



39. If the answer to information request no. 37 is in the affirmative, why did Mr. Rubin recommend Condition No. 3, given that it is redundant of Joint Applicants' commitments in Item Nos. 3 and 4 of Attachment GCF-1 to Mr. Ficke's testimony?

Answer:

It is an important issue that Mr. Rubin wanted to ensure was not overlooked by the Commission.

Responsible witness: Scott J. Rubin



40. Mr. Rubin recommends in Condition No. 5 that the Commission should require ULH&P to obtain a CPCN prior to pledging its stock for any purpose. Is Mr. Rubin aware that this is already required under KRS 278.020, in that the statute requires Commission approval prior to a transfer of control of ULH&P?

Answer:

Mr. Rubin has not fully researched this issue, but he has generally reviewed section 278.020 and it does not appear to require a CPCN prior to a pledge of stock.

Responsible witness: Scott J. Rubin



41. Mr. Rubin recommends in Condition No. 6 that the Commission should require ULH&P to include in its annual report to the Commission copies of its requested and approved construction budgets for the then-current year, with an explanation of any variance and the impacts on customer service. Is Mr. Rubin aware of any other utility which is required to do so?

Answer:

Mr. Rubin has not researched this question, but he is aware that electric utilities in Pennsylvania are required to file information about their construction and operating budgets, including an explanation of variances.

Responsible witness: Scott J. Rubin



42. If the answer to the preceding information request is in the affirmative, please identify the utility and provide a copy of the statute, rule, or commission order which imposed such requirement.

Answer:

The regulation of the Pennsylvania Public Utility Commission to which Mr. Rubin referred in question 41 is 52 Pa. Code § 57.195, which reads as follows:

*TITLE 52. PUBLIC UTILITIES  
PART I. PUBLIC UTILITY COMMISSION  
SUBPART C. FIXED SERVICE UTILITIES  
CHAPTER 57. ELECTRIC SERVICE  
SUBCHAPTER N. ELECTRIC RELIABILITY STANDARDS*

*52 Pa. Code § 57.195 (2005)*

*§ 57.195. Reporting requirements*

*(a) An EDC shall submit an annual reliability report to the Commission, on or before April 30 of each year.*

*(1) An original and six copies of the report shall be filed with the Commission's Secretary and one copy shall also be submitted to the Office of Consumer Advocate and the Office of Small Business Advocate.*

*(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.*

*(b) The annual reliability report for larger EDCs (those with 100,000 or more customers) shall include, at a minimum, the following elements:*

*(1) An overall current assessment of the state of the system reliability in the EDC's service territory including a discussion of the EDC's current programs and procedures for providing reliable electric service.*

*(2) A description of each major event that occurred during the year being reported on, including the time and duration of the event, the number of customers affected, the cause of the event and any modified procedures adopted to avoid or minimize the impact of similar events in the future.*

*(3) A table showing the actual values of each of the reliability indices (SAIFI, CAIDI, SAIDI, and if available, MAIFI) for the EDC's service territory for each of the preceding 3 calendar years. The report shall include the data used in calculating the indices, namely the average number of customers served, the number of sustained customer minutes interruptions, the number of customers affected and the minutes of interruption. If MAIFI values are provided, the number of customer momentary interruptions shall also be reported.*

*(4) A breakdown and analysis of outage causes during the year being reported on, 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.*

*(5) A list of the major remedial efforts taken to date and planned for circuits that have been on the worst performing 5% of circuits list for a year or more.*

*(6) A comparison of established transmission and distribution inspection and maintenance goals/objectives versus actual results achieved during the year being reported on. Explanations of any variances shall be included.*

*(7) A comparison of budgeted versus actual transmission and distribution operation and maintenance expenses for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.*

*(8) A comparison of budgeted versus actual transmission and distribution capital expenditures for the year being reported on in total and detailed by the EDC's own functional account code or FERC account code as available. Explanations of any variances 10% or greater shall be included.*

*(9) Quantified transmission and distribution inspection and maintenance goals/objectives for the current calendar year detailed by system area (that is, transmission, substation and distribution).*

*(10) Budgeted transmission and distribution operation and maintenance expenses for the current year in total and detailed by the EDC's own functional account code or FERC account code as available.*

*(11) Budgeted transmission and distribution capital expenditures for the current year in total and detailed by the EDC's own functional account code or FERC account code as available.*

*(12) Significant changes, if any, to the transmission and distribution inspection and maintenance programs previously submitted to the Commission.*

*(c) The annual reliability report for smaller EDCs (those with less than 100,000 customers) shall include all items in subsection (b) except for the requirement in paragraph (5).*

*(d) An EDC shall submit a quarterly reliability report to the Commission, on or before May 1, August 1, November 1 and February 1.*

*(1) An original and six copies of the report shall be filed with the Commission's Secretary and one copy shall also be submitted to the Office of Consumer Advocate and the Office of Small Business Advocate.*

*(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.*

*(e) The quarterly reliability report for larger companies (those with 100,000 or more customers) shall, at a minimum, include the following elements:*

*(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.*

(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.*

(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.*

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

(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.*

(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).*

(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.)*

(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.)*

(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).*

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

(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.*

(f) *The quarterly reliability report for smaller companies (those with less than 100,000 customers) shall, at a minimum, include paragraphs (1), (2) and (5) identified in subsection (e).*

(g) *When an EDC's reliability performance is found to not meet the Commission's established performance standards, as defined in § 57.194(h) (relating to distribution system reliability), the Commission may require a report to include the following:*

- (1) The underlying reasons for not meeting the established standards.*
- (2) A description of the corrective measures the EDC is taking and target dates for completion.*

*(h) An EDC shall, within 30 calendar days, report to the Commission any problems it is having with its data gathering system used to track and report reliability performance.*

*(i) When an EDC implements a change in its outage management system for gathering and analyzing reliability performance that has the potential to affect reliability index values, the EDC shall conduct parallel measurement and analysis to isolate and quantify the influence that the measurement change exerts on reliability index values. The length of the parallel measurement period shall be sufficient to isolate and quantify the independent effects of the measurement change.*

*(j) The Commission will prepare an annual reliability report and make it available to the public.*

Responsible witness: Scott J. Rubin



43. Mr. Rubin recommends in Condition No. 7 that the Commission should require ULH&P to report to the Commission within five business days any downgrading of the bonds of ULH&P, Cinergy, CG&E or New Duke, with a copy of the rating agency's report. Is Mr. Rubin aware of any other utility which is required to do so?

Answer:

Mr. Rubin has not researched this question.

Responsible witness: Scott J. Rubin



44. If the answer to the preceding information request is in the affirmative, please identify the utility and provide a copy of the statute, rule, or commission order which imposed such requirement.

Answer:

Not applicable.

Responsible witness: Scott J. Rubin





45. Mr. Rubin recommends in Condition No. 9 that the Commission should require Cinergy, CG&E and New Duke to commit that no capital investment shall have a higher priority than the capital requirements, including working capital, of ULH&P. Is Mr. Rubin aware of any other utility holding company which is required to do so, aside from the cases listed at pages 22-23 of his testimony?

Answer:

The cases Mr. Rubin lists in his testimony are examples of instances where a similar condition was adopted. Mr. Rubin does not know if there are other cases where a similar condition was required, as has not conducted comprehensive research into this issue.

Responsible witness: Scott J. Rubin



46. If the answer to the preceding information request is in the affirmative, please identify the utility and provide a copy of the statute, rule, or commission order which imposed such requirement.

Answer:

Not applicable.

Responsible witness: Scott J. Rubin



47. Mr. Rubin recommends in Condition No. 11 that the Commission should prohibit ULH&P from paying any dividend in excess of 80% of its earnings attributable to common equity in the current year. Is Mr. Rubin aware of any other utility which is prohibited from doing so, aside from the cases listed at pages 22-23 of his testimony?

Answer:

The cases Mr. Rubin lists in his testimony are examples of instances where a similar condition was adopted. Mr. Rubin does not know if there are other cases where a similar condition was required, as has not conducted comprehensive research into this issue.

Responsible witness: Scott J. Rubin



48. If the answer to the preceding information request is in the affirmative, please identify the utility and provide a copy of the statute, rule, or commission order which imposed such restriction.

Answer:

Not applicable.

Responsible witness: Scott J. Rubin





49. Is Mr. Rubin aware that, under ULH&P's current SEC-approved Utility Service Agreement, Cinergy Services recovers its costs of capital from ULH&P on services provided by Cinergy Services?

Answer:

Mr. Rubin has not reviewed ULH&P's current agreement.

Responsible witness: Scott J. Rubin



50. If the answer to the preceding information request is in the affirmative, why does Mr. Rubin recommend that the Commission should discontinue this practice which has been in effect since the 1994 Cinergy merger?

Answer:

Not applicable.

Responsible witness: Scott J. Rubin



51. Mr. Rubin recommends in Condition No. 14 that the Commission should require a direct ULH&P employee to investigate the cost/availability of comparable services from unaffiliated providers prior to ULH&P requesting the service from Duke Services. Is Mr. Rubin aware of any other utility which is required to do so?

Answer:

Mr. Rubin has not researched this question.

Responsible witness: Scott J. Rubin