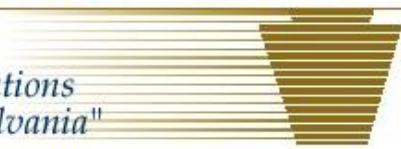


Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*



November 10, 2011

SERVICE OUTAGE REGULATIONS

The genesis for this rulemaking was Hurricane Ike of 2008, the resulting power outages, and the PUC's belief that there was a lack of information to affected customers and deficient coordination between electric utilities and the PUC

The initial response from the Commission came in the form of a Joint Motion by Commissioners Christy and Pizzigrilli which directed Commission staff to conduct a statewide evaluation of electric distribution company storm response, service restoration, and customer communication practices. As part of the investigation, the Commission held two public input hearings in western Pennsylvania.

Commission staff generated a report after their investigation which the PUC adopted at its Public Meeting of April 30, 2009. At that meeting, the Commission also adopted another Joint Motion by Commissioners Pizzigrilli and Christy initiating a rulemaking to revise the Service Outage provisions in 52 Pa Code, Sections 57 (Electric), 59 (Gas), 65 (Water) and 67.1 (Service outages for all utilities).

The PUC issued a Proposed Rulemaking Order on November 6, 2009 and invited comments from interested parties. The proposal was ultimately published in the Pennsylvania Bulletin on March 6, 2010 and PTA filed its comments on April 5, 2010.

In its filing, PTA noted the regulatory distinctions between other public utilities and LECs and made specific mention of the highly competitive nature of the telecommunications market and carrier of last resort obligations. Combined with the lessened regulatory provisions of Act 183, these distinctions should deter the PUC from making many of the proposed changes to the regulations.

Additionally, the PTA comments noted the proven back-up power network of the Member Companies and the use of batteries and generators which are successfully used when the electric grid is down.

With regard to the proposed regulations specifically, the PTA comments opposed the definition of sustained loss of service as being "five minutes or greater", the reporting of trouble, or non-outage cases, the ranking of the severity of the outage, and reporting on weather conditions the day before and the day of the outage.

On September 23, 2011, the PUC entered a Final Rulemaking Order incorporating many of the changes recommended by the PTA. For the most part, any additional reporting requirements apply only to other utilities and not to the PTA Member Companies. The regulations provide LECs with the option of filing under Section 67.1 (b) or filing the FCC Outage Report set forth at 47 CFR Part 4. If the LEC opts to report under 67.1 it must provide only the following:

- The approximate number of outage cases for each affected county
- The reason for the service interruption
- The projected time for service restoration
- The date and time of the first interruption
- The actual time service was restored

The standard for reporting is still an unscheduled service interruption in a single event for 6 or more projected consecutive hours.

If a LEC opts to file the FCC report, it must contain the name of the reporting entity, reason for the interruption, date and time of first interruption, approximate number of customers affected, geographic area affected, and the actual time service was restored.

As part of the regulatory review process, the final regulation (57-271) was delivered to the Independent Regulatory Review Commission (IRRC) and the standing committees in the House and Senate on October 11, 2011.

IRRC is scheduled to consider the regulations at its Public Meeting on November 17, 2011.