



Nova Scotia Utility and Review Board

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By Fax: 428-6542 and Courier

Mr. Bob Boutilier, P. Eng.
Director, Regulatory Affairs
Nova Scotia Power Inc.
14th Floor, Barrington Tower
PO Box 910, Scotia Square
Halifax, NS B3J 2W5

Dear Mr. Boutilier:

Review of Power Line Technician (PLT) staffing levels and reliability of service at Nova Scotia Power Inc. (NSPI) - P-401.32

The Board's Decision of August 5, 2005, in the matter of a public review of the power outages resulting from the storm of November 13 and 14, 2004, directed that:

While there is no clear evidence that NSPI has too few PLTs, and the expert evidence reflects an adequately maintained distribution system, the Board is not convinced that this question has been satisfactorily addressed. After careful consideration, the Board finds that further review should be carried out to determine the adequacy of the number and location of PLTs; the annual operations and maintenance expenditures per customer; and an accurate reflection of what the CAIDI statistics represent. The Board will engage Dr. John Stutz to review the data filed by NSPI and to recommend whether further action on the PLT issue is warranted.

(Board Decision, P-401.32, August 5, 2005, p. 50)

The Board's directive in this regard was, in part, as a result of numerous customer complaints heard by the Board at public hearings during the power outage review. Many of these complaints related to a broad-based customer concern that the reduction in NSPI's PLT staffing over the last number of years has resulted in NSPI no longer being able to adequately maintain and restore electricity service.

As you are no doubt aware, the Board has a statutory responsibility to review the adequacy of NSPI's service to its customers. Sections 19 and 52 of the *Public Utilities Act* read as follows:

- 19 Whenever the Board believes that any rate or charge is unreasonable or unjustly discriminatory, or that any reasonable service is not supplied, or that an investigation

of any matter relating to any public utility should for any reason be made, it may, on its own motion, summarily investigate the same with or without notice. R.S., c.380, s. 19.

- 52 Every public utility is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. R.S., c. 380, s. 52.

Dr. John Stutz, Board Counsel's consultant in the above-noted proceeding, was asked to oversee this review. John Sherrod of Power System Outage Response, LLC, also a utility expert retained on behalf of Board Counsel, was subsequently assigned to investigate this issue and file a report with Dr. Stutz for review and then with the Board.

The report on 'NSPI Distribution Issues Re: Number of Power Line Technicians' (Sherrod Report) was filed with the Board on February 26, 2007, and was forwarded to NSPI on March 2, 2007, for review and comment. The Board received NSPI's comments on March 14, 2007. As the Board understands it, NSPI agrees with and accepts the findings and recommendations set out in the Sherrod Report. For ease of reference, a summary of the Sherrod Report findings and recommendations are set out below:

1. A review of the relative staffing levels and staffing reductions of the PLTs in the four operating regions as compared to various workload indicators found some disproportion between regions.
2. As assessment of the statistical analysis of outage frequency and duration showed increases in both from 1999 through 2005.
3. The assessment of customer complaints dealing with NSPI service response shows an increase in the last three years for which data was available.
4. Based on the analysis of indicators mentioned above, NSPI should closely monitor PLT staffing and reductions as they relate to service reliability and response, reporting their findings annually to the Board.
5. In reports to the Board, outage data should be "normalized" by using 2.5 Beta deviation, which is predominant in the industry.
6. There was no structured process to manage the reduction of PLT staffing levels prior to 2003, but NSPI has implemented appropriate steps to effectively manage the PLT staffing issue in the future.
7. The NSPI emergency drill of June 29, 2006 was conducted in a very efficient, professional manner and reflects continuing improvement in the NSPI overall emergency response processes.

(Sherrod Report, February 26, 2007, pp. 3-4)

RECOMMENDATION 1

NSPI should continually monitor PLT staffing and reductions to ensure that no deterioration of performance results. Specifically, NSPI should conduct annual customer surveys concerning service response and maintain a continuing record of customer service response complaints. This information, along with outage frequency and duration performance should be reported to the Board annually at the region and total system level. The outage performance data should be reported utilizing the 2.5 Beta standard deviation. Additionally,

the report should contain statistics concerning changes in PLT staffing and NSPI conclusions as to the relationship, if any, of these staffing changes and the performance results mentioned.

RECOMMENDATION 2

NSPI should aggressively pursue the Customer Operations Work Force planning initiative in managing PLT staffing levels. An annual status report should be made to the Board reflecting the base (target) PLT staffing level, current PLT staffing, actual attrition as compared to 5 year window projection, replacements/additions since previous report, and revised total of required replacements.

RECOMMENDATION 3

NSPI should conduct emergency drills on an annual basis, focusing on those areas that offer the greatest opportunity, and should invite Board staff to observe the drills.

(Sherrod Report, February 26, 2007, p. 29)

The Board recognizes that its regulatory role does not, and should not, extend to 'micro management' of NSPI's operation. However, it is the Board's view that PLT staffing levels have a direct impact on the reliability of electricity service in the Province and, in particular, on NSPI's ability to restore service to customers as quickly as reasonably possible. As a result, the Board considers the adequacy of NSPI's PLT staffing level to be a critical element of NSPI's operation and one which warrants ongoing monitoring by the Board. In the Board's view, the current number of PLTs and apprentices as set out in the Sherrod Report should be considered by NSPI as a minimum acceptable staffing level on a go-forward basis. Depending on the results of the monitoring process, this issue may be revisited by the Board. This is particularly relevant in view of the evidence heard during the power outage proceeding with respect to lengthy power outages experienced by customers.

The Board's objective in this regard is to work with NSPI to ensure this key area of NSPI's operation functions in a manner which supports the provision of reasonably safe and adequate electricity service to the public. The Board believes this to be a shared objective since improving NSPI's ability to reduce the number and length of outages through appropriate system maintenance and shorter outage periods is an essential component of NSPI being seen by its customers as providing good service.

Accordingly, the Board accepts the Sherrod Report and directs NSPI to comply with the recommendations set out in the Report.

The Board notes NSPI's suggestion in its March 14, 2007 correspondence regarding Board staff and NSPI staff working co-operatively to developing an appropriate reporting protocol. Board staff will contact your office to begin this process.

Yours very truly,

Margaret A. M. Shears
Vice-chair

Enclosure
cc. Eric Ferguson, Manager, Regulatory Affairs

By fax: 428-6542