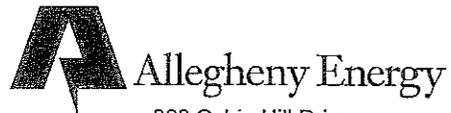


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March 11, 2005

**VIA FEDERAL EXPRESS**

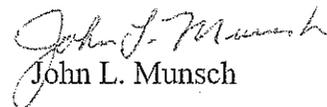
James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
400 North Street  
Commonwealth Keystone Building  
Harrisburg, PA 17120

**Re: Advanced Notice of Proposed Rulemaking for  
Revision of 52 Pa Code Chapter 57 pertaining to  
Adding Inspection and Maintenance Standards for  
the Electric Distribution Companies; Docket No. L-00040167**

Dear Secretary McNulty:

The Comments of Allegheny Power were filed on February 8, 2005. While the Docket title was correct, an incorrect docket number was marked on the submission. I am concerned that the Comments are placed in the file for the Commission's consideration, so I am refileing these Comments with a correct docket number. Please do not hesitate to call me if you have questions. A copy of the Comments is also being sent by email to Elizabeth Barnes at [ebarnes@state.pa.us](mailto:ebarnes@state.pa.us).

Very truly yours,

  
John L. Munsch

cc via email: Elizabeth Barnes  
Robert F. Young

bc: J. E. Barrell  
J. D. Cormack



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February 8, 2005

**VIA FEDERAL EXPRESS**

James J. McNulty, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

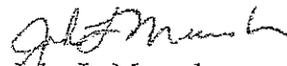
**Re: Advanced Notice of Proposed Rulemaking for  
Revision of 52 PA Code Chapter 57 pertaining to  
Adding Inspection and Maintenance Standards for  
the Electric Distribution Companies; Docket No. L-00040167**

L-00040167

Dear Secretary McNulty:

Enclosed please find an original and 15 copies of the Comments of Allegheny Power in the above-captioned notice of proposed rulemaking. A copy has been sent by electronic mail to Elizabeth Barnes, Esquire, at [ebarnes@state.pa.us](mailto:ebarnes@state.pa.us). The comments are filed by Federal Express and are deemed filed today.

Very truly yours,

  
John L. Munsch  
Attorney

cc: Blaine Loper – Bureau of Conservation, Economics  
and Energy Planning

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Advanced Notice of Proposed Rulemaking for : Docket No. L-00030161-  
Revision of 52 PA Code Chapter 57 pertaining to: L00040167  
Adding Inspection and Maintenance Standards :  
for the Electric Distribution Companies :**

**COMMENTS OF ALLEGHENY POWER**

**I. INTRODUCTION**

Allegheny Power (AP) submits comments in response to the Pennsylvania Public Utility Commission's ('Commission') Notice of Proposed Rulemaking Order and Request For Comments on the proposed adding of inspection and maintenance standards in the electric distribution industry. The Proposed Rulemaking Order was issued by the Commission November 18, 2004, and published in the Pennsylvania Bulletin December 11, 2004. (34 Pa.B. 6550).

**II. SUMMARY**

Allegheny Power believes that Commission-established inspection and maintenance standards are not necessary to ensure reliable electric delivery in Pennsylvania. Establishing inspection and maintenance ('I&M') standards (i.e. process inputs) while simultaneously mandating reliability benchmarks (i.e. outputs), will hinder companies' flexibility to achieve efficiencies in work processes. The reason for the potential contradiction, and counterproductive consequences, between reliability benchmarks and I&M standards is that many variables influence companies' approaches

to inspecting and maintaining equipment and managing vegetation, as will be discussed, and each company faces its own unique problems.

### III. SPECIFIC COMMENTS

Allegheny Power provides the following comments to the proposed rulemaking. Comments are addressed in numerical order as presented in the rulemaking document.

1. Whether it is appropriate for the Commission to adopt specific inspection and maintenance standards.

AP believes that inspection and maintenance standards are not necessary and may be counter-productive for several reasons.

- Setting I&M standards removes variables in a utility's control to affect reliability performance and meet performance standards.
- Utilities use various company-specific combinations of predictive maintenance, preventive maintenance, reliability-centered maintenance, and inspection techniques to improve reliability.
- Utility-specific factors affect I&M programs, such as:
  - Urban vs. rural customer base;
  - Flat vs. mountainous terrain;
  - Overhead vs. underground lines;
  - Customer growth rates;
  - Tree types and tree growth rates;
  - Local weather patterns (lightning, ice, wind, tornadoes, etc.); and

Local agreements (municipal, permitting, union, etc.)

- Utilities have significant differences in infrastructure, such as:
  - Construction types;
  - Voltage classes;
  - Feeder lengths;
  - Age of facilities;
  - Equipment duty cycles;
  - Fault service; and
  - Equipment loading
- Non-controllable, non-excluded storms continue to be a significant contributor to reliability variability.

Non-controllable off-right-of-way trees are a major statistic and a major outage cause in weather events;

Weather affects trees and equipment to differing, varying extents.

- Guidelines established by other entities can conflict with Commission-established standards. For example, guidelines are being proposed by North American Electric reliability Council (NERC) for vegetation management of transmission lines as the following recommendation from Utility Vegetation Management and Bulk Electric Reliability Report from the Federal Energy Regulatory Commission, dated September 7, 2004, states:

*Effective transmission vegetation management requires clear, unambiguous, enforceable standards that adequately describe the actions necessary by each responsible party. The NERC standard now being*

*developed should serve this purpose. We recognize that the details of such standards must respect differing vegetative, climate, terrain, and other considerations, and thus may need to balance between results required and detailed prescriptions for how to manage vegetation, so it will be challenging to develop a clear, effective standard. But it must be done, and done as quickly as possible to assure that the nation's customers and economy do not remain at risk to this known reliability threat.*

September 7, 2004 Report, page 17.

- Many utilities are multi-state entities. Tailoring individual programs to specific states within one company is costly and an inefficient use of resources.

Commissions in general should be apprised of I&M programs, but not prescribe I&M standards. Utilities have extensive experience managing transmission and distribution systems. Techniques change and efficiencies are gained in work practices over time. Utilities are able to adapt resources to these changes.

2. Whether standards should be placed in the regulations which are specific to each individual EDC; or whether all EDCs should be held to the same standard, and how would this be monitored and regulated.

Because of the many factors detailed in (1) above, strict uniform standards across all EDC types would not be cost-effective or productive for individual EDCs if I&M standards are deemed necessary. As noted in the Utility Vegetation Management and Bulk Electric Reliability Report from the Federal Energy Regulatory Commission, dated September 7, 2004:

*However, there is a wide range of vegetation management practices and procedures among the reporting transmission owners. There is very little uniformity in regard to right-of-way width, vertical line clearance, inspection*

*frequency, and vegetation management guidelines used. The lack of uniformity may be understandable in part, as transmission owners must design their vegetation management practices based on factors such as the demands of the terrain, location, climate, vegetation species, and local laws and regulations.*

September 7, 2004 Report, page 2.

3. What the standards should be regarding vegetation management practices, pole inspections, transmission and distribution line inspections, substations, transformers, reclosers, and other types of inspection and maintenance practices.

Each EDC has its own timing and frequencies for inspecting and maintaining equipment and managing vegetation cycles. The Commission has the authority to review and approve these cycles. If EDC reliability targets are not achieved, further actions can be addressed between the Commission and that company as is currently done.

4. Whether standards should be established for repair and maintenance of electric distribution company equipment or facilities that are critical for system reliability.

Defining critical equipment or facilities is difficult. A distribution transformer supplying an individual customer is certainly critical to that customer. Lightning arrestors may be critical to circuits in lightning-prone areas. Reclosers, capacitors, poles, conductors, may be all individually critical at certain times or to certain customers or in certain situations. At a high level, substations are probably considered most critical to reliability. Difficulties caused by overlapping oversight of facilities – for example, transmission oversight by FERC, NERC, ISO and individual states – should be considered in any proposed standard.

5. Whether there should be automatic civil penalties written into the regulations for failure to meet standards for more than three consecutive quarters or some other reasonable time period, depending upon the type of inspection and maintenance that is at question.

Penalties, if deemed necessary as part of the proposed regulations, should not be automatic. Many factors outside EDCs' control affect inspection and maintenance frequencies and reliability statistics in the short term. Weather affects twelve-month reliability statistics for an entire year. Many of the weather events are localized and affect individual circuits or service centers. Very few weather events are significant enough to warrant system-wide major-event-data exclusions. Weather also affects timing of getting work completed. Good weather is necessary to complete electrical inspections and maintenance safely. Automatic penalties would preclude communications with the Commission about conditions surrounding any failures to meet regulations and opportunities for remedial actions. Most work missed in a calendar year, which is an arbitrary timeframe as opposed to another annual period, can be completed at the next fair-weather opportunity.

#### IV. CONCLUSION

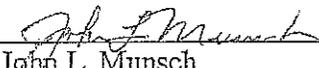
Allegheny Power appreciates the opportunity to comment on this proposed rulemaking. While reliability is important to EDCs, customers, and the Commission, each company has individually tailored inspection and maintenance programs to meet its reliability targets and achieve and maintain satisfactory customer satisfaction. The

Commission has opportunities to review progress and results by way of quarterly and annual reliability reports, customer-reported complaints, customer satisfaction surveys, and individual company meetings. Prescribing inspection and maintenance standards and implementing automatic penalties penalizes well-run companies for the sake of those that occasionally may need individual attention. Reliability is a long-term endeavor that should be monitored as such and not dissected into discrete monthly, quarterly, or annual intervals of work attained.

Respectfully submitted,

Allegheny Power  
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By:

  
\_\_\_\_\_  
John L. Munsch  
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Date: February 8, 2005