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November 4, 2006

James McNulty, Secretary Pa. Public Utility Commission P.O. Box 3265 Harrisburg PA 17105-3265

COPY

Re: Inspection and Maintenance Standards for the Electric Distribution Companies
Docket No. L-00040167

Dear Secretary McNulty:

Enclosed for filing please find the original and fifteen (15) copies of the Comments of Pennsylvania AFL-CIO Utility Caucus on Proposed Rulemaking in the above-referenced proceeding.

I also have enclosed an additional copy that I would appreciate having time stamped and returned in the enclosed envelope.

If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

Scott J. Rubin

cc: Certificate of Service Elizabeth Barnes (by email)

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TO RECEIVE

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Inspection and Maintenance Standards for the Electric Distribution Companies

Docket No. L-00040167

COMMENTS OF PENNSYLVANIA AFL-CIO UTILITY CAUCUS ON PROPOSED RULEMAKING

On October 7, 2006, the Pennsylvania Public Utility Commission ("Commission") published a proposed regulation to establish Inspection and Maintenance ("I&M") standards for the Electric Distribution Companies ("EDCs"). 36 Pa. B. 6097 (Oct. 7, 2006) ("NOPR"). The Pennsylvania AFL-CIO Utility Caucus ("AFL-CIO") files these Comments in response to the NOPR.

The NOPR accurately summarizes most of the AFL-CIO's proposals concerning I&M standards and it adopts some of AFL-CIO's recommendations. AFL-CIO commends the Commission for moving toward compliance with the requirements of the Electricity Generation Customer Choice and Competition Act ("Act") by proposing I&M regulations. In certain critical areas, however, the NOPR fails to discuss and adopt AFL-CIO's proposals. AFL-CIO submits that several of these proposals are required in order to ensure that Pennsylvania's EDCs provide reliable electric service to the public, and adequately protect EDC employees and the general public from potentially hazardous conditions.

Each of the areas where AFL-CIO proposes changes in the NOPR is described below.

1. Section 57.198(a)(1) should be revised to read:

The plan must be based on industry codes, National electric industry practices, manufacturers' recommendations, sound engineering judgment and past experience. The plan must be divided into rural and urban areas. The plan must take into account comply with the broad minimum inspection and maintenance intervals provided for set forth in subsection (e).

These changes are necessary to ensure that all EDCs in Pennsylvania meet at least minimum I&M standards. Simply, EDCs should not be permitted to submit plans that do not meet these minimum requirements. It is not enough to "take into account" or consider the minimum standards; the minimum standards must be met by all EDCs.

2. Section 57.198(e)(1) should be revised to read:

(1) Vegetation management. The statewide minimum inspection and treatment cycles for vegetation management are 4 years for distribution facilities and 5 years for transmission facilities. In addition, if a circuit experiences five or more trips during a 12-month period, it shall be scheduled for an immediate vegetation inspection. Finally, utilities are encouraged to increase the frequency of their vegetation inspection cycles if an area experiences a wetter than normal growing season.

The added language reflects the fact that vegetation management programs must be dynamically managed. An EDC should not be able to simply establish a cycle and claim that it has acted reasonably. Vegetation plans must be adapted to growing conditions and an EDC must actively respond if a circuit experiences vegetation-related problems.

3. Section 57.198(e)(2) should be revised to read:

(2) Pole inspections. Distribution poles shall be visually inspected every 10 years. Pole inspections shall include drill tests at and below ground level, a shell test, visual inspection for holes or evidence of insect infestation, a visual inspection for evidence of unauthorized backfilling or excavation near the pole, visual inspection for signs of lightning strikes, and a load calculation. If a pole exhibits 67% or less of the strength of a new pole of comparable size, then it shall be replaced within 60 days. If a pole fails the groundline (or butt) inspection, shows dangerous levels of rot or infestation, or otherwise exhibits dangerous conditions or conditions that affect the integrity of the circuit, it shall be replaced as soon as possible, but no later than 30 days.

There are two important aspects to pole inspections that were omitted from the NOPR.

First, a visual inspection is not sufficient to determine the integrity of the pole. This is especially true if 10 years elapse between inspections. Second, the regulation should set specific standards and deadlines for replacing poles that are seriously deficient or dangerous.

- 4. Section 57.198(e)(3) should be revised to read:
- (3) Overhead line inspections.
- (i) Transmission lines shall be inspected aerially twice per year in the spring and fall. Transmission lines shall be inspected on foot every 2 years. If problems are found that affect the integrity of the circuits, they shall be repaired or replaced no later than 30 days from discovery.
- (ii) Distribution lines shall be inspected by foot patrol a minimum of once per year. If problems are found that affect the integrity of the circuits, they shall be repaired or replaced no later than 30 days from discovery.
- (iii) Overhead distribution transformers shall be visually inspected annually as part of the distribution line inspection. A visual inspection shall include checking for rust, dents or other evidence of contact, leaking oil, broken insulators, and any other conditions that may affect operation of the transformer.
- (iv) Above-ground pad-mounted transformers and below-ground transformers shall be inspected on a 2-year cycle. An inspection shall include, as appropriate, checking for rust, dents or other evidence of contact, leaking oil, installation of fences or shrubbery that could affect access to and operation of the transformer, and unauthorized excavation or changes in grade near the transformer. In addition, the load on each transformer shall be calculated at least once every two years.
- (v) Reclosers in the distribution system shall be inspected and tested at least once per year.
- (vi) The integrity of transmission towers shall be inspected and tested at least once every 25 years.

The above changes are required to improve the readability of the regulation in three ways: (1) adding subparagraphs for each type of facility; (2) clarifying that the language following distribution line inspection ("If problems are found ...") applies to both transmission and distribution lines; and (3) clarifying that the reclosers referred to in this paragraph are distribution system reclosers (reclosers located in substations should be inspected monthly as provided in section 57.198(e)(4)). In addition, language is proposed that describes the minimum

components of an inspection for each type of facility, and that requires inspections of transmission towers. All of these changes are consistent with sound industry practices and are necessary to ensure the integrity of the inspection process and the safety of each EDC's electrical system.

- 5. Section 57.198(e)(4) should be revised to read:
- (4) Substation inspections. Substation equipment, structures and hardware shall be inspected monthly. Substation circuit breakers shall undergo operational testing at least once per year, diagnostic testing at least once every four years, and comprehensive inspection and maintenance on a four-year cycle.

An additional provision is proposed to delineate specific I&M and testing cycles for substation circuit breakers. It is neither feasible nor required to test substation breakers on a monthly basis, but the regulations should establish a reasonable inspection, maintenance, and testing cycle for these facilities.

- 6. A new Section 57.198(e)(5) is proposed to read:
- (5) Other inspection requirements.
 - (i) Group-operated line switches shall be inspected and tested annually.
 - (ii) Relays shall be inspected and tested every two years.
 - (iii) Sectionalisers shall be inspected and tested every two years.
 - (iv) Vacuum switches shall be inspected and tested every two years.
- (v) Underground vaults with larger connections (750 Mcm or larger) shall be visually inspected and thermo-vision tested for hot spots annually. In addition, vaults of any size that serve schools, hospitals, public buildings, or residences shall be visually inspected and cleaned once per year.

Each of these provisions was recommended by AFL-CIO in response to the Advance Notice of Proposed Rulemaking. The Commission did not include them in the NOPR and did not discuss reasons for their exclusion. AFL-CIO submits that these additional inspection, maintenance, and testing requirements are necessary to ensure the safety and reliability of electric service.

7. Penalties

Finally, AFL-CIO agrees with the Commission that automatic penalties are not appropriate when an EDC temporarily deviates from I&M standards or its approved plan, There is, however, one important exception to this that should be recognized in the regulation.

Specifically, there should be automatic penalties when an EDC fails to repair or replace critical or dangerous facilities within a stated period of time. Failing to repair dangerous conditions or replace dangerous and defective equipment unfortunately has become standard practice at several Pennsylvania EDCs and poses a danger to utility workers and the public. If the Commission establishes mandatory repair or replacement intervals for critical facilities or dangerous conditions, as AFL-CIO has recommended in section 57.198(e)(2) (poles) and as the Commission proposes in section 57.198(e)(3) (transmission and distribution circuits), then those standards should be enforced through automatic civil penalties of \$1,000 per day for each day that the violation continues after the mandated repair interval, as authorized by 66 Pa. C.S. \$ 3301. AFL-CIO recommends, therefore, the addition of a new subsection to section 57.198, to read as follows:

(f) Penalties for noncompliance. If an EDC fails to repair or replace defective poles, transmission circuits, or distribution circuits within the time period set forth in paragraph (e)(2) (poles) or (e)(3) (circuits), then the EDC shall be subject to an automatic penalty of \$1,000 per day for each day that each such violation continues.

In conclusion, AFL-CIO commends the Commission for proposing I&M regulations.

With the changes proposed herein, AFL-CIO submits that Pennsylvania's regulations would

constitute a major step toward ensuring the on-going quality, safety, and reliability of EDCs' electric service in Pennsylvania.

Respectfully submitted,

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Pa. AFL-CIO Utility Caucus

Dated: November 4, 2006

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing upon the following parties to this proceeding by first class mail.

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Dated: November 4, 2006