



inspection, maintenance, repair and replacement standards and enforce those standards” (66 Pa. C.S. § 2802(20)). The Choice Act also sets an important, specific goal: “Electric industry restructuring should ensure the reliability of the interconnected electric system by maintaining the efficiency of the transmission and distribution system.” 66 Pa. C.S. § 2802(12).

The revisions to the Commission’s electric service reliability regulations, 52 Pa. Code §§ 57.191, *et seq.*, represent an improvement over the existing regulations. In particular, AFL-CIO strongly supports the following aspects of the new regulations:

- Eliminating the artificial “operating area” reporting requirements;
- Requiring specific data and plans for each utility’s worst-performing circuits;
- Making clear that the goal should be utility performance that equals or exceeds the benchmark; and
- Improving the timeliness of, and public accessibility to, utility reliability data.

AFL-CIO has three concerns with the specific provisions of the proposed regulations.

#### 1. Inspection, Maintenance, Repair, and Replacement Standards

First, and most importantly, the Commission has failed to propose specific inspection and maintenance standards that are required by law. Section 2802 of the Public Utility Code states: “the commission shall set through regulations, inspection, maintenance, repair and replacement standards and enforce those standards” 66 Pa. C.S. § 2802(20) (emphasis added). This is not simply a grant of authority to the Commission; it is a non-discretionary requirement. The statute requires the Commission to set inspection, maintenance, repair, and replacement standards for electric distribution

companies (EDCs). The law became effective on January 1, 1997, and after seven years the Commission still has not met its obligation to establish these standards.

In direct violation of its statutory responsibility, the Commission proposes to only require EDCs to report on their inspection and maintenance practices, goals, and budgets. Proposed § 57.195(b)(6)-(12). These reporting requirements would supplement the existing requirement of Section 57.194(c) that requires only that an EDC “shall make periodic inspections of its equipment and facilities in accordance with good practice and in a manner satisfactory to the Commission.” The Commission is not proposing to change the latter section.

It appears that the Commission considered the possibility of setting inspection and maintenance standards, but rejected it in favor of reporting requirements. Thus, the Commission states:

[In 1998,] CEEP was directed to conduct a study of the issue of whether specific inspection and maintenance standards should be developed for electric distribution systems. The staff study recommended that, in lieu of standards, the EDCs be required to submit documentation on inspection and maintenance activities. Further reporting requirements in this area will assist the Commission in assuring that the EDCs are carrying out their own plans for maintaining electric service reliability.

33 Pa. Bull. at 4925.

With all due respect to the Commission and its staff, the Commission does not have a choice in this matter. The law requires the Commission to set enforceable regulations for inspection, maintenance, and repair of EDC facilities. While it may have been appropriate to conduct a study in 1998 to determine how to establish such standards, the time has long since passed for the Commission to establish and enforce specific regulations.

Moreover, AFL-CIO members and the public at large are experiencing first hand the consequences of the Commission's failure to establish these standards. Since the mid-1990s, utilities have drastically reduced their inspection and maintenance budgets; changed their inspection and maintenance practices, in many cases eliminating routine inspection and maintenance of critical facilities (such as poles and transformers); reduced the work force that is able to inspect, maintain, and repair distribution facilities; redirected their resources into unregulated operations; drastically reduced their spare parts inventories, leading to unnecessary delays in repairing and maintaining facilities; and otherwise failed to comply with sound practices for the inspection, maintenance, and repair of their distribution systems.

The result of these failures has been a dramatic increase in the number and duration of outages, more severe damage from storms than would have been the case if sound practices had been followed, and greatly lengthened storm-related outages.

In summary, it is time for the Commission to comply with the requirements of the statute and adopt enforceable inspection, maintenance, repair, and replacement standards. The Commission should retain its proposed reporting requirements in Section 57.195(b)(6)-(12), but should amend Section 57.194(c) to include specific, enforceable standards.

## 2. Definition of "Circuit"

The second matter is almost clerical in nature. The Commission appropriately requires each EDC to report on the 5 percent of its circuits that have the worst performance. The regulations, however, never define a "circuit." The Commission's order defines circuit, in footnote 1, as being "a number of electrical components

connected together in a closed loop.” That definition, however, does not appear in the regulation itself. The Commission also may want to consider the definition of “circuit” that is used in the National Electrical Safety Code: “a conductor or system of conductors through which an electric current is intended to flow.” IEEE, *National Electrical Safety Code* (1997 Edition), section 2 (definitions of special terms). Conductor, in turn, is defined as “a material, usually in the form of a wire, cable, or bus bar, suitable for carrying an electric current.” *Id.*

### 3. Use and Meaning of Call-Out Acceptance Rates

Finally, in its proposed quarterly reporting requirement, the Commission has included information on the “monthly call-out acceptance rate for transmission and distribution maintenance workers.” Proposed § 57.195(e)(11). AFL-CIO does not disagree with the reporting requirement, but it does believe that the Commission misinterprets the reason why the call-out acceptance rate may be important.

Further, the Commission may want to consider changing to a time-based measure (that is, the amount of time it takes the EDC to obtain the necessary personnel) rather than a measure based on the percentage of employees called. A time-based measure would reflect some EDCs’ use of automated calling methods, which can obtain the necessary personnel more quickly (for example, by calling 10 or 20 people simultaneously), even though the percentage of those called who respond affirmatively might be lower.

In describing the reasons for this reporting requirement, the Commission states:

We are also interested in receiving information on monthly call-out acceptance rates for transmission and distribution maintenance workers. There are times when, during a storm which causes numerous customer outages, the acceptance rate of line crews (the percentage of time that the

maintenance workers accept a call for repairing equipment and restoring service) is low. The monthly call-out acceptance rates may provide some perspective on reliability performance.

33 Pa. Bull. at 4926.

As the Commission describes it, EDCs may be able to use a low call-out acceptance rate as an excuse (a way to “provide some perspective”) for poor performance, such as longer outages. In fact, a low call-out acceptance rate should be an indication that there are serious problems with the EDC’s work force management practices; particularly if a time-based measure is used. In AFL-CIO’s experience, low call-out acceptance rates (or lengthy call-out response times) usually are a consequence of one or more of several factors, each of which is an indication that there are serious problems with the staffing of the utility’s line maintenance operations. These problems can include:

1. The EDC failing to maintain an adequate number of trained personnel on its payroll. This frequently leads to increased levels of overtime that reduces the willingness or ability of personnel to respond to further call outs.
2. An aging work force that can decrease the willingness and ability of personnel to respond to call outs.
3. Inefficient work force management practices. For example, several Pennsylvania EDCs have eliminated voluntary call-out priority lists. In the past, these lists were used to allow trained personnel to volunteer to be called out (it was common to use this type of list when a serious storm was expected). Under this type of system, the first people called would be those who volunteered to be available. This greatly increased the call-out acceptance rate, improved the response time to outages, and prioritized overtime to those personnel who desired it. Some utilities have eliminated this practice and, instead, attempt to contact everyone. In addition, some EDCs continue to call the trained work force manually, instead of using readily available automated calling methods that can greatly reduce the amount of time needed to obtain the necessary personnel to respond to an outage.

That is, rather than being an excuse for poor performance, a low call-out acceptance rate (or a lengthy call-out acceptance time) should be an indication that there

may be a serious management issue within the EDC. A low acceptance rate should prompt a more detailed investigation by the Commission to determine if the utility is properly managing its work force and its outage-response efforts.

In conclusion, AFL-CIO commends the Commission for its efforts, in this proposed rulemaking and in the Tentative Order proceeding, to improve the level of reliability being experienced by customers of Pennsylvania's EDCs. AFL-CIO submits that the Commission should adopt the proposed rulemaking, with three changes: (1) adding enforceable inspection, maintenance, repair, and replacement standards, as required by law; (2) adding a definition of "circuit"; and (3) clarifying the reasons why the call-out acceptance rate is important and what actions the Commission may take in response to low call-out acceptance rates.

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