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IMPROVING THE OPERATIONS
OF THE FEDERAL ENERGY
ADMINISTRATION REGION X OFFICE
AUG 15 1974

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Mr. Jack Robertson
Region X Administrator,
Federal Energy Administration
Room 1151 Federal Office Building
Seattle, Washington 98104

Dear Mr. Robertson:

On July 26, 1974, Charles Heshner, Frank Pasquier, and Alfred Brandt of my staff met with you and members of your staff to discuss suggestions for improving the operations of the FEA Region X Office. This letter is being sent to summarize the points discussed and confirm the actions that you plan to take.

The four points that we discussed at the meeting were as follows: (1) excessive time being taken by suppliers in forwarding allocation requests to FEA; (2) lack of documentation supporting case decisions; (3) underutilization of ADP capability; and (4) excessive allocation requests returned to the States. These items are presented in more detail below.

EXCESSIVE PROCESSING TIME
TAKEN BY SUPPLIERS

To obtain new or increased allotments of fuel, in most cases wholesale purchasers must first send allocation change requests to current or prospective suppliers. The suppliers may either grant the requests or submit them to FEA for validation. To limit the time the supplier can hold the requests, FEA has processing objectives for the supplier ranging from 4 to 20 calendar days, depending on the type of application.

We found indications that most suppliers have not been forwarding allocation requests to FEA within 20 calendar days after receipt. The length of time used by suppliers in processing 48 selected allocation requests received through May 31, 1974, ranged from 7 to 112 days including transit time. Only 22 of the 48 requests (46%) were received by FEA within 20 calendar days after they were submitted by the applicant (we allowed 7 days for time in transit).

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An analysis of 45 additional requests received on July 24 and 25, also indicated that suppliers were holding the requests for periods longer than 20 calendar days. Of these requests, only 18 (40%) had been received within the stipulated time period.

To correct this situation, the Chief of the Case Resolution Branch stated the region will (1) monitor the time it takes for the allocation requests to be forwarded to the region by the suppliers and (2) notify noncomplying companies of the required FEA time frame.

LACK OF CASE DOCUMENTATION

There was little documentation in some of the case files to support FEA case determinations. We selected 14 FEA cases and reviewed the documentation in the case files. For six of the cases, there was no information in the files which showed (1) what information was verified by FEA, (2) what people were contacted, or (3) the major reasons for the final case determination.

An Associate Regional Counsel told us that improved case documentation would greatly assist him when reviewing potential reconsideration and appeal cases. He has had to reverify much of this information in his reviews of several cases.

As a result of our discussions with you, we understand that the Regional Counsel has advised the Director of the Operations Division that basic case information should be placed in each case file. He suggested that documentation should include a chronological record of events, the information that was verified, the people that were contacted, and the major reasons for the final case determination. On August 9, 1974, the Director of the Operations Division informed us that he would develop case documentation procedures, which would incorporate the suggestions of the Regional Counsel.

UNDERUTILIZATION OF ADP CAPABILITY

FEA headquarters has developed a standard computer system for all regions for recording and retrieving information on allocation cases. In Region X, this system consists of two access terminals and two terminal operators. Rather than using this system, however, the Chief of the Case Resolution Branch stated that the region had developed a manual system because of difficulties initially encountered with the computer system.

We tested the capabilities of the computer system by retrieving information on specific cases and summary information on case workload.

We also reviewed the capabilities of the manual system by looking at the manual records being maintained. The computer system lists more information on individual cases, can retrieve the information faster, and has considerably more capability for summarizing workload statistics.

The Director of the Operations Division stated that the region is redesigning the entire case tracking and control system around the computer so duplication between the two systems will be eliminated. He also stated that the region will start using the computer system to summarize data on the disposition of cases.

EXCESSIVE NUMBER OF REQUESTS
RETURNED TO THE STATES

A regional record for cases received and processed by Region X for June reported that 145 of 728 cases processed were returned to the States. This return rate of 18 percent indicated problems with the processing of State cases.

The Director of the Operations Division informed us that these cases represented cases that should have initially been sent to the States but had been mistakenly sent directly to the FEA regional office. Since the cases are misrouted, they are not resolved as rapidly as they normally would be. He stated that regional representatives would monitor these forms to identify suppliers who are sending forms through the wrong channels. He said the region should contact these suppliers and reiterate the procedures they should be following.

If you wish to make any additional comments on these matters, Mr. Mosher will be available for further discussion.

I would like to thank you for the excellent cooperation you have given to my staff during this review of FEA activities.

Sincerely yours,

PHILIP A. BERNSTEIN

Philip A. Bernstein
Regional Manager

cc: Associate Director, OESP - J. Dexter Peach
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Subject - 00107
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PRODUCT: Mrm
PS: Mosher, Pasquier, Brandt