

How a Commission Does an Audit

Day 2 – Session 5 Conduct in an Audit

David Cleaver, Public Utilities Commission of Ohio



- Electric company files reports with supporting data & documentation to show compliance with regulations
- Commission staff issues data requests if additional data and/or clarification required
- Commission's audit may include site visits to verify new equipment is installed and functioning properly
- Commission staff analyzes data and issues a staff report with recommendations
 - Approve the filing
 - Approve filing with modifications
 - Disapprove the filing



Electric Utility Files Annual Reports to Show Compliance with Minimum Service & Safety Standards

- Applies to each investor-owned electric utility
- Reports used to compare utility's performance against a standard or provisions of a program
- Missing a standard may result in a violation which could result in fines and forfeitures
- Reports frequently include financial & schedule information such as current costs, progress toward meeting program goals, future costs and projected goals and completion dates



Ohio Electric Utilities are Required to Have Maintenance Programs

- Utilities must file maintenance programs
- Programs must be approved by the PUCO in an open public proceeding
- Examples of programs include Vegetation Management, Substations, Circuit Patrol, Pole Inspections, Reclosers, a Capacitors
- Annual reporting of performance against goals and minimum standards is required



PUCO Analysis and Assessment

Program Implementation Measures:

- Goals or cycle met – For example: Substations must be Inspected at least once a month
- Measures include metrics such as mileage of trees trimmed and Percent of Poles Inspected

Program Effectiveness Measures: For example,

- Number of outages caused by trees
- Percent of outages caused by trees



Auditing Maintenance Programs such as Vegetation Management

- The Commission utilizes two methods of auditing procedures to ensure compliance with Electric Service and Safety Standards
 - Office Audits
 - Field Audits



- Office audits – Review of records and documents such as invoices, time sheets, and inspection reports which supports the company's maintenance programs
- Field audits – Inspection of plant facilities, observing Company personnel at work, and verifying the accuracy of a sample of inspection reports. Independent inspection of plant facilities is used to assess the quality of Company's inspection programs



Office Audit

- Preparation – Review the maintenance program document (ex: tree trimming) and the goal-achievement reported in the annual reports filed with the Commission
- Audit -- Verification of financial records and documents supporting the maintenance program activities and the data reported in the annual report filing





Sample Rule 26 Filing

Duke Energy
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Electric Service And Safety Standards

9. 4901:1-10-26 (B)(3)(f)(i) & (ii) Inspection, maintenance, repair and replacement distribution, transmission and substation programs summary report

a.	b.	c.	d.	e.
Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Program name	Program goals	Achieve ("Y" or "N")	Summary of findings
D	Distribution Vegetation Management	Achieve 4-year cycle for vegetation line clearing on distribution circuits. Complete an average of 25% of target circuit miles per year.	Y	The Goal is to help provide safe and reliable electric service by limiting contact between vegetation and power lines.



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Electric Service And Safety Standards

9a. 4901:1-10-26 (B)(3)(f)(i) If response in column "d" of Report 9 is "yes"

1.	2.	3.	4.	5.
Program name	Explanation of how goal were achieved	Description of extent of achievement	Quantitative description of goal in either numerical values or percentages	Quantitative description of actual performance in either numerical values or percentages
Distribution Vegetation Management GOAL - Achieve 4-year cycle for vegetation line clearing on distribution circuits. Complete an average of 25% of target circuit miles per year.	Vegetation line clearing was completed for 2008 with 234 miles carryover from 2007 plus 2,724.8 miles average annual mileage goal completed in 2008.	Full vegetation line clearing was completed on 2,724.8 circuit miles in 2008 toward the 4-year cycle goal.	Full vegetation line clearing was completed on 30.7% of the 8,890 distribution circuit miles in 2008 toward the 4-year cycle goal.	2,724.8 circuit miles of line were cleared in 2008, 122.5% of the average annual mileage target



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Electric Service And Safety Standards

9.c. 4901:1-10-26 (B)(3)(f)(iii) Remedial activity

1.	2.	3.	4.	5.	6.	7.
Program name	Transmission "T", distribution "D", transmission substation "TS", or distribution substation "DS"	Program finding(s) causing remedial activity	Remedial activity performed	Actual completion date	Remedial activity yet to be performed	Estimated completion date
Distribution Vegetation Management GOAL - Achieve 4-year cycle for vegetation line clearing on distribution circuits. Complete an average of 25% of target circuit miles per year.	D	Total line clearing maintenance was completed on 2724.8 distribution circuit miles in 2008.	234 miles carryover from 2007 plus 2,724.8 miles average annual mileage goal completed in 2008.	12/31/2008	Complete for 2008 and for 4-year complete trim of distribution lines.	12/31/2008

Field Audits

Field staff meet with company personnel and contract line clearance crews at various locations for the purpose of observing line clearance activities in progress.



Field staff also audit completed line clearance work either with company personnel or independently.

Field staff independently patrol circuits, checking for vegetation encroachment in or near conductors and substation fencing.



Back Yard Bucket





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Contract Crews



Aerial Saw



Cleared Corridor



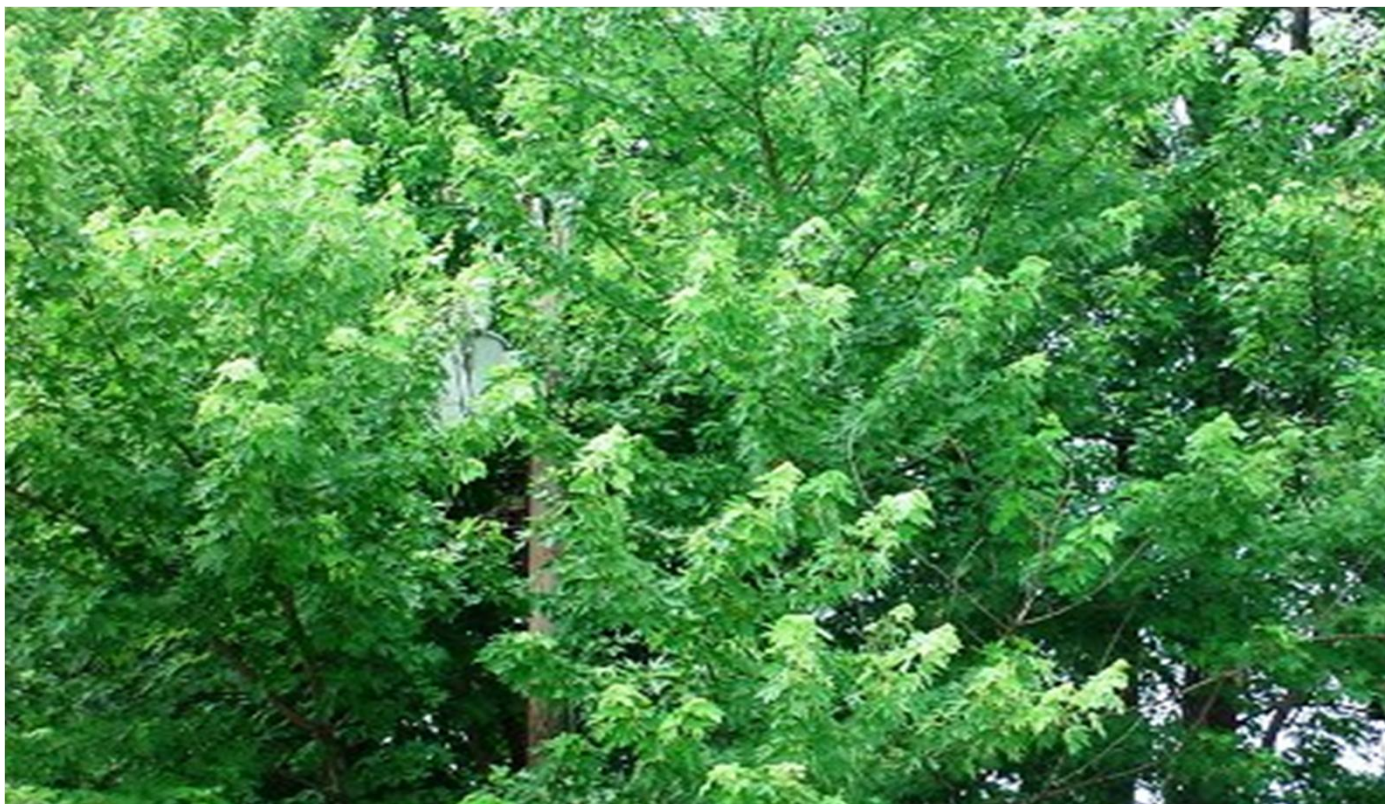
Vegetation Encroachment in Substation





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Vegetation Encroachment on Primary Conductor



Tree Contact Due to Ice



Questions

