

# SPARK

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## FERC'S NEW PENALTY GUIDELINES

# What's the Bottom Line?

By Jason F. Leif

Digital documents, while efficient and providing space-saving storage options for utility records, also come with their own set of problems. Security leaps to mind, as hackers with malicious intent including identity theft seemingly are ubiquitous. Warnings are everywhere and industries have been built around document security. Here, Terry Wiczorek describes how to build an efficient, yet secure, document archive and retrieval system for your utility company. He explains why it is crucial to monitor every document's life cycle and destroy it as soon as possible.

*L. A. Burkhardt*  
Editor



In its March 18, 2010, *Policy Statement on Penalty Guidelines* (Guidelines),<sup>1</sup> the Federal Energy Regulatory Commission (FERC) proposed a dramatic change to the way it calculates penalties for violations of the statutes and regulations it administers, shifting from a largely opaque approach to a more open and transparent one. Before the Guidelines, a company had to look to past public settlements and attempt to read the

tea leaves to determine its possible financial exposure when it uncovered a perceived violation and presented it to FERC Enforcement. The Guidelines, instead, provide a detailed roadmap, enabling a company to conduct a critical analysis of its particular factual situation and to calculate its resulting financial exposure using the Guidelines' prescriptive, formulaic approach.

FERC Enforcement Staff recently concluded workshops in Washington, D.C., Houston, and San Francisco, where it walked through the application of the Guidelines and responded to industry questions and »

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1 **What's the Bottom Line?**

By Jason F. Leif

3 **Developing an Efficient and Secure System**

By Terry Wiczorek

## UTILITY DOCUMENT ARCHIVE AND RETRIEVAL

# Developing an Efficient and Secure System

By Terry Wieczorek

**T**oday's business documents offer convenience through their fluidity and adaptability to a range of communications outlets. The ability exists to create a single document, such as a customer invoice, and then print, email, or post it to a Web site, allowing the customer to review and download it on a variety of devices. Digital technologies also provide space-saving storage options, including online and/or network-accessible archives for quick retrieval, CD/DVD, and other removable storage to preserve documents long-term, satisfying both organizational and external legal requirements. These new options can make life easier for public utilities, which serve thousands, tens of thousands, or even millions of customers. But these benefits do not come without challenges.

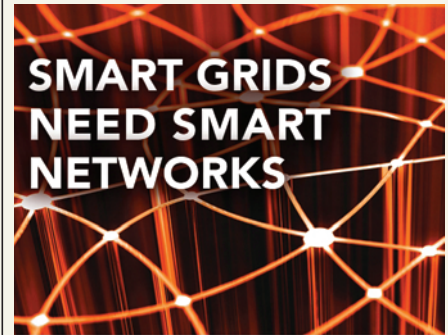
A predominate challenge is the issue of document security. Because digital documents are easy to change and update, they are also subject to unintended or fraudulent alteration. With today's broad range of communication technologies, there is a greater risk of documents falling into the hands of unauthorized personnel. Because digital documents can be copied and transmitted easily, without the noticeable loss of an "original" document, the need for special security precautions is eminent.

In addition to producing and storing customer-facing documents, utilities routinely generate sensitive internal information with a lengthy document life cycle. Income, expenses, taxes, employee payroll insurance records,

and other financial data fall under this heading. With these highly sensitive documents also comes the need to meet government regulatory compliance standards. Archiving and retrieval security requires close attention to not only protect the utility companies' business interests but to better serve customers.

### Needs Assessments

Developing a secure and effective document archive and retrieval system begins with an assessment of the number and types of documents routinely used. This process should involve all internal departments and if the utility uses third-party service providers, such as printers or a Web hosting service, one must work with them to establish



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reasonable levels of service and document security assurances. Also, remember to consider the rate of growth in the utility company's document storage volume and plan accordingly for the future.

Reaching out to internal department managers to determine which of their documents carry special regulatory archiving requirements is the next step. Then, make sure to design the utility document storage system based on the findings. At the same time, discuss each department's security needs and work with them to set up effective procedures to control exactly who is approved to access which documents. For example, customer service representatives (CSRs) might need complete—and quick—access to files like new service and repair orders and billing information, but might not need to see the payroll records for that customer.

Drawing up a security pyramid by diagramming the hierarchical layout of the company also might prove beneficial. CSRs, sales, and production employees sit at the base, managers and supervisors fall in the middle, and only department heads and C-level executives should be at the top. Establishing passwords and other protocols ensure that only necessary employees are able to access the company's most sensitive documents. »

**Utilities routinely generate sensitive internal information with a lengthy document life cycle.**

Formatting of archived documents also requires careful consideration. Application software continually changes, so documents stored in their native formats today might be unreadable by those accessing technology used in five to ten years. More important, today's users require flexible, fast output options. Adobe's PDF format provides a useful solution for data archiving by making files presentable on almost any medium, and it uses compression algorithms to reduce file size for quick retrieval and transmission. Additionally, the PDF format is widely used and able to keep pace with new software developments.

### Steps to System Building

In designing an archive and retrieval system, it is wise to consider that it likely will need to operate effectively within or alongside the utility company's existing digital infrastructure. Most companies utilize an enterprise content management system (ECM) for archiving documents. However, the reality is that in today's fast-paced world, the single document repository is cumbersome and can be difficult to navigate. In addition, many utilities continue to use legacy systems, or even several different systems, as the result of regional mergers and acquisitions across the industry.

Moving from an ECM archival system—or from several different systems—to one that is more customized and application-driven takes careful planning but can save time and improve efficiency. This particularly

holds true if the company is a branch or subsidiary of a larger organization. Developing a single archive system that can serve the entire enterprise is likely to be a welcome convenience.

Of course, change for the sake of change is not always the best approach. One must look and think about the long-term. For instance, today invoices might be in PostScript to accommodate the printing operation, but in the future AFP might drive the print output. Additionally, five years ago, only staff in the home office had access to documents, so an ECM system made perfect sense. Today, however, with laptop computers, networking capabilities, the Internet, and even handheld devices like BlackBerries, field staff and customers likely demand immediate access to mission-critical stored documents.

When shopping for an application-minded archive and retrieval software to accommodate these diverse demands, first look for a solution that is flexible and scalable. A solution is needed that can handle various data types when the application is launched from an employee's desktop, as well as output something that can be read by a variety of networked telecommunications devices.

### Last but not Least

It is crucial to monitor every document's life cycle and destroy it as soon as possible—whether it's in native or PDF formats, online or stored on CD/DVD. This might sound a bit ominous, but it is absolutely necessary. Complying with security requirements

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is essential of course, but not cleaning out the company system when allowed can also work against it. If certain documents must be kept accessible for seven years, of course do so. But removing them from the archive as soon as legally allowed guarantees that the utility will not be the source of any security leaks, saving the company from unnecessary legal exposure.

In the face of rising energy costs, alongside increasingly sophisticated customer and regulatory demands, utilities have to become especially flexible to remain responsive, competitive, and compliant. And while flexibility is important, security always will be the ultimate concern. In designing and implementing a dependable archiving system, it is important to look five years back and five years forward to meet current needs and to remain one step ahead of demand. ■

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