as requested by Mr. Nathan Paul in his letter dated August 31, 2017.

Please acknowledge receipt of the foregoing on the enclosed copy of this letter.

Thank you for your assistance in this matter and please direct any questions regarding the above to me at 215-841-5777.

Sincerely,



cc: K. Monaghan, Director, Bureau of Audits  
J. Clista, Manager, Bureau of Audits  
N. Paul, Supervisor, Bureau of Audits  
C. Pyle, Administrator, Bureau of Audits

Enclosures

**2017 Implementation Plan  
of  
PECO ENERGY COMPANY  
to the  
PA PUC Management Efficiency Investigation Audit  
Docket No. D-2016-2562303**



**September 21, 2017**

## **Introduction**

PECO Energy is pleased to submit this Implementation Plan for review by the Pennsylvania Public Utility Commission (PAPUC). The Implementation Plan is in response to the recommendations contained in the Management Efficiency Investigation issued August 2017, Docket No. D-2016-2562303. The Implementation Plan provides PECO Energy's commitment to act on the recommendations by addressing opportunities for improvement in operational effectiveness while improving service to our customers.

Of the thirteen (13) recommendations contained in the Audit Report, PECO Energy has accepted all thirteen (13) of them completely.

As requested, this Implementation Plan details the actions to be taken, the expected completion dates and the individuals responsible for implementing each recommendation.

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation III-1**

Document PECO's span of control review process and maintain justification for reporting relationships with narrow or wide spans of control.

**Response**

Accepted

**Action**

PECO will create a documented process in our Workforce Planning Annual Review which will include Spans of Controls. This process will ensure PECO has the ability to conduct analysis, consider organizational changes, and facilitate discussion during the review.

**Individual Responsible**

Mary Krick, VP HR Operations PECO

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VI-1**

Strive to improve priority one Emergency response rates and conduct Common Cause Analyses when warranted.

**Response**

Accepted

**Action**

PECO will continue to utilize a Key Performance Indicator measuring Police Fire 1 (PF1) response rate within 30 minutes. We will conduct an Apparent Cause Analysis (ACE) for any event that missed the targeted response time where there are identified learnings. In addition, if a trend is identified a Common Cause Analysis (CCA) will be performed.

**Individual Responsible**

Drew Davis, Director Distribution System Operations

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VI-2**

Continue to monitor overtime utilization and implement additional measures as necessary to optimize overtime levels.

**Response**

Accepted

**Action**

PECO will utilize the following approaches to monitor and control Overtime within Distribution System Operations (DSO) and Construction & Maintenance (C&M):

- 1) Continue to generate and circulate OT performance reporting to the DSO and C&M leadership teams for monthly review and action planning
- 2) Continue to review DSO and C&M performance and discuss performance on a monthly basis at the Electric Operations Monthly Review Meeting (MRM) with PECO Electric Operations VP
- 3) Conduct aerial and underground line schools as needed to backfill attrition and ensure appropriate staffing for System 2020 work plan execution
- 4) Ensure timely staffing of back office positions to backfill attrition and execute the System 2020 work plan
- 5) Continue to refine the C&M long range work plans to identify appropriate work to be given to contractors
- 6) Continue to refine the aerial C&M workforce shift schedules based on 2017 performance

**Individual Responsible**

Mike Pietrafitta, Director Regional Electric Operations

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VI-4**

Strive to eliminate the occurrences of customers experiencing 10 or more interruptions per year.

**Response**

Accepted

**Action**

PECO will continue efforts to analyze and monitor the number of customers experiencing at least 10 interruptions per year. This will include identifying corrective measures to mitigate to the extent possible customer outages from reaching up to 10 or more per year.

**Individual Responsible**

Dave Weaver, VP Technical Services

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VI-5**

Review the weighting factors at least every two to three years and the components used every five to ten years in the Top Priority Circuit Program.

**Response**

Accepted

**Action**

PECO will review the weighting factors at least every three years and assess the components utilized every five years for the Top Priority Circuit Program. PECO will incorporate this requirement into the Top Priority Circuit Program procedure.

**Individual Responsible**

Dave Weaver, VP Technical Services

**Expected Completion Date**

4th Quarter 2018



**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VI-7**

Explore options to improve automation of field ticket closure and review.

**Response**

Accepted

**Action**

PECO will evaluate opportunities to influence the next generation of the Mobile Data (MD) platform and integrate that data with the next generation of Advanced Distribution Monitoring System (ADMS) to integrate field closure notes with automated meter / OMS information.

**Individual Responsible**

Drew Davis, Director Distribution System Operations

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VII-1**

Implement plans, programs and initiatives designed to reduce the number of gas line hits resulting from mapping inaccuracies in a timely manner.

**Response**

Accepted

**Action**

PECO will work to reduce gas line hits by continuing to work programs that proactively identify its underground facilities through the use of technology. The programs focus on areas of high risk, 3<sup>rd</sup> party contractors, large projects as well as quality control of facility records.

**Individual Responsible**

Dave Haverstick, Manager Damage Prevention

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VIII-1**

Continue to explore the use of external partners when performing Vulnerability Assessments and related physical security tests.

**Response**

Accepted

**Action**

PECO Security will continue the practice of using trusted external partners when performing Vulnerability Assessments and related physical security tests on PECO critical assets.

**Individual Responsible**

Mike Melvin, Manager Corporate Security

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VIII-2**

Correct minor physical security deficiencies.

**Response**

Accepted

**Action**

PECO Security will ensure any minor physical security deficiencies that were noted during inspection of PECO's non-critical facilities are tracked until correction is completed.

**Individual Responsible**

Mike Melvin, Manager Corporate Security

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VIII-3**

Review and revise PECO's data security policies to include, "combination of data", and identify any additional data elements that PECO should consider PII pursuant to this concept.

**Response**

Accepted

**Action**

The Exelon procedures referenced in this audit have been revised since the recommendations were first issued. Effective July 2017, these procedures now include an updated definition of PII which contains all of the elements of PII in the Pennsylvania's Breach of Personal Information Notification Act (73 P.S. §§ 2301, et seq.).

PECO will continue to work with in-house and/or outside privacy counsel to identify any additional data elements that PECO should consider PII pursuant to the 'combination of data' concept.

**Individual Responsible**

Alexandra Hider, Assistant General Counsel, Exelon

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation VIII-4**

Integrate critical staffing requirements into the BCPs for all major business functions.

**Response**

Accepted

**Action**

Leveraging the newly enhanced business impact analysis criteria within Exelon's new planning software, PECO will include critical staffing requirements for all major business functions. This ensures that the company has a contingent recovery strategy for individual business units, as well as, the holistic view on staffing for a business disruption that impacts personnel dependencies.

**Individual Responsible**

Jill Vito, Senior Manager, Intelligence & Resilience Operations

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation IX-1**

Enhance the inventory review process by documenting justification for retaining inactive inventory or conducting Engineering reviews, with support from Supply, of inactive material.

**Response**

Accepted

**Action**

PECO will continue to conduct a yearly comprehensive system wide review of ER and Non-ER inactive material that has not had activity for more than 5 years. This data will be reviewed for disposition to optimize inventory levels and reduce inventory where possible. This process will include an engineering review of inactive material and documenting justification for retaining inactive inventory.

**Individuals Responsible**

Dave Weaver, VP Technical Services  
Suzanne Shaw, Manager, Substation Engineering  
Ron Bradley, VP Gas  
Regina Basile, Director, Supply Operations Distribution

**Expected Completion Date**

4th Quarter 2018

**PECO Energy Company  
Management Efficiency Investigation**

**IMPLEMENTATION PLAN for  
2017 PA PUC MEI Report**

**Recommendation XI-3**

Investigate and address fleet reporting issues.

**Response**

Accepted

**Action**

PECO has reviewed reports generated by the Vehicle Replacement Model (VRM) for accuracy and consistency. PECO's fleet management software system (M5) vendor Asset Works has corrected issues with the VRM replacement schedules. The issues included listing multiple vehicles with the same exact Life-To-Date (LTD) mileage and several others with higher annual miles driven than LTD mileage discovered in initial reports provided to the PUC.

**Individual Responsible**

D Cooper Colbert Jr, Manager Fleet Operations PECO

**Expected Completion Date**

Completed - March 2017