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December 8, 2003

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VIA UPS OVERNIGHT

James J. McNulty, Secretary  
Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor  
Harrisburg, Pennsylvania 17120

Re: Proposed Rulemaking Electric Service Reliability  
Docket No. L-00030161

Dear Secretary McNulty:

Enclosed for filing in the above matter on behalf of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company are an original and nine (9) copies of Joint Comments.

Copies of the enclosed Joint Comments are being served upon those parties specified in the enclosed Certificate of Service.

Very truly yours,

RYAN, RUSSELL, OGDEN & SELTZER



Alan Michael Seltzer

Enclosure  
AMS:jag

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Proposed Rulemaking  
Electric Service Reliability  
[52 Pa. Code Chapter 57]

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:  
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Docket No. L-00030161

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the Joint Comments of Metropolitan Edison Company, Pennsylvania Electric Company, and Pennsylvania Power Company upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by UPS Overnight, postage prepaid, addressed as follows:

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Dated: December 8, 2003



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**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Proposed Rulemaking :  
Electric Service Reliability : Docket No. L-00030161  
[52 Pa. Code Chapter 57] :  
:

**JOINT COMMENTS OF METROPOLITAN EDISON COMPANY,  
PENNSYLVANIA ELECTRIC COMPANY  
AND PENNSYLVANIA POWER COMPANY**

**I. INTRODUCTION**

The Pennsylvania Public Utility Commission (“Commission”) entered an order on June 27, 2003 at Docket No. L-00030161 (“Rulemaking Order”) proposing amendments to its existing regulations at 52 Pa. Code §§ 57.191-57.197 “to significantly improve the monitoring of reliability performance in the electric distribution industry.” The Rulemaking Order, which was published in Volume 33, No. 40 of the Pennsylvania Bulletin on October 4, 2003, invited all interested parties to file comments within 60 days of such publication. Metropolitan Edison Company (“Met-Ed”), Pennsylvania Electric Company (“Penelec”) and Pennsylvania Power Company (“Penn Power”)<sup>1</sup> are collectively submitting these Joint Comments in response to the Rulemaking Order.<sup>2</sup>

**II. RELATIONSHIP TO THE ENERGY ASSOCIATION OF  
PENNSYLVANIA’S COMMENTS**

The Companies are active members of the Energy Association of Pennsylvania (“EAP”), which is also submitting comments in connection with the

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<sup>1</sup> Met-Ed, Penelec and Penn Power are collectively referred to in these Joint Comments as the “Companies.”

<sup>2</sup> Met-Ed, Penelec and Penn Power are all Pennsylvania-based operating electric distribution companies of FirstEnergy Corp.

Tentative Order. While the Companies have reviewed and endorse EAP's Comments, if there is any inconsistency with the more specific Comments presented by the Companies here, the latter should be viewed as the Companies' preferred position.

### **III. RELATIONSHIP TO JOINT COMMENTS AT DOCKET NO. M-00991220**

The Companies have already provided Joint Comments and Reply Comments to the Commission's Tentative Order entered on June 27, 2003 at Docket No. M-00991220 and incorporate them herein. These Joint Comments expand on those filed previously and should be viewed as the Companies' integrated position on the Commission's recent actions on distribution system reliability as reflected in the Tentative Order and the Rulemaking Order.

### **IV. GENERAL COMMENTS**

The rules proposed in the Rulemaking Order are predicated upon a substantial increase in the amount, nature and scope of data being filed with the Commission by the jurisdictional electric distribution companies ("EDCs") in order to allow the Commission to better monitor their distribution reliability. These rules contain two implicit assumptions: (i) that more data from the EDCs will allow the Commission to better monitor their reliability performance and (ii) that the type of information being sought relates directly to distribution system reliability. As will be discussed further below, both assumptions are flawed.

Aside from the reliability indices, there are six primary reasons why the Commission needs to seriously re-evaluate the rules proposed in the Rulemaking Order in connection with the submission of financial and operating data:

- There is no demonstrative relationship between much of the data required to be submitted and electric distribution reliability.
- Much of the data is proprietary and should be limited in its dissemination.
- Much of the data is likely to be misinterpreted and thereby facilitate inappropriate comparisons between various EDCs with large differences in geographic area, work practices, system planning, design and configuration.
- Much of the data could be used inappropriately to micro-manage and second-guess the EDCs' business and operational judgments.
- Much of the data is burdensome for the EDCs to develop and file, especially on a quarterly basis, and will have little incremental benefit to the Commission in either monitoring EDCs' reliability or assessing their reliability performance.
- The Commission should only ask for this data in support of a true reliability concern, not as a general matter unrelated to any real reliability problem.

The Companies do not support the submission of quarterly reliability reports to the Commission, at least with the detailed financial and cost information presently suggested. In addition, the Companies do not believe it is necessary or appropriate for the Commission to receive information about their transmission and distribution inspection and maintenance goals, budgeted operation and maintenance expenses, budgeted capital expenditures, budgeted transmission and distribution

contractor hours, and comparisons of budgeted versus actual expenditures for all categories. To assemble this amount of data would be costly and time-consuming, with little if any direct relationship to the monitoring, causes or remediation of reliability problems.

One of the many problems with requiring the routine filing of vast amounts of detailed financial and cost information is that it will put the Commission in a position to second-guess and challenge the EDCs' day-to-day management decisions about matters that have at best an indirect relationship to distribution reliability. The EDCs – not the Commission – are in the best position to determine how they will seek to improve reliability.

The Commission should make every effort to use the Tentative Order and the Rulemaking Order to clarify the *full scope* of required reliability reporting for its jurisdictional electric distribution companies. Over the last several years, the Commission has asked for numerous reliability-related reports – containing a variety of information to be filed at different times – from the EDCs. These reports are being provided to the Commission in support of management investigations, specific Commission decisions in litigated proceedings and pursuant to existing Commission regulations. The Commission needs to identify which reports currently being submitted will be eliminated by the reporting requirements that emerge from this proceeding.

Thus, while the Companies support efforts to provide timely annual reporting of information pertinent to distribution reliability, they do not believe it is necessary or desirable to submit quarterly information with the level of detail and

information currently being suggested by the Commission or to continue with duplicative reliability-related reports from older proceedings and investigations.

V. **SPECIFIC COMMENTS**

**§ 57.194 Distribution System Reliability**

Subsections (e) and (h) have been modified to require an EDC to achieve the reliability “performance benchmarks” in addition to the performance standards. This modification is inappropriate because it requires an EDC to meet *both* the benchmarks and the standards, and sets up possible non-compliance issues if an EDC is meeting a standard but not the benchmark. The changes reflected in these subsections raise a question about whether the Commission will deem an EDC’s reliability performance to be unacceptable if it is not “trending” in the right direction. The Companies addressed this issue in their Comments to the Tentative Order and incorporate them here. The Commission should be wary of creating too vague a measure of reliability performance. The EDCs need to know the level of acceptable reliability performance and when they can reasonably expect some investigation or inquiry from the Commission about perceived unacceptable performance. If they are meeting the established performance standard for any applicable reliability index, the fact that they are not trending in a particular direction or are not satisfying the benchmark should not lead to any finding of unreliable or unreasonable service, or otherwise support any type of Commission action for non-compliance.

For the reasons specified above, the Companies request that the addition of the words “performance benchmarks and” be removed from these subsections.

Subsection (h)(2) of § 57.194 has been modified to reflect that the reliability benchmark shall be determined on a “system-wide” basis rather than an “operating area” basis. While this approach may be appropriate for most EDCs in Pennsylvania, it is not for Penelec. Penelec serves about 585,000 customers over an area in excess of 17,000 square miles, making it the largest EDC in Pennsylvania in terms of geographic area. Under the Commission’s proposed rules, a major event is now defined to be an interruption that affects at least 10% of customers in an EDC’s *service territory*, rather than the smaller *operating area* used previously. For Penelec, this change almost assures that very few interruptions will be classified as a “major event”, because it is unlikely that even a severe and widespread service interruption will affect 10% of customers across Penelec’s huge geographic territory. However, with the reduced ability to exclude major events in the calculation of its reliability indices, Penelec’s service reliability may appear to be substantially worse than other EDCs with smaller service territories and may also make it difficult for Penelec to achieve its reliability standards.

Given its unique situation, Penelec requests that the Commission modify the proposed regulations to allow an EDC the size of Penelec, i.e., in excess of 17,000 square miles, to have two operating areas<sup>3</sup> for purposes of determining “major events” and for meeting its applicable reliability indices.

Subsection (h)(3) of § 57.194 accurately reflects the approach the Commission should take when an EDC fails to meet its applicable performance standards. Rather than commencing immediate enforcement efforts, the proposed rules properly suggest that such a failure shall be the “threshold for triggering additional

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<sup>3</sup> Penelec proposes that the boundary for its two new operating areas be in the vicinity of interstate route 80, with approximately half of that company’s customers and territory being located in each operating area.

scrutiny by the Commission staff.” This approach recognizes that there are many possible causes of and explanations for a failure to meet performance standards, and that rarely is immediate and punitive enforcement necessary or desirable. To the extent the Tentative Order suggests a different and more strident approach to enforcing a failure to meet applicable performance standards, that approach should yield to the reasonable protocols reflected in the proposed rules.

#### **§ 57.195 Reporting Requirements**

This subsection substantially increases the type, nature and quantity of data EDCs are required to submit to the Commission. In addition to annual reliability reports, under the proposed rules EDCs will be required to submit data on a quarterly basis. The implicit assumption behind this significant increase in frequency and amount of data filings is that more information is better. That is, the Commission can somehow do a better job of monitoring reliability performance or improving the EDCs’ reliability by receiving and reviewing mountains of data. The second assumption is that the data required to be submitted is relevant to assessing an EDC’s reliability performance in the first instance. The reality is that both assumptions are flawed. The benefit to the Commission of having all this information is miniscule compared to the time, expense, burden and resources the EDCs will have to incur or spend to gather, calculate, review and publish this data on a quarterly and annual basis. In short, no EDCs reliability will improve by having to assemble and report this voluminous data, and the Commission will not improve its monitoring of EDCs’ reliability by receiving and reviewing mountains of information that do not provide any real insight into the true status of an EDC’s reliability performance.

The availability to the Commission of the data requested to be filed under the proposed rules will inevitably lead to questions and second-guessing about how an EDC's financial and other resources are being deployed to address reliability performance. It is beyond question that there are numerous factors that influence and affect reliability performance. Reliability experts, regulators, customers and utility management can differ on how, when and in what amount those resources should be used to address reliability issues. The mere provision of this voluminous data to the Commission is likely to lead the Commission and its staff to micro-manage an EDC's business affairs, a clearly inappropriate and potentially unlawful result<sup>4</sup>. As presently structured under the proposed rules, the data being asked to be submitted is likely to be stale, subject to easy misinterpretation and, in some cases, should be subject to restrictions on public dissemination due to its proprietary and confidential nature.

As the Companies proposed in their comments on the Tentative Order, there is no need to submit quarterly data at all. None of the information sought by the Commission to be filed quarterly can be gathered easily every three months, but more importantly none of such data is likely to change in any material fashion or have any material impact on reliability in a three-month time frame. The resources deployed to address reliability are not intended to – and generally cannot – affect any change in reliability in a short three-month period, and it is therefore unnecessary to supply any of

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<sup>4</sup> A public utility is entitled to discretion in the management of its own affairs. See Pa. Tel. Corp. v. Pa. Pub. Util. Comm'n, 33 A.2d 765 (Pa. Super. 1943) (a utility is entitled to manage its own affairs to the fullest extent consistent with the Code); see also Nat. Fuel Gas Distribution Corp v. Pa. Pub. Util. Comm'n, 464 A.2d 546 (Pa. Cmwlth. 1983) (as a general matter, utility management is in the hands of the utility and the Commission may not interfere with lawful management decisions). The Commission itself has also stated that it does not favor micromanaging utilities. Pa. Pub. Util. Comm'n v. Roaring Creek Water Co., 1990 Pa. P.U.C. LEXIS 137 (the Commission may not micromanage utilities in the guise of regulation and it ought not to dictate to holding companies how to structure themselves so as to best perform their oversight function).

this information on such a short time period. Reliability performance is best assessed over at least a 12-month horizon. Attempting to look at trends in spending levels, resources or the reliability indices themselves over a shorter period will be highly misleading. The Commission, by requiring data to be filed on that basis, could easily fall into the trap of assessing reliability performance on that inappropriate time frame.

The obvious solution is to eliminate the requirement for EDCs to file quarterly reports and to include in the annual reports only such information that is truly relevant to reliability performance. These general themes will be discussed further below in the specific comments on the individual subsections of § 57.195.

**§ 57.195(b)(3)**

Among other things, this subsection requires that EDCs file MAIFI numbers in the annual report, “if available.” Most EDCs do not maintain MAIFI statistics and, for those that do, there is no consistent or uniform protocol for gathering and reporting such information. Some EDCs do not have complete MAIFI information even if they maintain some data. Indeed, there is no uniform definition or process in the industry about how to capture “non-storm” momentary data. Thus, at best, there is a substantial likelihood that the MAIFI numbers will be inaccurate for an individual company and highly misleading if data from two or more EDCs is compared. Given the current state of affairs with MAIFI, the Commission should not complicate reliability reporting by requiring the submission of this spotty, incomplete and potentially inaccurate data. Irrespective of whether such data is available, the Companies do not believe MAIFI information should be submitted at all.

Accordingly, the Companies request that all references to MAIFI be eliminated from this subsection and any other portions of the proposed rules.

**§ 57.195(b)(4)**

The Companies suggest that the word “analysis” in this subsection be eliminated. It is possible to provide the “breakdown” of the causes of outages as required by this subsection, but it is not clear what further “analysis” is intended or required. The breakdown of the causes of the outages is the only analysis that is realistically possible to provide. In order to avoid confusion or a possible issue about non-compliance, the word “analysis” should be removed from this subsection.

**§ 57.195(b)(5)**

The Commission should be aware – and the proposed rules must acknowledge – that the “worst performing” circuits may not necessarily involve large numbers of customers or warrant higher priority for remediation than other circuits not on the 5% list. Since much of the Companies’ service territory is rural in nature, it is not unusual for the worst performing circuits to be rural lines serving a couple of hundred customers. These lines are often located along winding rural roads in state forests. Many times state forest regulations limit the location of the Company’s facilities to the side of the road in close proximity to traffic. These lines are often subject to higher than normal outages due to car pole accidents, animals and adverse weather conditions. These lines may often have exposures of greater frequency and duration simply because of the nature of the geography they traverse. The proposed rules need to explicitly recognize that these types of lines could appear on the worst performing circuit list more often than non-rural lines, but the cost to achieve standard reliability performance levels for these lines could

be substantial, and may not be justifiable. In addition, the Commission should not interject itself into the day-to-day business judgments about how and when to address the “worst performing” circuits given the factors described above.

**§ 57.195(b)(6), (9) and (12)**

These subsections seek detailed information about the Companies’ transmission and distribution inspection and maintenance goals versus actuals for the “system area” and “significant” changes from prior reports to the Commission. This type of information would be extremely burdensome to produce and have marginal benefit to the Commission. In addition, the proposed rules provide no guidance on what the Commission considers to be “significant” for reporting purposes. An EDC’s goals and objectives are highly proprietary business information that should not be made available publicly. This information goes to an EDC’s business plan and priorities that can and do change during a budget year. Tracking variances or “significant” changes in this information could be highly misleading and more importantly, could put the Commission in the inappropriate position of second-guessing and micro-managing an EDC’s routine business judgments. The minimal potential benefit to the Commission of this proprietary information is more than outweighed by the real concerns about releasing publicly this sensitive information about an EDC’s plans and the potential for inappropriate interference in an EDC’s business judgments.

**§ 57.195(b)(7), (8), (10) and (11)**

Each of these subsections requires the submission of budget versus actual data for various capital and expense categories. None of this data should be required to be reported.

First, most EDCs, including the Companies, do not budget by FERC account. Thus, the budgeted data requested in § 57.195(b) (10) and (11) cannot be provided at all. Second, since all the EDCs have different budgeting processes, none of the budget versus actual data comparisons will have any value or meaning in evaluating the EDCs reliability against each other. Conversely, such comparisons are in fact likely to be drawn by the public and others, and may be used to reach inappropriate conclusions about the impact on an EDC's reliability. Third, budgets are simply management tools that offer guidelines for spending in a fiscal year. Based upon management discretion, funds earmarked for a budget can be changed during the course of a fiscal year, if conditions warrant. As such, while a budget provides an indication of where capital and operations and maintenance dollars are intended to be spent, it does not necessarily dictate that such funds will be spent as originally contemplated at the time the budget was prepared, thus making this information to outside parties irrelevant. Fourth, variations between budget and actual expenditures for any of the specified categories (e.g., transmission and distribution operations and maintenance) may not be indicative of changes in reliability or in an EDCs' reliability programs. There are often many business and operational reasons for variances between budget and actual expenditures, so that merely identifying those variances will not provide any indication of an EDC's reliability performance.

For all of the above reasons, the Companies object to providing any budget versus actual comparisons in any reports they may file under the proposed rules. The Companies urge the Commission to eliminate §§ 57.195(b)(7), (8), (10) and (11) from the proposed rules.

**§ 57.195(c) and (f)**

These two sections address the annual and quarterly reporting requirements for “smaller EDCs.” Under the proposed rules, smaller EDCs are those with less than 100,000 customers. The proposed rules require significantly less data and information to be reported to the Commission in recognition that such “smaller EDCs” have less data sources available because of their relatively fewer number of customers. Of all the “larger EDCs”, Penn Power is unique in that it is *substantially smaller* than all of them. The following list illustrates that point:

Penn Power – 154,000 customers

Met-Ed – 511,000 customers

Penelec – 585,000 customers

Duquesne Light Company- 585,000 customers

Allegheny Power (West Penn) – 686,000 customers

PPL – 1,200,000 customers

PECO Energy – 1,5000,000 customers

The next largest EDC after Penn Power (i.e., Met-Ed) has more than three times as many customers, a substantial difference in size. With only 154,000 customers, the scope of Penn Power’s service territory and the nature of its operations and reliability data far more resemble the smaller EDCs rather than larger ones. Thus, it is far more appropriate to treat Penn Power as a small EDC under the proposed rules than a larger one.

For the reasons specified above, the Companies request that the Commission redefine the term “smaller EDCs” in these sections to include EDCs with

less than 185,000. This change would allow Penn Power to be classified as a small EDC and have the benefit of reduced reporting requirements and greater flexibility, which is fully consistent with that company's current size and scope of operations.

**§ 57.195(e)(2) and (3)**<sup>5</sup>

See the Companies' comments in connection with § 57.195(b)(3) above, which are incorporated herein. In addition, the development of the reliability indices quarterly (as opposed to annually) will require numerous statistical calculations and judgments that could severely distort the numerical value for the index, resulting in numbers that may not provide an accurate picture of the Companies' reliability, but will, in all likelihood, be misinterpreted. It is far better to report the reliability indices annually and avoid all quarterly reporting.

The proposed rules should be modified to eliminate any requirement to calculate or file any reliability indices quarterly.

**§ 57.195(e)(4)**

See the Companies' comments in connection with § 57.195(b)(5) above, which are incorporated herein. In addition, specifying remedial actions every quarter is too frequent since those types of efforts are neither planned nor conducted quarterly.

**§ 57.195(e)(5)**

See the Companies' comments in connection with § 57.195(b)(4) above, which are incorporated herein.

**§ 57.195(e)(6)**

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<sup>5</sup> Each of the specific comments submitted in connection with quarterly reporting requirements is without prejudice to the Companies' basic position that no quarterly reporting is necessary or appropriate, and all such requirements should be eliminated from the proposed rules.

See the Companies' comments in connection with § 57.195(b)(6), (9) and (12) above, which are incorporated herein.

**§ 57.195(e)(7)and (8)**

See the Companies' comments in connection with § 57.195(b)(7), (8), (10) and (11) above, which are incorporated herein. In addition, reporting budget versus actual data in the context of quarterly filings is inappropriate because it is at best a short-term view that does not lend itself to trending or other meaningful analysis. There is simply too much variation in spending levels that can take place within and among quarters to allow anyone to draw reasonable conclusions. Under these circumstances, quarterly reporting of this data will result in false alarms and improper analysis of reliability performance. Gathering and reporting this data quarterly would be very burdensome to the Companies with no meaningful benefit to the Commission.

**§ 57.195(e)(9)and (10)**

These subsections seek specific information relating to staffing levels and contractor hours and dollars relating to transmission and distribution operation and maintenance. This type of data is highly proprietary since it goes to an EDC's business judgments in determining its internal and external resources. Decisions about required resources to perform transmission and distribution work are dynamic and could change frequently in a typical operating year and budget cycle. Reporting this type of information could easily lead the Commission and others to second-guess an EDC's business judgments. Depending upon the scope of distribution of this information, contractors would be able to learn about an EDC's costs per contractor as well as the circumstances in which contractor resources are employed. The Companies have found

that they can often negotiate better reductions in contractor contracts if the contractor community is not aware of the Companies' approach, timing and historic cost of these services. Once again, the very real concerns about the disclosure of this proprietary information and the possible second-guessing of an EDC's business judgment outweigh the possible benefit of this data to the Commission. This is particularly the case where staffing levels and contractor hours do not necessarily have a direct relationship to reliability performance. For the reasons specified above, the Companies urge the Commission to eliminate these two sections from the proposed rules.

**§ 57.195(e)(11)**

It is inappropriate to report call-out acceptance rates since there is no uniform method by which EDCs define such rates or report them. For example, some EDCs count *each* call to an employee that does not answer the phone, or a response from an answering machine, as a rejection of a call-out, while others may aggregate the calls in a reasonably proximate time and treat them as a single rejection. It is important to note that there are also various ways labor agreements have been negotiated to address the call-out process, and variations between EDCs, and even different unions within the same EDC, can result in inappropriate comparisons. By requiring the reporting of call-out rates, it appears that the Commission believes there is a direct correlation between the call-out response and an EDC's reliability performance. This is not necessarily correct. Indeed, the majority of after-hour outages requires no crew call-out and can be handled by the on-shift personnel. This lack of a standard for defining call-outs and "acceptance", along with the inability to account for variations among the EDCs labor agreements, could lead to unreasonable and inappropriate comparisons. Once again, under these

circumstances, the possible mis-use and misinterpretation of this data is high, and clearly suggests that such data should not be required to be reported. This information at best has no meaningful relationship to performance reliability, and the potential for significant misunderstanding of the information more than outweighs any potential benefit the Commission might derive from it.

Accordingly, the Commission should eliminate call-out acceptance rates as a required item for reporting purposes.

**Proprietary Information in §§ 57.195(b)(5)-(12) and (e)(4)-(11)**

If the Commission ultimately determines that some or all of the data specified in these subsections must be submitted in either quarterly or annual reports, the Companies believe that the Commission must incorporate specific provisions into the proposed rules to address the confidentiality of this proprietary information. All of the information specified in the above subsections constitutes highly confidential and proprietary business information about how each EDC allocates its limited resources. Absent the Commission's proposed rules, this information would not be made available to the Commission or to the public precisely because it reflects specific business judgments that are unique to each EDC. If the Commission believes this information is necessary for it to fulfill its statutory duties and to oversee the EDCs' reliability performance, the data should not be widely distributed to customers or the public generally. This type of data can easily be misinterpreted and misused. Making it available without confidentiality protections could have disastrous results.

Accordingly, if the information specified in these subsections is ultimately required to be filed in any form, the regulations should allow the EDCs to limit its

dissemination to the Commission and its staff, the Office of Consumer Advocate and the Office of Small Business Advocate, subject to a blanket prohibition against public disclosure, and to prohibit such information for being inserted into the Commission's public files. The EDCs should also be permitted to seek such additional protection as they deem necessary to prohibit disclosure of any data they deem proprietary.

**§ 57.195(i)**

Consistent with the comments specified above regarding confidentiality, the final regulations must contain provisions prohibiting the Commission from including in the annual report required by this section any previously identified confidential and/or proprietary information.

**VI. CONCLUSION**

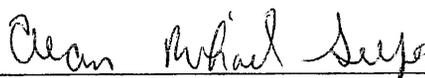
The Commission should not misinterpret the Companies' position in this rulemaking. No one questions the Commission's authority to generally seek and obtain from the EDCs all of the information it desires to have reported routinely via the proposed rules. The real concern is the timing and circumstances when such data and information is provided. For the legal, policy and other reasons specified above, the Companies strongly believe it is inappropriate for this Commission to mandate the *routine* submission of the detailed financial and other data required by the proposed rules. The goals should be to find a way for the Commission to monitor the EDCs' reliability performance and for the EDCs to improve their distribution reliability without overly burdening the EDCs and the Commission with data and information that is not relevant to either objective. The reporting requirements in these proposed rules are too expansive. The EDCs are being asked to gather and report multiple times a year information that (i)

will not materially help the Commission monitor reliability performance and (ii) is largely irrelevant in determining whether service is reliable. The Commission would be well served to rely upon the annual submission of the recognized reliability indices and improved regular communication with the EDCs. If these data points suggest that a reliability issue needs to be addressed, the Commission would be free at that time to require any targeted EDC to provide any type of information (including budgets, actuals, etc.) necessary to thoroughly investigate the concern.

The Companies urge the Commission to modify its proposed regulations consistent with the foregoing Joint Comments.

Respectfully submitted,

Dated: December 5, 2003



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