

**PENNSYLVANIA PUBLIC UTILITY COMMISSION**  
**Harrisburg, Pennsylvania 17105-3265**

**Petition of West Penn Power Company  
d/b/a Allegheny Power for Appeal  
from Action of Staff Concerning  
Waiver Request of Frequency of  
Substation Inspections.**

**Public Meeting – April 15, 2010  
2094773-OSA  
Docket No. M-2009-2094773**

**DISSENTING STATEMENT OF VICE CHAIRMAN TYRONE J. CHRISTY**

Today, the Commission denied the Petition for Appeal from Action of Staff (Petition) filed by West Penn Power Company d/b/a Allegheny Power (Allegheny Power or Company). The Petition was filed on January 11, 2010, pursuant to the Commission's regulations at 52 Pa. Code § 5.44. In its Petition, Allegheny Power requested that the Commission waive the requirement that substations be inspected at intervals of five weeks, and instead, permit it to conduct inspections of its substations on a semi-annual basis.<sup>1</sup>

I believe Allegheny Power has made a persuasive case that its request for a waiver should be granted, and that it should be authorized to conduct substation inspections on a semi-annual basis, rather than every five weeks as provided for in our regulations. In its Petition, Allegheny Power states, in pertinent part:

4. The Company has 481 distribution substations in Pennsylvania. The Company currently performs substation inspections on all substations with voltage below 345kV every six months, and every month for stations with voltages above 345 kV.

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<sup>1</sup> By way of background, the Final Rulemaking Order at Docket No. L-00040176, which established the five week inspection interval, reads as follows, "The EAP disagrees with a requirement for monthly substation inspections and claims that this new requirement would add \$3.3 million annually in EDC operating cost on a statewide basis. Current inspection programs are claimed to be sufficient to provide reliable substation operation. EDCs have studied results of more frequent inspections and have found little benefit in inspecting more frequently. All EDCs have routine cycles for inspecting substation equipment." (Final Rulemaking Order, p.74) The AFL-CIO agreed with the EDCs that it is neither feasible nor required to test substation breakers on a monthly basis; however, they contended that the Commission should establish a reasonable inspection, maintenance and testing cycle for these facilities. Duquesne Light Company supported a monthly substation inspection requirement, and Allegheny Power opposed the monthly substation inspection requirement. Allegheny Power indicated that frequent inspections were not producing reliability benefits, and the proposed standard would cost an additional \$900,000 each year. Philadelphia Electric Company inspects its substations every five weeks and urged the Commission to require inspections every five weeks or less.

5. Prior to 2008 Allegheny Power conducted substation inspections for substations under 345 kV three times per year. In 2008 the Company reduced the frequency of inspections to every six months. The reduction was the result of two studies conducted by the Company to determine the value of performing inspections three times per year.

6. The conclusion of the two studies was that performing substation inspections more often than twice per year had a negligible change in discovering substation equipment problems.

7. Allegheny Power analyzes each substation failure to determine the cause of the failure. Perhaps the most important finding for the purposes of the Company's waiver request is that none of the 2007, 2008, and 2009 substation failures would have been prevented through additional substation inspection. The substation outages were caused by equipment failures such as arrestors, insulators, transformers, switches or breakers/reclosers. It has been found that these failures were caused by situations that would have not been found by station inspections. Examples of situations that would have not been found during a station inspection include lightning strikes that caused arrester or other equipment failure and internal equipment failure that would not have been found through visual station inspection or normal field testing.

8. The CEEP letter denying the Company's waiver request points out that Allegheny Power had 36,627 customers suffer electrical outages in 2008 as a result of substation failures, and that 36,627 outages constituted 4.5 per cent of the Company's customer outages. The Company does not intend to diminish the importance of vigilance in reducing outages. But the important point is that none of the outages from substation failures would have been prevented by more frequent inspections.

9. The CEEP letter also remarks that all other Pennsylvania EDCs have inspections intervals of five weeks or less. But the fact that the other EDCs may not have conducted studies to determine the value of substation inspections more frequent than twice a year, as conducted by Allegheny Power, should not undermine the validity and results of the Allegheny Power's studies. Allegheny Power's studies were conducted for the purpose of determining justifiable cost savings that ultimately benefit customers.

10. The Company concludes by pointing out that increasing its frequency of substation inspections to intervals of five weeks would cost

approximately \$780,000 per year. The increased inspections would require 17,000 additional man hours, which would divert attention from other large projects and reliability improvement maintenance projects.

Petition at 2-4.

In Section 6 of its Biennial Inspection, Repair and Replacement Plan dated October 1, 2009, Allegheny Power discusses in detail the two studies referenced in its Petition in support of its request for a waiver of the required five week inspection frequency of its substations. Allegheny Power asserts that, "In each study, while monitoring the change in reliability issues; it has been found that there has been negligible effect on discovered equipment issues when the periodicities were lengthened." Allegheny Power further states that, "The additional man-hours will be diverted from other large maintenance projects such as capital improvement and reliability of maintenance projects."

Allegheny Power has demonstrated that the results of its October 1 study should trump the "cookie cutter" requirement contained in the Commission's regulations. In this instance, one size does not fit all, and the waiver from our regulations should be granted. Based upon the foregoing, I respectfully dissent from the majority's decision.

My dissent in this matter should not be interpreted as suggesting that I am not concerned about the safety and reliability of electric service in the Commonwealth. My track record in this regard is clear. Among other things, I have traveled throughout the state attending various meetings and forums about electric outages. In addition, I sponsored a joint motion with Commissioner Pizzigrilli that initiated a proceeding to examine whether changes are needed to the Commission's policies and regulations governing electric service reliability. After conducting public input hearings before an Administrative Law Judge and reviewing the responses from electric distribution companies to a list of directed questions, the Commission recently published for comment a Proposed Rulemaking and a Proposed Policy Statement. Implementation of the Policy Statement and Rulemaking should enhance the reliability of electric service in the Commonwealth.

4-15-10  
DATE

*Tyrone J. Christy*  
TYRONE J. CHRISTY, VICE CHAIRMAN