

ORIGINAL



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VIA U.P.S. NEXT DAY

**DOCUMENT
FOLDER**

July 31, 2008

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

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JUL 31 2008

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

L-00030161

Re: Second Quarter 2008 Reliability Report of Allegheny Power

Dear Secretary McNulty:

Enclosed please find an original and six copies of the Second Quarter 2008 Reliability Report of Allegheny Power. The report contains a description of the Rutan/Bristoria circuit reconstruction project, as directed in the Commission's Order entered April 25, 2008, at Docket No. C-20066211. This report is filed by U.P.S. and is deemed filed today, July 31, 2008. Copies of the Report have been served on the parties to Allegheny Power's reliability standards and benchmarks proceeding at Docket No. M-00991220F0003.

Very truly yours,

Handwritten signature of John L. Munsch.
John L. Munsch
Attorney

JLM:sac

cc: Darren G. Gill, Bureau of CEEP

BN-15968

Allegheny Power
Quarterly Report for Second Quarter 2008

This quarterly report is being submitted in accordance with Title 52. Public Utilities - Part I. Public Utility Commission -Subpart C. Fixed Services Utilities - Chapter 57. Electric Service Subchapter N. Electric Reliability Standards.

§ 57.195 (e) (2) The name, title, telephone number and e-mail address of the persons who have knowledge of the matters, and can respond to inquiries, shall be included.

James D. Cormack
General Manager, Distribution Reliability
(724) 838-6540
jcormac@alleghenypower.com

§ 57.195 (e) (1) A description of each major event that occurred during the preceding quarter, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted in order to avoid or minimize the impact of similar events in the future.

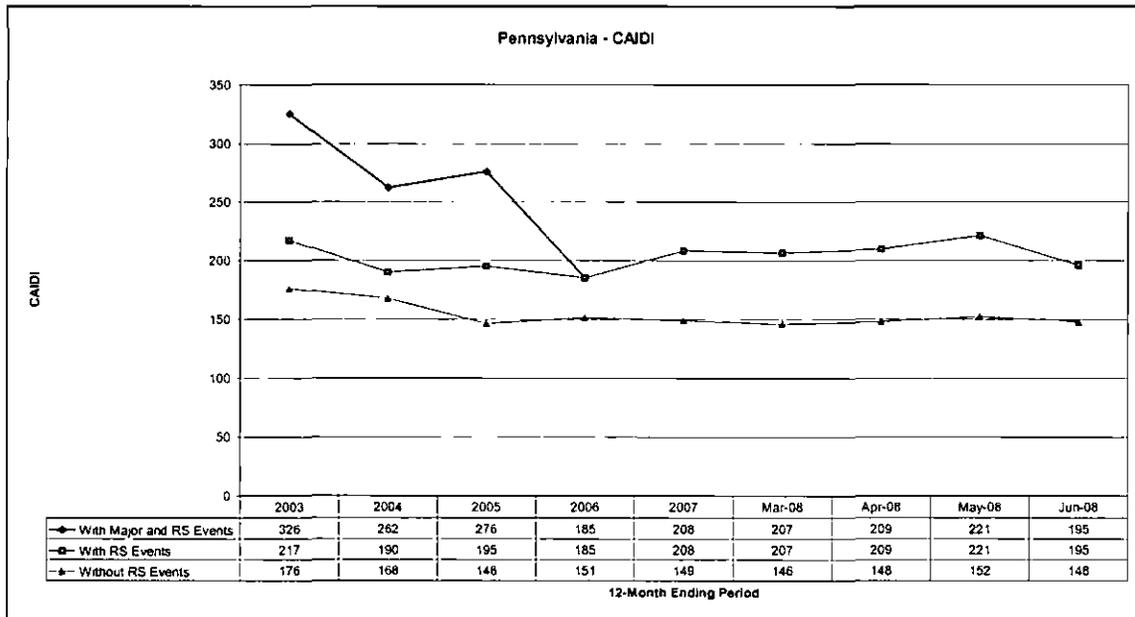
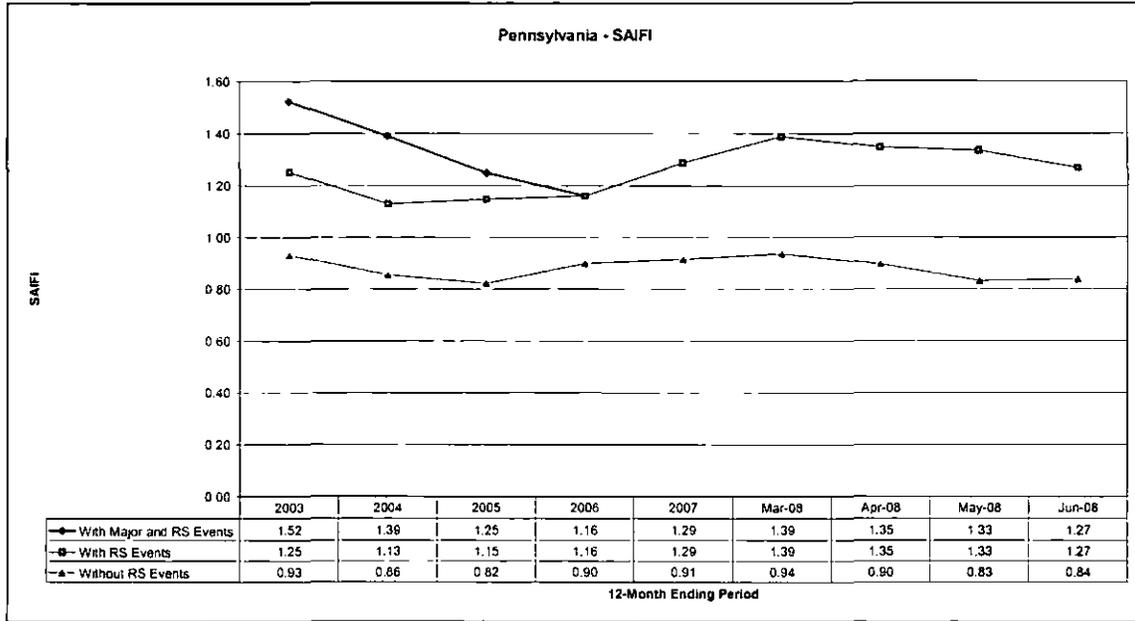
- a. The following Major Events occurred during the second quarter of 2008. Note that these events are excluded based upon the proposed service-area-wide definition.
- b. Major events occurred on the following dates. A description of the events is attached as Appendix VI in form of final 'Distribution System Outage Reports' reports as previously issued to the Commission if applicable.
 - i. There were no Major Events during the quarter.
- c. Allegheny Power's Restore Service Process Management Team constantly monitors the process and conducts post-event meetings in an attempt to enhance the restoration process for future events.
- d. In addition to major events, Allegheny Power tracks the effects of major weather events (Restore Service or "RS" Events) that do not meet the 10% exclusion threshold but have a major effect on reliability statistics. Because Allegheny Power's Pennsylvania territory is spread across four weather zones, large regional storms are typically not excluded, even though they often require massive restoration efforts. During the 12-month period ending June 2008, AP's Pennsylvania service territory experienced many such events, including consecutive storms on August 8th and 9th, 2007, three events in December, 2007, nine events in the first quarter 2008, and 7 events in second quarter 2008. These items are discussed in more detail in section (e)(2).

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e. The following charts show the effect on SAIFI and CAIDI of Major Events and RS Events for Pennsylvania customers through 2nd quarter 2008:



§ 57.195 (e) (2) Rolling 12-month reliability index values (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the EDC's service territory for the preceding quarter. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer interruptions, the number of customers affected, and the customer minutes of interruption. If MAIFI values are provided, the report shall also include the number of customer momentary interruptions.

- a. The following table provides Pennsylvania's 12-month ending reliability statistics for month ending June 2008. MAIFI statistics are not recorded nor readily available at Allegheny Power. As disclosed in prior filings, sufficient field equipment is not available to provide meaningful data for momentary interruptions.

Reliability Indices	Approved Settlement Benchmarks	Rolling 12-Month Standard	Rolling 3-Yr Avg. Standard	2nd qtr 2008 Performance (Rolling 12-month)
SAIFI	1.05	1.26	1.16	1.265
CAIDI	170	204	187	195
SAIDI	179	257	217	247

Data supporting indices:

Zone	Locations	Incident Devices	Interrupted Customers	Avg Cust Served	kVA	Calls	CMI	SAIDI	ASAI	CAIDI	SAIFI
Pennsylvania	11,161	18,057	888,325	701,938	9,107,347	145,409	173,640,442	247.4	0.999531	195.5	1.265

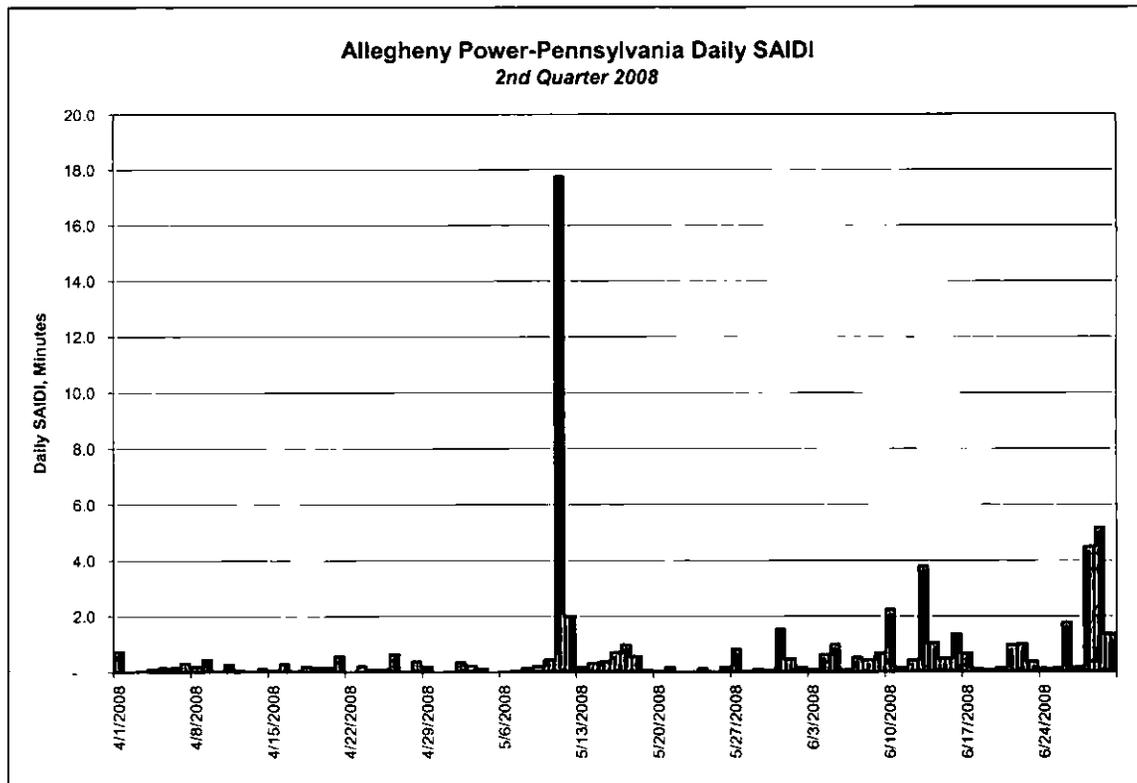
Discussion supporting statistics:

Analysis of 2nd Quarter 2008 Statistics:

AP statistics moved to its 12-month standards with the quarterly performance.

Seven RS Events (2 in May and 5 in June) affecting AP's PA service centers in the 2nd quarter 2008 contributed 36 minutes to the second quarter SAIDI of 65.

The daily SAIDI for the second quarter is shown in the chart below.



§ 57.195 (e) (3) *Rolling 12-month reliability index values (SAIFI, CAIDI, SAIDI, and if available, MAIFI) and other pertinent information such as customers served, number of interruptions, customer minutes interrupted, number of lockouts, and so forth, for the worst performing 5% of the circuits in the system. An explanation of how the EDC defines its worst performing circuits shall be included.*

- a. This report provides a listing of all Pennsylvania circuits ranking in the lowest five percent as ranked by Circuit Improvement Index Ranking, which incorporates reliability statistics at a local level to further address individual customer satisfaction. The report is attached as Appendix I.
- b. A description of the Circuit Improvement Index process is presented in Appendix V.

§ 57.195 (e) (4) *Specific remedial efforts taken and planned for the worst performing 5% of the circuits as identified in paragraph (3).*

- a. Allegheny's current process for addressing poor performing circuits and line segments is outlined in the Reliability Improvement Program (RIP), the details of which have been previously submitted to the Commission staff. In summary, the RIP program addresses all circuits experiencing two or more lockouts as well as any other protective device experiencing multiple operations. Field personnel review outages on these circuits or

line segments and corrective action is taken as necessary to address any immediate reliability concerns.

- b. Remedial work for the 5% circuits is shown in Appendix II. Field personnel review these circuits quarterly. After the third quarter reporting is complete, outage causes are evaluated and action plans are developed for circuits requiring more comprehensive maintenance and these plans are incorporated in next year's budgets and work plans.
- c. AP has continued a circuit improvement process whereby AP's recent 100 worst performing circuits are identified, studied, and targeted for further possible improvements based on the review of outage causes. Approximately one-third of these circuits are Pennsylvania circuits. This program is being integrated into the RIP process.

§ 57.195 (e) (5) A ROLLING 12-MONTH breakdown and analysis of outage causes during the preceding quarter, including the number and percentage of service outages, THE NUMBER OF CUSTOMERS INTERRUPTED, and customer interruption minutes categorized by outage cause such as equipment failure, animal contact, tree related, and so forth. Proposed solutions to identified service problems shall be reported.

- a. A summary of outage causes by incidents, customers interrupted, and customer minutes interrupted follows.
- b. Allegheny Power's Outage Management System (OMS) tracks the number of incidents recorded for a circuit. This number does not necessarily reflect the number of outages on a circuit. One outage may be recorded as multiple incidents on different phases or grouped to different sectionalizing devices. It should be noted that the number of incidents on a circuit may be overstated due to the way similar incidents may not have grouped together in OMS. This may result in the creation of additional individual incidents associated with one circuit outage.
- c. Note that 72% of all customer interruptions are caused by non-equipment-related causes. Also note that 92% of customers interrupted by trees are a result of trees falling from outside of the right-of-way.
- d. AP's definition of tree-related outages includes those cases where trees have fallen as a result of severe weather conditions.
- e. 'Weather' definition includes weather-related outages involving lightning damage, severe snow/ice loading, extreme wind, flooding, etc. and does not include tree-related outages.
- f. Allegheny Power's Outage Management System (OMS) tracks the number of incidents recorded for a circuit. This number does not necessarily reflect the number of outages on a circuit. One outage may be recorded as multiple incidents on different phases or grouped to different sectionalizing devices. It should be noted that the number of incidents on a circuit may be overstated due to the way similar incidents may not have grouped together in OMS. This may result in the creation of additional individual incidents associated with one circuit outage and will be noted in the circuit comments below.

Outage Cause	Incidents		Customers Interrupted		Customers Minutes Interrupted	
	12 Month ending June 08		12 Month ending June 08		12 Month ending June 08	
	Number	Percent	Number	Percent	Number	Percent
Animals	1,261	7.0%	23,132	2.6%	2,263,392	1.3%
Overhead Equipment Failure						
Overhead Line Equipment	1,464	8.1%	45,529	5.1%	5,254,441	3.0%
Overhead Line Material	1,761	9.8%	97,800	11.0%	13,206,940	7.6%
Overhead Wire	1,138	6.3%	62,227	7.0%	9,361,190	5.4%
Underground Equipment						
Underground Line Material	47	0.3%	1,245	0.1%	321,891	0.2%
Underground Line Equipment	135	0.7%	3,839	0.4%	901,248	0.5%
Underground Cable	335	1.9%	14,178	1.6%	4,260,426	2.5%
Service Equipment	36	0.2%	75	0.0%	10,897	0.0%
Substation Equipment	85	0.5%	19,987	2.2%	1,236,651	0.7%
Other	143	0.8%	15,587	1.8%	1,246,349	0.7%
Public/Customer	1,610	8.9%	134,335	15.1%	22,260,211	12.8%
Trees						
On Right of Way	305	1.7%	24,667	2.8%	4,936,626	2.8%
Off Right of Way	4,350	24.1%	223,108	25.1%	57,952,348	33.4%
Unknown	1,794	9.9%	79,547	9.0%	8,471,672	4.9%
Weather	3,593	19.9%	143,069	16.1%	41,956,159	24.2%
Total	18,057	100%	888,325	100%	173,640,441	100%

§ 57.195 (e) (6) Quarterly and year-to-date information on progress toward meeting transmission and distribution inspection and maintenance goals/objectives (FOR FIRST, SECOND AND THIRD QUARTER REPORTS ONLY).

- a. A report attached as Appendix III provides a listing of updates to the planned Ensure Reliable Service work for 2008.
- b. AP's goals may vary slightly throughout the year as work may be modified to meet new or changing field conditions. Some work has more inherent uncertainty associated with establishing budgets and goals more than a year ahead of time.

§ 57.195 (e) (7) Quarterly and year-to-date information on budgeted versus actual transmission and distribution operation and maintenance expenditures IN TOTAL AND DETAILED BY THE EDC'S OWN FUNCTIONAL ACCOUNT CODE OR FERC ACCOUNT CODE AS AVAILABLE. (For first, second and third quarter reports only.)

	2nd Qtr Actual	Budget	YTD Actual	YTD Budget
.....Distribution Admin_CC	\$ (278,235)	\$ 48,990	\$ (488,401)	\$ (286,625)
.....Distribution Engineering & Planning_CC	\$ 154,814	\$ 210,967	\$ 296,948	\$ 471,197
.....Distribution Support_CC	\$ 2,838,732	\$ 2,739,157	\$ 5,388,526	\$ 4,905,412
.....Field Operations_CC	\$ 3,749,902	\$ 5,098,704	\$ 8,872,850	\$ 9,132,517
.....Distribution Forestry_CC	\$ 1,846,392	\$ 1,704,903	\$ 3,378,831	\$ 3,344,284
.....Transmission Other_CC	\$ 118,689	\$ 123,719	\$ 281,569	\$ 237,713
.....Substations_CC	\$ 1,305,969	\$ 1,896,306	\$ 2,949,973	\$ 3,552,993
.....Transmission Planning & Operations	\$ 1,006,619	\$ 1,074,766	\$ 1,986,834	\$ 2,053,984
.....Technical Services - Delivery_CC	\$ 699,116	\$ 863,480	\$ 1,416,746	\$ 1,708,638
.....Transmission Engineering_CC	\$ 649,043	\$ 719,967	\$ 1,338,682	\$ 1,456,677
.....Transmission Forestry_CC	\$ 762,302	\$ 1,291,492	\$ 1,281,758	\$ 1,837,731
.....Transmission Projects_CC	\$ 115,911	\$ 232,947	\$ 192,413	\$ 423,403
.....Transmission Siting_CC	\$ 92,140	\$ 126,435	\$ 329,591	\$ 261,499
.....EHV Projects_CC	\$ (16,688)	\$ -	\$ (31,624)	\$ -
Total	\$13,044,705	\$16,131,842	\$27,194,496	\$29,099,424

§ 57.195 (e) (8) Quarterly and year-to-date information on budgeted versus actual transmission and distribution capital expenditures; IN TOTAL AND DETAILED BY THE EDC'S OWN FUNCTIONAL ACCOUNT CODE OR FERC ACCOUNT CODE AS AVAILABLE. (For first, second and third quarter reports only.)

Plant code		2nd Quarter Actual	2nd Quarter Budget	YTD Actuals	YTD Budget
03	EHV Substation	772,855	227,298	1,269,898	529,459
04	EHV Lines	78,690	134,000	36,572	134,000
05	Transmission Substation	2,094,120	1,958,764	1,586,882	3,315,746
06	Elect Transmission Lines	1,299,476	3,063,647	1,399,928	3,532,195
07	Distribution Substation	5,008,210	7,596,760	8,256,761	11,798,373
08	Elect Distribution Lines	13,752,930	13,941,696	25,307,287	24,593,030
09	Elect General Plant	1,908,911	1,581,850	2,738,636	5,334,100
11	Subtransmission	469,606	396,296	292,943	588,137
#					
Result		25,384,799	28,900,310	40,888,907	49,825,040

§ 57.195 (e) (9) Dedicated staffing levels for transmission and distribution operation and maintenance at the end of the quarter, in total and by specific category (for example, linemen, technician and electrician).

Position	Count
Lead Lineman Count	101
Lineman A Count	49
Lineman C Count	1
Serviceman A Count	78
Serviceman Apprentice Count	18
Serviceman B Count	7
Serviceman C Count	20
Serviceman C Count	1
SS Crew Leader Maintenance Count	14
SS Electrician A Count	35
SS Electrician Apprentice Count	2
SS Electrician B Count	6
SS Electrician C Count	3
Utilityman A Count	4
Utilityman B Count	1
Grand Count	340

§ 57.195 (e) (10) Quarterly and year-to-date information on contractor hours and dollars for transmission and distribution operation and maintenance.

a. Contract dollars include capital as well as O&M work as available from AP financial reporting system. Note that much of AP's contracted work involves firm price contracts for which no man-hours are documented.

Quarter	Contract Dollars - Qtr	Contract Dollars - YTD
1 st qtr	\$1,491,683	\$1,491,683
2 nd qtr	\$2,011,058	\$3,502,741

§ 57.195 (e) (11) Monthly call-out acceptance rate for transmission and distribution maintenance workers PRESENTED IN TERMS OF BOTH THE PERCENTAGE OF ACCEPTED CALL-OUTS AND THE AMOUNT OF TIME IT TAKES THE EDC TO OBTAIN THE NECESSARY PERSONNEL. A BRIEF DESCRIPTION OF THE EDC'S CALL-OUT PROCEDURE SHOULD BE INCLUDED WHEN APPROPRIATE.

- a. Attached as Appendix IV is a report indicating call out acceptance for the each service center in AP Pennsylvania service territory.
- b. The monthly call-out acceptance rate does not include statistics for crewmembers who are assigned ready-response duties, where applicable.
- c. Allegheny Power implemented its Automated Resource Call Out System (ARCOS) on June 10, 2005 to track the amount of time to obtain necessary personnel.
- d. The average callout acceptance time per worker per list called was 4.6 minutes in the third quarter. This number represents the elapsed time per callout list divided by the number of people that accepted. This time includes ready response, which has an elapsed time of 0 minutes. The data is only for linemen and electrician callouts. Allegheny Power has developed a method to calculate average callout acceptance time per crew from our automated system; for the 4th quarter, the average response time per crew was 5.4 minutes.

Allegheny Power compliance with terms of July 20th, 2006 Reliability Settlement Petition
Opinion and Order:

Item	Description	Compliance Status
1	Make adjustments to vegetation maintenance practices to reduce its rights-of-way clearing cycle to no longer than four (4) years.	Allegheny Power currently evaluates circuits on a four year cycle, trims the three-phase sections of those circuits, identifies and removes off-right of way danger trees on the three-phase sections of circuits, and makes decisions on a per circuit basis if additional vegetation management is to be done. In 2008, AP is focused on first completing the three-phase sections of the 43 deferred 2007 scheduled circuits and then complete the three-phase sections of the scheduled 2008 circuits. Also performing additional vegetation management on ~ 10% of WPCs.
2	Make adjustments to vegetation program to include an assessment of off-right-of-way danger trees.	Off R-O-W danger trees continue to be evaluated during vegetation management cycle and removed if necessary and agreeable to tree owner.
3	Maintain 12-year pole inspection cycle for distribution and sub-transmission wood poles	Poles are inspected on a 12-year cycle.
4	Maintain 12-year facilities inspection cycle for distribution and sub-transmission wood poles	Distribution and subtransmission equipment is inspected on a 12-year cycle.
5	Inspections to include visual inspections of pole, materials and equipment contained thereon from ground line to top of pole, hammer soundings, borings, excavation and treatment of pole.	Inspections include visual inspections of poles, equipment attached to poles, hammer soundings, excavation, borings, and treatment if necessary.
6	Perform a mid-cycle visual inspection of poles and equipment such that all circuits are inspected, on average, every 6 years. Incorporate reliability performance and performance of materials and equipment into the prioritization of circuits.	Mid-cycle inspections are made on average every six years.
7	Perform a line workforce study and substation workforce study	Complete
8	Deliver study to Parties within 60 days of final entry of non-appealable Order.	Delivered to Local 102 on 10/24/06; PREA on 3/7/2007
9	Discuss study with Parties within 10 days of delivery.	Met with Local 102 on 10/24/06
10	Within 60 days of entry of final non-appealable order, provide parties with copies of all reliability-related reports filed with the Commission under 52 Pa. Code 57.195 and any additional monitoring reports or compliance reports that may be required under 52 Pa. Code 57.194(h)(1).	Effective 3rd quarter 2006 report.
11	In quarterly and annual reports, include a section reporting on compliance of settlement	Effective 3rd quarter 2006 report.
12	PREA/AEC - meet semi-annually (first meeting to be held no later than 45 days of the date of the final, non-appealable order	First meeting held 9/14/06
13	PREA/AEC meeting - Discuss most recent outages with particular emphasis on those with duration > 120 minutes	Discussed at 4/9/2008 meeting
14	PREA/AEC meeting - Identify and agree on mutual delivery points that serve critical services/customers	Discussed at 4/9/2008 meeting
15	PREA/AEC meeting - discuss five "worst performing" Delivery Points	Discussed at 4/9/2008 meeting

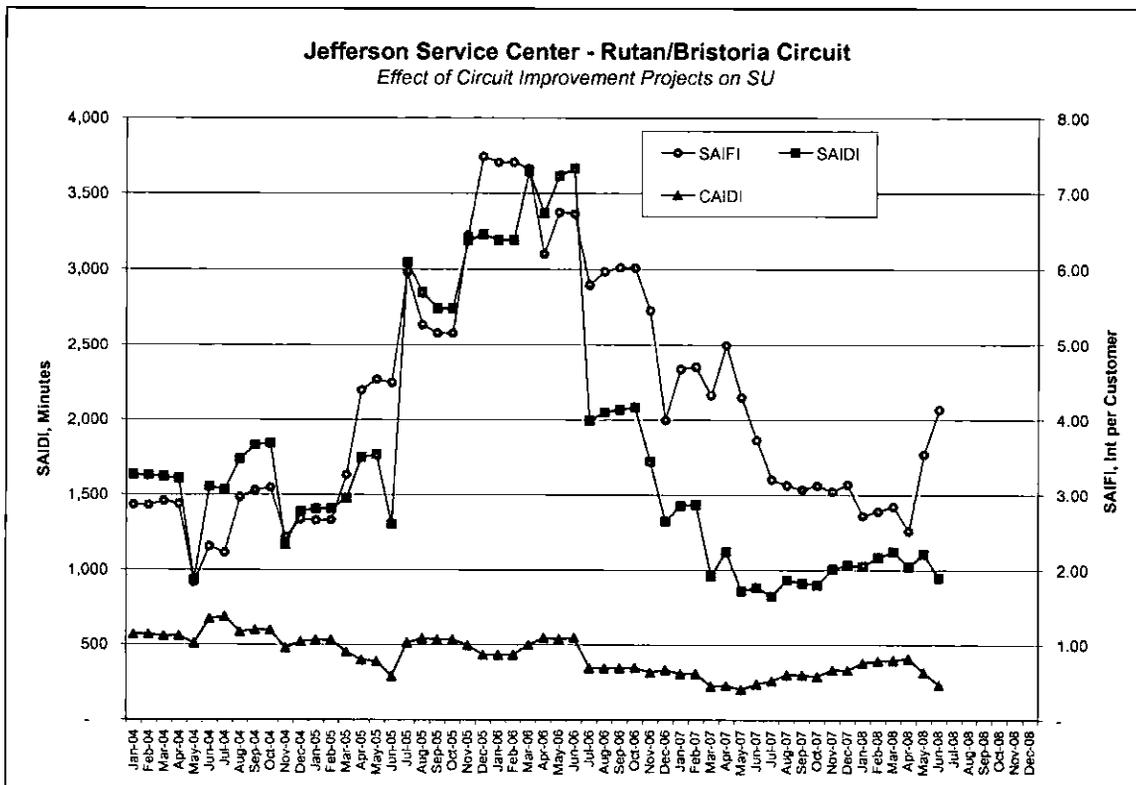
Status of projects and statistics on Rutan/Bristoria circuit (Gaines Order):

(a) Status of reconductoring: 2007 reconductoring work completed. If good weather conditions prevail, 2008 Phase II reconductoring work should be completed by 8/1/2008.

(b) Reliability indices (12 month ending June 2008):

District	Substation	Circuit	SAIDI	CAIDI	SAIFI
Jefferson	RUTAN [52096]	BRISTORIA [0071]	1,029	329	3.13

Reliability on Bristoria has improved significantly. The following chart trends SAIFI, CAIDI, and SAIDI on this circuit over several years. Note that the recent trend has been affected by RS Events. Note: The uptick in SAIFI was a result of short circuit lockouts (as evidenced by drop in CAIDI) occurring in May (public vehicle into pole) and June (broken insulator in substation).



Appendix I – 5% Distribution Circuit Statistics

SCName	SSName	CktName	CustServed	DCII	SAIFI	SAIDI	CAIDI	ASAI	CMI	CustIntrup	CircuitLockouts	Incidents	Miles
Arnold	GOBAIN	PITTSBURGH STREET	1233	65	1.56	332	213	0.999368	409561	1924	0	40	27
Arnold	NORTH WASHINGTON	POKE RUN	1143	38	2.59	738	285	0.998596	843698	2961	2	102	67
Arnold	SALTSBURG	SALTSBURG	1427	48	3.11	516	166	0.999018	736265	4436	2	55	55
Arnold	VANDERGRIFT	GRIFFLO PARK	2762	77	0.81	172	212	0.999673	475253	2242	0	66	73
Arnold	VANDERGRIFT	ROARING RUN	914	92	0.28	29	105	0.999945	26573	252	0	16	16
Butler	COOPERSTOWN	COOPERSTOWN	944	80	0.44	110	252	0.999791	103606	411	0	18	47
Butler	COOPERSTOWN	TWIN WILLOWS	1310	64	2.75	262	96	0.999502	343632	3597	1	55	55
Butler	KARNS CITY	KAYLOR	1170	65	2.09	306	146	0.999418	357455	2442	1	26	62
Butler	MCBRIDE	NIXON	1075	78	1.21	165	137	0.999686	177478	1300	0	30	50
Butler	SAXONBURG 138KV	BUTLER RD	756	48	0.66	412	625	0.999216	311660	499	0	12	25
Charleroi	CHARLEROI	N. CHARLEROI	1132	46	4.18	426	102	0.999189	481809	4731	2	39	15
Charleroi	SMITHTON	FITZHENRY	1143	76	0.71	173	243	0.999671	197445	811	0	23	44
Charleroi	SMITHTON	HUTCHINSON	862	63	2.37	318	134	0.999395	273871	2044	2	19	36
Charleroi	SMITHTON	SMITHTON	962	54	1.41	481	341	0.999085	462853	1356	0	54	47
Charleroi	VANCEVILLE	VANCEVILLE	1322	41	2.26	682	302	0.998702	901779	2986	1	148	104
Jeanette	EASTGATE	PITT CAMPUS	2028	57	2.25	421	188	0.999199	854554	4557	1	50	35
Jeanette	EASTGATE	WEST POINT	1326	63	1.51	362	240	0.999311	480053	1997	1	37	30
Jefferson	MATHER	JEFFERSON	1365	40	4.33	528	122	0.998995	720755	5915	3	90	42
Jefferson	MATHER	MATHER	721	48	3.95	429	109	0.999184	309572	2847	5	31	35
Jefferson	RUTAN	BRISTORIA	1170	21	4.13	943	228	0.998206	1103197	4832	2	53	191
Jefferson	RUTAN	WINDRIDGE	1280	44	4.38	454	104	0.999136	580927	5606	2	106	200
Jefferson	WHITELEY	MT. MORRIS	1026	72	1.39	231	167	0.999561	237443	1424	1	24	99
Kittanning	CROOKED CREEK	KELLY STATION	300	67	1.38	304	221	0.999422	91313	414	1	22	27
Kittanning	TROY HILL	IRON BRIDGE	631	65	1.78	317	178	0.999397	200327	1123	0	21	38
Latrobe	LUXOR	ROLLING ACRES	925	60	7.2	2314	321	0.995597	2140863	6660	2	127	48
McConnellsburg	MCCONNELLSBURG	HARRISONVILLE	1386	48	2.42	563	233	0.998929	780974	3351	0	72	103
McDonald	MIDWAY	MIDWAY	949	60	1.8	396	220	0.999247	375442	1704	0	34	41
McDonald	SMITH	FLORENCE	771	55	1.82	465	255	0.999115	358197	1405	0	44	79
Pleasant Valley	LAZY HOUR	DUNBAR	1145	73	1.36	222	163	0.999578	253572	1558	1	48	30
St Marys	MARVINDALE	CLERMONT	913	65	1.28	326	254	0.99938	298151	1172	1	14	64
State College	MILLHEIM	WOODWARD	1122	70	1.55	261	169	0.999503	293100	1736	0	41	90
State College	THOMPSON FARM	TOFTREES	933	68	1.56	285	183	0.999458	266106	1452	1	34	16
State College	WATERVILLE	WATERVILLE	344	0	5.71	1179	206	0.997757	405570	1965	2	18	20
Uniontown	BETHELBORO	COOLSPRING	1451	55	2.13	469	220	0.999108	680378	3091	1	61	44
Uniontown	EAST MILLSBORO	EAST MILLSBORO	174	30	3.18	849	267	0.998385	147412	552	1	22	16
Uniontown	HENRY CLAY	MARKLEYSBURG	1065	52	2.79	466	167	0.999113	496107	2975	1	60	66
Uniontown	MERRITTSTOWN	REPUBLIC	1663	52	3.24	422	130	0.999197	702261	5394	2	27	46
Uniontown	NORTH UNION	FAN HOLLOW	539	90	0.3	36	122	0.999932	19562	160	0	19	28
Uniontown	NORTH UNION	PHILLIPS	1441	76	1.39	186	134	0.999646	267696	2001	0	49	57
Washington	HOUSTON	MCGOVERN	1663	62	1.67	364	217	0.999307	604658	2783	0	54	70
Washington	LAGONDA	HATHAWAY	1065	35	2.26	788	349	0.998501	839654	2409	1	88	81
Washington	PANCAKE	STRABANE	332	61	2.21	368	167	0.9993	122251	734	1	20	11
Washington	PANCAKE	VANCE	386	72	1.2	235	195	0.999553	90872	465	1	18	37

Appendix II – 5% Distribution Circuit Remedial Actions

SCName	SSName	CktName	Actions Taken or Planned	Status
Arnold	GOBAIN	PITTSBURGH STREET	Tree trimming planned for 2008. Circuit review planned.	Circuit review completed. Circuit has been reconfigured to feed part of it from Pittsburgh Mills SS which is closer to the load.
Arnold	NORTH WASHINGTON	POKE RUN	Circuit review planned for 2008. Tree trimming will be completed in 2009	Circuit review completed. Review mainline coordination.
Arnold	SALTSBURG	SALTSBURG	2008 pole inspection. Circuit review planned.	Circuit review completed. Reconductor approx 1 mile to replace deteriorated wire. Trees trimmed in 2007. Add additional fuses and revamp river crossing. Future recommendation to split circuit.
Arnold	VANDERGRIFT	GRIFFLO PARK	2008 tree trimming scheduled. Circuit review planned.	Circuit review completed. Future project planned to upgrade two capacitors.
Arnold	VANDERGRIFT	ROARING RUN	Circuit review planned. Trees trimmed in 2007.	Circuit review completed. No additional improvement opportunities evident. Monitor reliability.
Butler	COOPERSTOWN	COOPERSTOWN	Circuit review planned. Future reconductoring of line sections planned.	Circuit review completed. Additional sectionalizing / fault indication identified.
Butler	COOPERSTOWN	TWIN WILLOWS	Circuit review planned. Future OCR replacement planned. Trees trimmed in 2007.	Circuit review completed. Additional sectionalizing / fault indication identified.
Butler	KARNS CITY	KAYLOR	Circuit review planned. Tree trimming planned for 2008. Future tap transfer planned.	Circuit review completed. Additional sectionalizing / fault indication identified; relocate reclosers; re-coordinate mainline; install section of single phase line.
Butler	MCBRIDE	NIXON	Circuit review planned. Tier 2 Annual Inspection and Maintenance planned for 2008.	Circuit review completed. Reroute section of line; reinforce UG; install reclosers.
Butler	SAXONBURG 138KV	BUTLER RD	Circuit review planned. Trees trimmed in 2007	Circuit review completed. Reconductor section of line.
Charleroi	CHARLEROI	N. CHARLEROI	Circuit review planned. Project planned for 2010 to replace sections of conductor.	Circuit review completed. Future recommendations - circuit hardening (arrestors); re-coordinate and add OCRs.
Charleroi	SMITHTON	FITZHENRY	Circuit review planned	Circuit review completed. Re-coordination planned.
Charleroi	SMITHTON	HUTCHINSON	Circuit to be inspected by pole contractor in 2008.	Circuit review completed. Future recommendations - circuit hardening.
Charleroi	SMITHTON	SMITHTON	Circuit review planned	Circuit review completed. Future recommendations - circuit hardening.
Charleroi	VANCEVILLE	VANCEVILLE	Circuit review planned. Tier 2 Annual Inspection and Maintenance planned for 2008.	Circuit review completed. Future recommendations - install fault indicators; install lightning arrestors on subtransmission overbuild; circuit hardening.
Jeannette	EASTGATE	PITT CAMPUS	Circuit review planned. Reconductor sections of line. Tree trimming planned for 2008.	Circuit review completed. Construct tie to adjacent circuit.
Jeannette	EASTGATE	WEST POINT	Circuit review planned. Convert single phase to three phase on section of line. Inject UG cable in housing plan. Tree trimming planned for 2008.	Circuit review completed. Construct tie to adjacent circuit.
Jefferson	MATHER	JEFFERSON	Trees trimmed in 2007. Circuit review planned.	Circuit review completed. Future recommendations - inspect subtransmission feed. Widen ROW on section of line. Convert section from 1 phase to 3 phase.
Jefferson	MATHER	MATHER	Reconductor sections of line. Tree trimming planned for 2008. Additional circuit review planned.	Reconductor in progress. Circuit review completed. Future recommendations - Add mainline reclosers. Inject section of underground.
Jefferson	RUTAN	BRISTORIA	Reconductor sections of line. Tree trimming planned for 2008. Additional circuit review planned.	Reconductor in progress. Circuit review completed. Future recommendations - Reconductor additional mainline. Add material storage in proximity to circuit.

Appendix II – 5% Distribution Circuit Remedial Actions (cont'd)

Jefferson	RUTAN	WINDRIDGE	Single phase extension project for 2008. Tree trimming planned for 2008. Additional circuit review planned.	In progress - widen ROW, build tie line. Circuit review completed. Future recommendations - procure industrial substation. Add material storage in proximity to circuit.
Jefferson	WHITELEY	MT. MORRIS	Trees trimmed in 2007. Perform circuit review.	Circuit review completed. Add solid blades to mainline. Budget future project for lightning protection at substation.
Kittanning Kittanning	CROOKED CREEK TROY HILL	KELLY STATION IRON BRIDGE	Circuit review planned Projects planned for 2009 to reconductor main line along with main line relocation. Fusing project planned for 2009.	Reviews to be conducted. 2009 projects budgeted for reliability improvement.
Latrobe	LUXOR	ROLLING ACRES	Circuit review planned. Tree trimming in 2008. Re-configure circuit to reduce cross country mainline exposure. Additional reclosers and fuses will be installed by 7/31/2008	Circuit review completed. Future recommendations - re-coordinate line; reconfigure circuit.
McConnellsburg	MCCONNELLSBURG	HARRISONVILLE	Substation electronic recloser planned. Circuit to be inspected by pole contractor in 2008.	Work planned.
McDonald	MIDWAY	MIDWAY	VWR 1143050 and 1186687 were completed in 2007 to rebuild/reconductor portions of circuit to improve reliability and provide additional capacity. Tree trimming is planned for 2008.	Monitor reliability after 2007 projects completed.
McDonald	SMITH	FLORENCE	VWR 1156350, 1111725, and 1104800 were completed in 2007 to improve reliability. VWR 1167512 and 1205003 are pending to relocate feeds for improved reliability. Trees were trimmed in 2007.	Monitor reliability after 2007 projects completed.
Pleasant Valley	LAZY HOUR	DUNBAR	Circuit review planned. Trees trimmed in 2007.	Circuit review completed. No additional improvement opportunities evident. Monitor reliability.
St Marys State College State College	MARVINDALE MILLHEIM THOMPSON FARM	CLERMONT WOODWARD TOFTREES	Circuit review planned. Trees trimmed in 2007. Circuit review planned for 2008. Replace all 750 MCM conductor; replace vaults with new manholes, add fusing compartments/switchgear; rearrange a feeder and make two radials into a loop.	Review to be conducted. Review to be conducted. Work in progress.
State College	WATERVILLE	WATERVILLE	Circuit review planned. Trees trimmed in 2007.	Circuit fed from foreign utility. Alternate supply options limited. Considered distributed generation as alternate feed option.
Uniontown	BETHELBORO	COOLSPRING	Circuit review planned. Phase addition.	Circuit review completed. Future recommendations - transfer to adjacent circuit.
Uniontown	EAST MILLSBORO	EAST MILLSBORO	Circuit review planned. Trees trimmed in 2007. Tier 2 Annual Inspection and Maintenance planned for 2008.	Circuit review completed. Future recommendations - install automated switching.
Uniontown	HENRY CLAY	MARKLEYSBURG	Circuit review planned. Projects planned to reconductor main line and add regulators.	Circuit review completed. Future recommendations to replace subtransmission insulators and install transfer switches.
Uniontown	MERRITTSTOWN	REPUBLIC	Circuit review planned	Circuit review completed. Future recommendations to harden circuit (arrestors); relocate recloser and add fusing.
Uniontown	NORTH UNION	FAN HOLLOW	Circuit review planned. Trees trimmed in 2007.	Circuit review completed. No additional improvement opportunities evident. Monitor reliability.
Uniontown	NORTH UNION	PHILLIPS	Circuit review planned. Trees trimmed in 2007.	Circuit review completed. Future recommendations to harden mainline; add fusing.
Washington Washington Washington	HOUSTON LAGONDA PANCAKE	MCGOVERN HATHAWAY STRABANE	Circuit review planned. Tree trimming planned for 2008 Circuit review planned for 2008.	Review to be conducted Review to be conducted. Review completed. Need for additional substation identified. Load transfer to adjacent circuit identified.
Washington	PANCAKE	VANCE	Subtransmission review planned for 2008. Tier 2 Annual Inspection and Maintenance planned for 2008. Subtransmission review planned for 2008	Review completed. Need for additional substation identified.

Appendix III – Goals Progress

2008 Goals - Pennsylvania - Complete Planned Ensure Reliable Service (ERS) Work				
Second Quarter Results				
ERS Program/Project	Unit of Measurement	Target for 2008	Actual Completed	% Completed
Transmission Herbicide Application	# Transmission Lines	16	2	13%
Transmission Lines Trimming and Clearing	# Transmission Lines	59	14	24%
Subtransmission Herbicide Application	# of Subtransmission Lines	50	5	10%
Subtransmission Line Trimming and Clearing	# of Subtransmission Lines	105	25	24%
Distribution Line Trimming, Clearing & Herbicide Applic.	# of Distribution Line Miles	4,335	1,145	26%
Major ERS Projects	# Projects	2	0.1	3%
Transmission Comprehensive Patrol	# Transmission Lines	31	0	0%
Transmission General Patrol	# Transmission Lines	236	0	0%
Ground & Footer Inspections	# Transmission Lines	24	0	0%
Pole Inspection	# Transmission Lines	0	0	0%
Pole Replacements	# Transmission Poles	1	1	100%
Non-Critical Transmission Repairs	# Non-Critical Items	30	15	50%
Subtransmission General Patrol	# Subtransmission Lines	227	0	0%
SS Work (Includes Capital, Planned, & Preventive)	Man-Hours	71,395	28,491	40%
Controls Work (Includes Cap., Planned, & Preventative)	Man-Hours	5,660	1,458	26%
Individual ERS Budget Projects	Man-Hours	18,007	4,946	27%
Small Planning Projects	Man-Hours	26,703	6,501	23%
Pole Inspection	# of Circuits	150	37	25%
Pole Reinforcement	# Poles	0	0	0%
Danger Poles	# Danger Poles	106	127	120%
Reject Poles	# Reject Poles	475	153	32%
AIM Work	Points Completed	3,567	1,888	53%
RIP Program	Manhours	11,523	2,485	22%
UG Equipment Inspections	# Locations	8,342	5,275	63%
Recloser Inspections	# Reclosers	4,323	2,955	68%
Regulator Inspections	# Regulators	335	213	64%
Capacitors Inspections	# Capacitors	1,050	810	77%
Recloser Replacements	# Reclosers	390	262	67%
UGD Cable Replacement	Feet	156,470	79,222	51%
Cable Injection	Feet	25,040	9,875	39%

Appendix IV – Callout Acceptance

Allegheny Power 2008						
Pennsylvania Local 102						
Linemen						
Service Center	Jan, Feb, Mar			Apr, May, Jun		
	No. of Calls	No. Accepted	Average	No. of Calls	No. Accepted	Average
Arnold	382	134	35%	860	207	24%
Boyce	429	132	31%	646	176	27%
Butler	605	237	39%	1029	207	20%
Charleroi	377	140	37%	614	178	29%
Clarion	86	50	58%	156	65	42%
Jeannette	457	150	33%	1072	135	13%
Jefferson	351	117	33%	586	142	24%
Kittanning	140	88	63%	190	96	51%
Latrobe	559	201	36%	913	145	16%
McConnellsburg	158	101	64%	191	109	57%
McDonald	215	105	49%	433	138	32%
Pleasant Valley	418	156	37%	639	163	26%
St. Mary's	179	112	63%	208	126	61%
State College	608	128	21%	752	175	23%
Uniontown	387	179	46%	467	167	36%
Washington	367	140	38%	748	153	20%
Waynesboro	453	164	36%	519	204	39%
Total AP Average	6171	2334	38%	10023	2586	26%
Electricians						
Service Center	Jan, Feb, Mar			Apr, May, Jun		
	No. of Calls	No. Accepted	Average	No. of Calls	No. Accepted	Average
Arnold	32	27	84%	52	30	58%
Boyce	16	12	75%	28	22	79%
Butler	20	16	80%	50	28	56%
Charleroi	28	15	54%	30	16	53%
Jeannette	39	13	33%	69	16	23%
Jefferson	60	32	53%	75	24	32%
Kittanning	11	8	73%	27	14	52%
Latrobe	61	12	20%	53	12	23%
Pleasant Valley	25	11	44%	63	22	35%
St. Mary's	13	8	62%	9	5	56%
State College	42	16	38%	89	19	21%
Washington	16	9	56%	17	1	6%
Waynesboro	31	11	35%	50	12	24%
Total AP Average	394	190	48%	612	221	36%
Total Combined AP Average	6565	2524	38%	10635	2807	26%

Appendix V – 5% DCII/Circuit Improvement Index

DCII

AP calculates the DCII to provide a single index for ranking circuits. The DCII compares the SAIFI, SAIDI, CAIDI and ASAI for each circuit to the 5-year system averages of each index and combines them into a single index. An example of this calculation is shown below:

<u>Index</u>	<u>System Average</u>	<u>Sample Circuit</u> <u>Index</u>
SAIFI	0.66	2.32
SAIDI	181.95	258.8
CAIDI	275.71	176.23
ASAI	0.999654	0.999769

- 1) The SAIFI, SAIDI and CAIDI are compared to the system average indexes.

$$\begin{aligned} \text{Actual SAIFI / System Average SAIFI} &= 2.32 / 0.66 = 3.52 \\ \text{Actual SAIDI / System Average SAIDI} &= 258.8 / 181.95 = 1.42 \\ \text{Actual CAIDI / System Average CAIDI} &= 176.23 / 275.71 = 0.64 \end{aligned}$$

- 2) To permit the average to equal 70 percent this ratio is then inversely proportioned:

$$SF = 1 - (0.3 \times (\text{Actual SAIFI} / \text{Average SAIFI})) = 1 - (0.3 \times 3.52) = -0.0560$$

$$SD = 1 - (0.3 \times (\text{Actual SAIDI} / \text{Average SAIDI})) = 1 - (0.3 \times 1.42) = 0.5740$$

$$CD = 1 - (0.3 \times (\text{Actual CAIDI} / \text{Average CAIDI})) = 1 - (0.3 \times 0.64) = 0.8080$$

- 3) The sum of the values is then divided by 3 to assign each index an equal weight in the calculation.

$$(SF + SD + CD) / 3 = (-0.0560 + 0.5740 + 0.8080) / 3 = 0.4420$$

- 4) The Actual ASAI is then multiplied directly to this value to get the interruption factor which when multiplied by 100 provides the DCII.

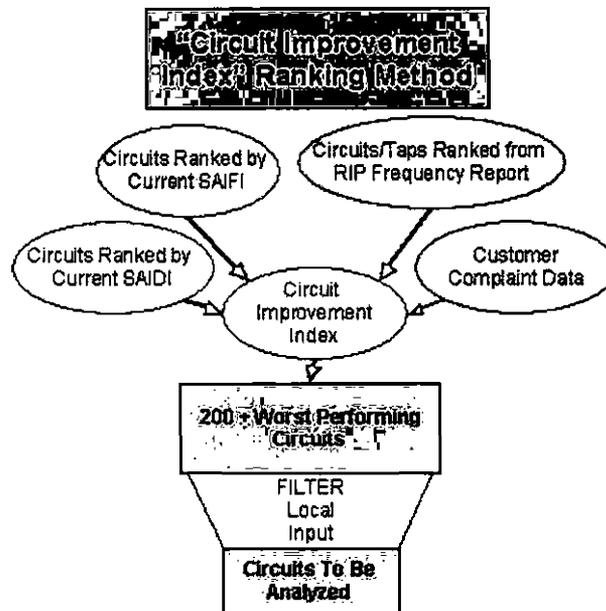
$$((SF + SD + CD) / 3) * ASAI \times 100 = DCII = 0.4420 * 0.999769 * 100 = 44.19$$

Circuit Improvement Index

Allegheny Power is moving to a circuit improvement index that includes a number of factors such as frequency of lockouts, frequency of major tap interruptions representing individual customer outage frequency, customer complaint data (if applicable), plus traditional reliability indexes such as SAIFI and SAIDI. A 'master' circuit improvement list will be generated annually and reviewed at the local levels for field input. Field offices, being closer to the customer, have information needed to complete the selection process based on known circuit problems. The master list will then be narrowed to the 100 or so circuits to be studied for the next year. No less than the required applicable

state commission requirement will be addressed. Under this circuit selection method, about the same number of circuits will be evaluated since 5% of AP's 1850 circuits equals 93 circuits. Once circuits are selected for the next year, individual analysis will take place as part of AP's ongoing structured Reliability Improvement Program (RIP). Outage causes will be evaluated, circuit outage maps will be created to assist in the evaluation if needed, and budgets and work plans will be established to improve reliability for viable projects.

A schematic diagram of the process follows:



Appendix VI – Major Event Descriptions

Commission reports for the following major events are presented on the pages following this appendix:

- i. There were no Major Events during the quarter.

RECEIVED

JUL 31 2008

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

Re: Allegheny Power Second Quarter 2008
Reliability Report

CERTIFICATE OF SERVICE

I certify that this 31st day of July, 2008, I have served a true and correct copy of the Second Quarter 2008 Reliability Report of Allegheny Power by first-class mail, postage prepaid, upon the following:

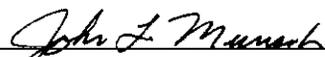
VIA FIRST-CLASS MAIL

Office of Consumer Advocate
555 Walnut Street
Forum Place, 5th Floor
Harrisburg, PA 17101-1921

Office of Small Business Advocate
Suite 1102, 300 North 2nd Street
Harrisburg, PA 17101

David J. Dulick
Pennsylvania Rural Electric Assn.
212 Locust St., 2nd Floor
Harrisburg, PA 17101

Scott J. Rubin, Esquire
Utility Workers Union of America
3 Lost Creek Drive
Shamokin Dam, PA 17876



John L. Munsch
Attorney for ALLEGHENY POWER

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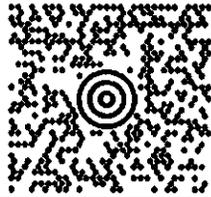
SHIRLEY ANN CHRISTIAN
724-838-6738
ALLEGHENY POWER
800 CALVIN HILL DR
GREENSBURG PA 15601

1 LBS

1 OF

SHIP TO:

JAMES J. MCNULTY, SECRETARY
724-838-6738
PENNSYLVANIA PUBLIC UTILITY COM
400 NORTH ST.
COMMONWEALTH KEYSTONE BLDG
HARRISBURG PA 17120-0200

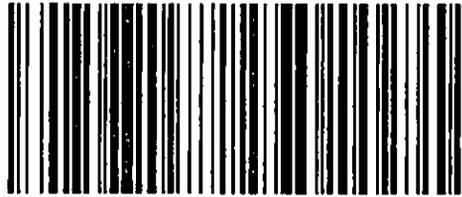


PA 171 9-20



UPS NEXT DAY AIR SAVER 1P

TRACKING #: 1Z 183 905 13 9462 1856



BILLING: P/P

Accounting: 2002-100077-43000823

CS 10.5.13 WXP1E60 78.0A 04/2008



TO: PUC (PUC)
Agency: PUC
Floor:
External Carrier: UPS



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