

Keystone Connection

Utility News
in Pennsylvania

A newsletter published by the Pennsylvania Public Utility Commission regarding utility news in the telecommunications, energy, transportation and water markets.

Autumn 2007

Pennsylvania General Assembly Holds Special Session on Energy Policy



The General Assembly began its Special Session on Energy Policy in September pursuant to a proclamation issued by Gov. Edward G. Rendell. The proclamation called for a special session “to consider any and all legislation regarding funding for and the making of investments in clean and renewable energy, energy conservation, and economic develop-

ment efforts relating thereto, and the establishment of requirements regarding the renewable energy content of liquid fuels.” Both the House and Senate adopted rules for the special session. The House is using four committees to run legislation through: Appropriations; Consumer Affairs; Environmental Resources; and Energy and Finance. These are all existing committees in the House. The Senate is using three committees to run legislation through: Rules; Appropriations; and Energy Policies. The Energy Policies Committee was created solely for the special session.

On Sept. 24, Governor Rendell addressed a joint session of the House and Senate calling for action on an energy plan to reduce dependence on foreign oil, to grow the economy and to strengthen security. The Governor continued to urge support of his Energy Independence Strategy (EIS). Key components of the EIS include renewable fuels and new investments in technologies, businesses and products that either reduce energy use or produce clean, renewable energy. The Governor would like to dramatically increase the production in Pennsylvania of ethanol and bio-diesel, and has called for his PennSecurity Fuels Initiative, requiring a set percentage of all the fuel sold in the state to consist of renewable fuel.

He is also asking for support of a new \$850 million Energy Independence Fund to make investments to provide access to critically needed seed money or venture capital, working capital, loans and limited grants. The fund would also be used for rebates to consumers for the purchase of new, energy efficient appliances and rebates to consumers, businesses and farmers who install solar panels.

Another key component of the Governor’s strategy includes providing smart meters to all customers so they can manage their electric usage. The Governor has stated that his strategy would cost the average residential customer 45 cents a month. This cost would be passed on to all customers by use of a monthly surcharge equaling one-twentieth of one cent per kilowatt hour for each kilowatt hour of retail electricity sold in the state.

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Connecting in Pennsylvania

Welcome to the eighth issue of *Keystone Connection*, a publication of the Pennsylvania Public Utility Commission (PUC) that gives a “snapshot” view of the utility markets under the jurisdiction of the Commission: electric, natural gas, transportation, telecommunications, water and the major issues that affect each industry.

The publication contains coverage of all utilities, including news on consumer issues and general information on PUC happenings.

The PUC balances the needs of consumers and utilities to ensure safe and reliable utility service at reasonable rates; protect the public interest; educate consumers to make independent and informed utility choices; further economic development; and foster new technologies and competitive markets in an environmentally sound manner.

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PPL's Base Rate Case Settlement

On March 29, 2007, PPL Electric Utilities Corporation filed for a proposed increase in distribution revenues of \$83.6 million, or 13.2 percent. The PUC's Office of Trial Staff (OTS), PPL and the other parties of record were able to agree on a joint stipulation for settlement, which was accepted by the administrative law judge in her recommended decision dated Oct. 22, 2007.

Under the terms of the settlement, if approved by the Commission, PPL will receive an annual distribution revenue increase of \$55 million (an increase of 8.7 percent). Additionally, PPL has agreed to several proposals by OTS, including:

1. Not to iterate Capital Stock Tax;
2. To incorporate the anticipated Jan. 1, 2008, reduction in the Pennsylvania Capital Stock Tax rate;
3. To reduce its consumer-education expense relating to its Meter Data Management System by \$2 million;
4. To institute a three-year average late payment revenue; and
5. To have a \$1.2 million correction to present rate revenue.

As OTS is charged by statute to protect the public interest, OTS was heavily involved in this proceeding, which included extensive discovery, attendance at the five scheduled public input hearings in the company's service territory, submittal of direct and surrebuttal testimonies of five expert witnesses, and participation in evidentiary hearings, and settlement negotiations.

Consumer-Education Plan Proposed to Help Public Prepare for Rate Increases

The Commission earlier this fall submitted a proposed 2008-09 agency budget request to the General Assembly and to the Governor. The request includes a proposed \$5 million in consumer-education funding for a statewide campaign on energy conservation and potential significant electricity price increases. Funding proposals for future years will be based on continued input from stakeholders and survey results and other measures. Per its final order on strategies to mitigate potential significant electricity price increases, the Commission has convened all interested stakeholders three times so far (June, August and October) as part of an ongoing series of meetings that will continue throughout the campaign.

Chairman Testifies on Energy Policy

On Sept. 5, 2007, Chairman Wendell F. Holland testified before the state House Consumer Affairs Committee about electric prices.

The Chairman told the committee the PUC anticipates significant changes but is working to educate customers and encouraging reduced demand. In his testimony, the Chairman provided an overview of electric restructuring and the Commission's actions, including finalizing default service policies and rules; preparing a price mitigation plan; and examining demand side response programs.

"As the Commonwealth transitions to paying market prices for electric generation for the first time in many years, we will all play an important role in shaping the state's energy future," Chairman Holland said. "Pennsylvania will continue to move forward in implementing a comprehensive energy strategy while everyone will play a significant role in reducing demand and in the end saving money."

PPL Remand Proceeding

The PUC approved a \$137.1 million increase in PPL's distribution rates that became effective on Jan. 1, 2005. An appeal to Commonwealth Court was filed by various parties to the proceeding. The Commonwealth Court issued its decision in the appeal of several of the issues in 2006, reversing in part, vacating in part and affirming in part the PUC's Dec. 2004 decision. The Court sent the case back to the Commission for resolution.

An administrative law judge issued a recommended decision on June 29, 2007, approving a joint petition for settlement submitted by the parties during the remand. Under the terms of the settlement, the monthly bill for a typical residential customer will increase approximately, 3.8 percent, from \$96.52 to \$100.20 for a home that uses 1,000 kilowatt-hours (kWh) of electricity. Industrial and commercial customers will see a decrease of approximately 2 percent to 5 percent in their monthly bill, depending on each customer's power usage.

From Aug. 1, 2007, through Dec. 31, 2009, PPL Electric will provide refunds and recoupments of previously charged distribution costs. The charges will be recomputed on Jan. 1, 2008, and Jan. 1, 2009, to reflect under-or-over recovery of charges and refunds, and any revised projected sales.

The parties that agreed to the settlement include PPL Electric, the PUC's Office of Trial Staff, the United States Department of Defense, Office of Consumer Advocate, Office of Small Business Advocate, PPL Industrial Customer Alliance and Eric Epstein. The increase will affect about 1.2 million residential customers and about 174,700 commercial, industrial and municipal customers in Berks, Bucks, Carbon, Chester, Clinton, Columbia, Cumberland, Dauphin, Juniata, Lackawanna, Lancaster, Lebanon, Lehigh and Luzerne counties.

Foreign Load Case Decided

PPL consumers reported that three light bulbs, which were located in a common area of the rental property where they lived, were being charged to their electric meter. When a ratepayer's meter registers usage for utility service provided for use in a common area of a building, such as hallway lighting, this is called "foreign load." Upon determining that the consumers/tenants were correct about the foreign load, PPL transferred their entire bill (including an unpaid balance) to the landlord's account. In this particular case (Docket No. C-20055547), the landlord corrected the foreign load problem a month after it was discovered and had the three light bulbs moved to their own meter. The landlord then filed a formal complaint against PPL objecting to the transfer of the tenant's entire household bill that accrued prior to the foreign load discovery.

After hearing, the PUC's administrative law judge (ALJ) determined that, under 66 Pa. C.S. § 1529.1(b), the transfer of the entire balance to the landlord's account was appropriate and that the landlord was responsible for paying the entirety. The ALJ also faulted PPL for allowing the tenants to accrue a balance exceeding \$1,000 and assessed the company a civil penalty of \$700.

PPL filed exceptions to the ALJ's decision, and by order entered on Aug. 15, 2007, the PUC reversed the ALJ's decision. In so ruling, the Commission determined that subsection 1529.1(b) of the Code is silent as to who has the responsibility for payment of any unpaid balance due for usage prior to the discovery of foreign load. Rather, the statute requires that once foreign load is identified, the utility must list the account in the name of the owner and "[t]he owner shall thereafter be responsible for the payment for the utility services rendered thereunto." 66 Pa. C.S. § 1529.1(b). The PUC interpreted this provision as limiting the scope of the owner/landlord's obligation for payment on the account after the discovery of foreign load.

The amount of electricity used by the three light bulbs was deemed inconsequential when compared with an arrearage accumulated over a 13-month period; therefore, the PUC found that holding the landlord responsible for a tenant's entire past due balance was insupportable. Permitting a tenant to walk away from thousands of dollars in utility service that he or she consumed was viewed by the PUC as inconsistent with Chapter 14 (Responsible Utility Consumer Protection Act) of the Public Utility Code, 66 Pa. C.S. §§ 1401, *et seq.*

Additionally, the Commission concluded that the civil penalty against PPL was not merited because the utility had properly pursued collection on the account.



Second Solicitation Held for Suppliers to PPL's Competitive Bridge Plan

On Aug. 2, 2006, PPL petitioned the PUC for approval of a plan for acquisition of Provider of Last Resort (POLR) supply service as a one-year "bridge" between the expiration of its POLR rate caps on Dec. 31, 2009, and a fully competitive, statewide market beginning Jan. 1, 2011.

Under the Competitive Bridge Plan (CBP), PPL proposed a three-year competitive procurement program beginning in 2007 for POLR supply in 2010. The CBP was approved by the Commission's final order entered on May 17, 2007.

The basic structure for residential and small commercial and industrial (C&I) POLR service is that PPL will undertake a series of six solicitations over three years to develop the POLR price separately for the residential and small C&I classes.

For large C&I customers that express an interest in a fixed rate option, PPL will conduct a single solicitation for fixed price service for the large C&I customers in October 2009. Those large C&I customers would then be given 30 days to "opt in" to the fixed price for 2010, or default to real-time hourly service for 2010.

On July 26, 2007, the PUC approved suppliers' contracts for 850 megawatts of generation PPL will need for 2010. The winning suppliers from this first solicitation were selected from seven competitive bidders.

The PUC approved suppliers' contracts for an additional 850 megawatts of generation PPL will need for 2010, on Oct. 4, 2007. The winning suppliers from this second solicitation were selected from nine competitive bidders. The average generation supply prices from the second solicitation, including gross receipts tax and adjustment for line losses, were \$105.08 per megawatt-hour for residential customers and \$105.75 per megawatt-hour for small C&I customers.

Combining the results of both solicitations, the average generation supply price for residential customers is \$103.43 per megawatt-hour (10.343 cents per kWh) and \$105.43 per megawatt-hour (10.543 cents per kWh) for small C&I customers. If these prices remain the same for the following four purchases, the average residential customer's monthly bill (1,000 kilowatt-hours per month) would increase by about 34.5 percent, while small C&I bills would increase approximately 22.8 percent to 42.2 percent.

PUC Appeals to DOE for Rehearing on NIETC

The PUC filed for rehearing on Nov. 2, 2007, with the United States Department of Energy (DOE) over its National Interest Electric Transmission Corridor (NIETC) designation for the Mid-Atlantic Region while also filing suit against the designation in United States District Court on Nov. 1, 2007.

The NIETC for the Mid-Atlantic Region includes 52 out of the state's 67 counties. The PUC has taken an active role in representing the interests of Pennsylvania before the federal government filing comments on the issue and participating as a party in this case.

In its petition for rehearing before DOE and its filing in the U.S. District Court, the Commission maintained that the NIETC is overly broad, calling the plan beyond the scope intended by Congress in the Energy Policy Act of 2005. The filing before the U.S. District Court also asks the court to prevent the Federal Energy Regulatory Commission from implementing the NIETC at this time.

According to both filings, the PUC alleges that the DOE's "expansive interpretation of its own powers is neither reasonable, nor reasonably required to effectuate Congress' purpose," nor is it supported by the Act. The PUC said:

- The federal government failed to apply the law in a manner that is minimally intrusive on traditional state siting authority and jurisdiction;
- The designation is overly broad and inconsistent with Congressional intent;
- DOE failed to adequately identify congestion levels, sources and lacks the required findings of fact;
- The NIETC boundaries fail to adhere to the requirements of the law;
- The federal government used an inadequate basis for the NIETC designation; and
- DOE failed to include the requirement that a project not conflict with regional planning in its designation.

TrAIL Co. Update

As part of the ongoing case surrounding around the Trans-Allegheny Interstate Line Co. (TrAIL Co.) proposal to construct a 500-kilovolt transmission line in Western Pennsylvania, 12 public input hearings were held in August and September, as well as visits to the properties of affected residents who requested a viewing.

More than 1,800 people attended the public input hearings with about 350 people providing testimony at the hearings and site visits. By attending a public input hearing, held in Washington and Greene counties where the line is proposed to be placed and providing testimony, residents placed their views in the official record on which the PUC will base its decision.

When an application of this nature is received, the Commission is required to hold hearings to consider the necessity, safety and environmental impact of the proposed line. The Commission also considers a variety of other issues including need for the proposed line, risk of danger to the health and safety of the public, compliance with applicable statutes and regulations providing for the protection of natural resources, and minimal adverse environmental impact.

PPL Proposes a Transmission Line in Bucks County

PPL is proposing to build a six-mile-long electric transmission line in Bucks County between Quakertown and Coopersburg. Although PPL has not yet filed an application with the PUC for approval to construct the \$12 million high voltage line or exercise eminent domain to obtain private property for the line, PPL's preliminary activities have already led to litigation with some property owners. According to local news accounts, some property owners have refused to allow PPL onto their property and PPL obtained a court order from the Bucks County Court of Common Pleas to conduct tests and surveys.

Pennsylvania's Public Utility Code, Commission regulations and the Eminent Domain Code require PPL to obtain pre-approval from the Commission before building high-voltage transmission lines or exercising eminent domain proceedings in a court. When a utility files an application to build a high-voltage transmission line, Commission regulations require the application to be published in local newspapers and served upon various interested parties, including affected property owners, municipal officials, local and state agencies and other utilities. The Commission will assign an administrative law judge to hold hearings on the application and review the necessity of the line, safety, impact of the line on various criteria and the feasibility of alternative routes.

Special Session

Continued from Page 1.

In addition, multiple pieces of legislation have been introduced in the House and the Senate since the inception of the special session. This legislation includes pieces on the sale of transportation fuels, energy and environmental building standards, sales and use tax exemption for certain vehicles, an energy-efficient home assistance program, creation of a state energy office, and many others. Several bills have made it to the House calendar for consideration. One bill excludes compact fluorescent light bulbs from sales tax, and another excludes washers, dishwashers, refrigerators, room air conditioners and ceiling fans from sales tax during a specified exclusion period. Still another excludes from sales and use tax certain hybrid electric vehicles and fuel efficient vehicles.

In the Senate, Special Session Senate Bill 1 (SS SB1), the Alternative Energy Investment Act, was voted out of the Energy Policies Committee on Oct. 17. This bill creates the Alternative Energy Development Fund authorizing the Commonwealth Financing Authority (CFA) to issue a 20-year limited obligation revenue bond of up to \$250,000,000. Proceeds from the sale of bonds would be allocated to the Ben Franklin Technology Development Authority; to the Department of Environmental Protection (DEP) for grants for pollution control technology programs; to CFA for clean energy projects; and to CFA for energy conservation projects. Also, DEP would receive \$20 million annually in gross receipts tax revenue to provide grants, reimbursements and rebates in accordance with the Consumer Home Energy Efficiency Program as established by the legislation. Finally, the bill would authorize \$20 million annually for alternative energy production tax credits. Although SS SB1 was voted out of committee, Chair Mary Jo White assured that a hearing would be held on the legislation.

The Special Session on Energy Policy runs concurrently with regular session in the House and Senate. At this time, there is no end date for this special session.

Winter Reliability Meeting

On Nov. 8, natural gas utilities and suppliers told the PUC at the annual Winter Reliability Assessment Meeting that they are prepared to serve utility customers and assist them for the upcoming winter.

Presenters from the Energy Association of Pennsylvania (EAPA), PECO Energy, AmeriGas and the Department of Public Welfare (DPW) discussed the

Winter Reliability Continued on Page 20.

Joint Default Service Plan for Citizens' Electric Company and Wellsboro Electric Company

On Oct. 3, 2007, the Commission entered its opinion and order (Docket Nos. P-00072306 and P-00072307) which approved a joint default service plan for Citizens' Electric Company and Wellsboro Electric Company for Jan. 1, 2008, through May 31, 2010. This was the first proceeding brought under the Commission's final form default service regulations and the Commission's policy statement on default service and retail markets.

As suggested in the policy statement, the companies combined their customer bases into one plan to increase load and attract more suppliers to bid on that supply need. The plan provides for a program manager experienced in purchasing supply in energy markets. It also provides for broad parameters within which the administrator has discretion to time purchases and quantities. That permits the administrator to use the market to obtain supply at the best prices available. The Commission provided for an evaluation in order to determine whether the operation of the plan results in rates that are in line with other reasonable default service approaches.

Electric Supplier Licensing

Activity from Aug. 1, 2007 to Oct. 31, 2007.

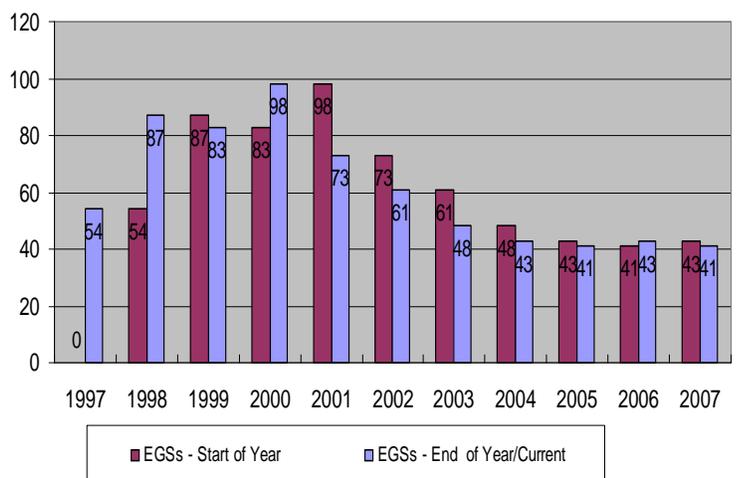
41 Active Licenses

0 licenses canceled

1 license approved

2 applications pending

Number of Licensed EGSs



Water and Wastewater Company Applications Approved

Applications Approved
Aug. 1, 2007, through Oct. 31, 2007

Utility	Action	Territory	Approval Date
Pennsylvania-American Water Company	Additional Territory	Worcester Township, Montgomery County	08/08/07
Superior Water Company Inc.	Additional Territory	Douglas Township, Montgomery County	09/13/07
Superior Water Company Inc.	Additional Territory	New Hanover Township, Montgomery County	09/13/07
Aqua Pennsylvania Inc.	Additional Territory	Charlestown Township, Chester County	09/27/07
Pennsylvania-American Water Company	Additional Territory	Middle Smithfield Township, Monroe County	10/11/07
Aqua Pennsylvania Inc.	Acquisition and Additional Territory	East Marlborough Township, Chester County	10/11/07

Pennsylvania-American Water Company's IPO

By order (Docket No. A-212285F0136) of Aug. 22, 2007, the Commission sought comments to the tentative approval of a supplement to a non-unanimous settlement agreement. Although no comments were filed, the Office of Small Business Advocate (OSBA) filed a petition for reconsideration on Sept. 5, 2007. Specifically, the OSBA requested clarification as to the application of the *City of York* standard to divestiture cases. Although the standards of *City of York v. Pa. PUC*, 449 Pa. 136, 295 A.2d 825 (1972) were enunciated in a merger proceeding, the OSBA argued that the PUC should expressly hold them applicable to divestiture cases.

By opinion and order entered Sept. 27, 2007, the PUC determined that the statutory standards of *City of York* are applicable to divestiture cases, as well as cases involving mergers, acquisitions, consolidations or other change in control vehicles, under Chapter 11 of the Public Utility Code. The PUC further recognized that, to the extent the business transaction may be a divestiture, as compared to a merger or other means through which corporate control or reorganization is effected, there are practical differences that must be analyzed for purposes of assessing the impact on the public interest.

Clarendon Water Investigation

A formal complaint, at Docket No. C-20067108, was filed against Clarendon Water Company alleging poor water quality, specifically hot water that turns black and stains. The consumer stated that she sometimes must run the water for 30 to 45 minutes until it runs clear. She requested an adjustment to her account for all the water that she used to obtain clear water. The PUC's administrative law judge (ALJ) found that Clarendon had provided inadequate and unreasonable service in violation of Section 1501. The ALJ calculated a credit to the customer's account but did not impose a fine because Clarendon was working with the Department of Environmental Protection to improve its service.

By tentative opinion and order entered Sept. 17, 2007, the Commission increased the amount of the credit to the customer in order to compensate her for the excess water she used and its poor quality. The Commission imposed a \$1,000 fine on Clarendon for deficiencies in chlorination and manganese levels. In addition, the PUC instituted a non-prosecutory investigation to be conducted by the PUC's Law Bureau to determine whether the water provided at the tap is suitable for all household purposes. Comments to the tentative opinion and order were due by Oct. 8, 2007. Since Clarendon filed comments on Oct. 4, the matter is now pending further review by the PUC.

PAWC Outages in the Pittsburgh Area and Other Portions of their Service Territory in the State

On Dec. 10, 2006, approximately 1,000 Pennsylvania American Water Company (PAWC) customers in the Pittsburgh area and two nearby schools experienced extended water outages. These outages in the Pittsburgh area continued for several days. Similar extended outages had occurred in November 2006 when 2,000 PAWC customers in portions of Lackawanna County lost their water service.

As a result of these events, the Commission, at its public meeting of Dec. 15, 2006, adopted a motion that called for an investigation of these outages to examine the utility's compliance with the Public Utility Code and the PUC's regulations regarding safe and reliable water service in the Commonwealth. To this end, it was noted in the Commission's order that was entered on Jan. 5, 2007, at Docket No. I-00060112, that "the Commission has a fundamental duty to ensure that public utilities provide safe, adequate and continuous service to their customers without unreasonable interruptions or delay in accordance with our regulations and orders."

The Commission's non-prosecutory investigation included, but was not limited to, a determination as to whether:

1. PAWC responded to the outages in an effective and timely manner;
2. Adequate resources were available to effectively respond to the situation in a timely manner;
3. The public received adequate notice and were kept informed in a timely manner;
4. Emergency response officials received notice and were kept informed in a timely manner;
5. Adequate supplies of drinking water were provided and/or available at convenient locations; and
6. Additional steps can be taken by the utility to mitigate main breaks and to respond to future outages in a timely and effective manner.

The PUC's Law Bureau, in conjunction with the Bureau of Fixed Utility Services, prepared a report relating to the Pittsburgh outages that was submitted to the Commission in April 2007. On June 21, 2007, the report, which contained 15 directives for PAWC to implement, was released to the public for comment, which was due within 15 days.

The Commission's June 21, 2007, order tentatively directed the company to:

- Reevaluate its staff complement in the Pittsburgh district office on an annual basis;
- Directly contact its customers through bill inserts and direct mail to ensure the company has updated customer information;
- Develop an effective process for providing updates to customers, local officials, emergency services and the media as to the status of main breaks and service interruptions;
- Maintain, at a minimum, daily contact with municipal and state offices in affected areas, using emails when possible;
- Meet with affected municipalities and emergency management agencies in the Pittsburgh district within six months to further discuss the appropriate notification requirements;
- Review and update the training of Customer Service Center personnel;

- Establish direct communication with all critical care customers in the Pittsburgh district;
- Complete the reduction of the various pressure zones in the Pittsburgh district;
- Continue efforts to minimize the occurrence of pressure surges originated from the Hay Mine production plant; and
- Adjust the weighting factors in their capital criteria related to main size such that the replacements of small diameter mains are given higher priority.

On July 26, 2007, the Commission's final order after comments was entered. The Commission's final order adopted, with a minor clarification, the Commission's June 21, 2007, tentative order. Specifically, the Commission clarified the directive in the tentative order that PAWC was only required to meet with their critical care customers in the Pittsburgh district that have unique pressure requirements.

A second joint staff report relating to the extended outages in Lackawanna County and other portions of PAWC's service territory is scheduled to be submitted to the Commission later this year.

Feedback

We welcome any feedback on the Pennsylvania PUC's quarterly newsletter, *Keystone Connection*.

Staff from the Office of Administrative Law Judge, Bureau of Audits, Bureau of Conservation, Economics and Energy Planning, Bureau of Consumer Services, Office of Communications, Bureau of Transportation and Safety, Office of Special Assistants, Bureau of Fixed Utility Services and the Law Bureau all contribute and write articles for this publication.

For media inquiries or to share ideas, feel free to contact Cyndi Page of the Communications Office at (717) 787-5722.

Water and Wastewater Rate Increases

Rate Increase Request Summary

July 2007 through October 2007

Utility Name	Amount(\$) Requested	Amount(\$) Granted	% of Increase	Action	Action Date
Little Washington Wastewater Company - Rivercrest Division	63,573			Litigation	7/11/2007
Little Washington Wastewater Company - Twin Hills Division	67,749			Litigation	7/11/2007
City of Bethlehem	827,455			Mediation	8/8/2007
Keystone Utilities Group Inc.	48,816			Mediation	8/30/2007
Birch Acres Water Works Inc.	6,230			Mediation	8/30/2007
Wonderview Sanitary Facilities	18,577			Mediation	8/30/2007
Total Environmental Solutions Inc. - Beech Mountain Lakes Sewer Division	56,580*	56,580*	13.00	Approved as Filed	10/11/2007
Clarendon Water Company	21,759			Investigation	10/25/2007
* This increase was a pass-through of increased wastewater treatment charges from the Butler Township Authority.					

PAWC to Add Chloramine

On July 12, 2007, Pennsylvania American Water Company (PAWC) notified the public through a press release of a change to its disinfection process which will involve switching from chlorine to chloramines at water treatment facilities serving customers in Cumberland and York counties. PAWC indicated the switch to chloramines will enhance its abilities to meet future drinking water standards related to disinfection by-products.

The formation of disinfection by-products occurs when chlorine reacts with naturally occurring organic compounds, as found in decaying vegetation. Chloramines is a combination of chlorine and ammonia. The use of chloramines is an effective disinfection process that is widely accepted by regulatory agencies, and has been used for decades by many cities in the United States. Currently, PAWC uses chloramines for disinfection at its Norristown, Ellwood City, Butler, Clarion, Brownell/Fallbrook and Phoenixville water treatment systems.

The process to effect the conversion to chloramines at both the West Shore Regional and the Silver

Spring Water Treatment Plants has been permitted by the PA Department of Environmental Protection (DEP), the agency that regulates and enforces water quality and drinking water standards set by United States Environmental Protection Agency (EPA). Both DEP and EPA have concluded that chloramines do not pose health problems for humans at levels used for drinking water disinfection.

The PUC received a number of formal complaints from PAWC's customers in response to the announcement, and the company has delayed the conversion. Although the various complaints were not identical, each referred to the alleged adverse health effects of using water treated with chloramines and requested the PUC prevent PAWC from proceeding with its disinfection process change until the health issues were addressed. These complaints were assigned to an administrative law judge (ALJ). On Sept. 7, 2007, the Office of Consumer Advocate (OCA) filed a notice of intervention and a public statement. The ALJ dismissed the complaints stating that the Commission does not have jurisdiction to administer the Pennsylvania Safe Drinking Water Act, or to review determinations made by the DEP pursuant to this Act. OCA has filed exceptions to the ALJ's initial decision, arguing the PUC regulates service and disinfecting the water supply is a service issue. The ALJ's initial decision is now pending Commission review.

Update on W.P. Water and Sanitary Companies

Law Bureau prosecutory staff is involved in a Section 529 mandatory takeover proceeding for only the second time since that statutory provision was enacted in 1992. In 1993, the Commission instituted its first Section 529 proceeding in *Pa. PUC v. Tremont Water and Gas Co.*, (Docket No. C-00935209, Sept. 23, 1993). In that case, however, the complaint was rendered moot as a result of Commission approval of Tremont's application to abandon and transfer its system to Schuylkill City Municipal Authority.

The current Section 529 proceeding involves WP Water Company and WP Sanitary Company, which were certificated by the Commission in 1975. In fall 2005, several customers filed formal complaints against both companies alleging inadequate service. Law Bureau prosecutory staff and the Office of Consumer Advocate (OCA) intervened in that consolidated proceeding in which hearings were held and briefs and reply briefs were filed. A PUC administrative law judge (ALJ) issued an initial decision on Aug. 16, 2007. In that decision the ALJ found, *inter alia*, that WP's customers endured frequent periods of low pressure and frequent outages.

The ALJ also found that WP Water:

- Did not provide adequate notice of service interruptions;
- Has both a water storage and a water source problem;
- Did not adequately use a portion of the rates collected for system improvements; and
- Unilaterally and willfully disregarded a Commission order to install meters.

The ALJ found that substantial evidence showed that WP Water violated 66 Pa. C.S. §1501 and imposed a penalty against WP Water in the amount of \$547,500 for compound violations.

The ALJ found that WP Sanitary failed to provide safe, adequate, reasonable and efficient service to its patrons by:

- Failing to properly collect, treat and dispose of patrons' sewage;
- Failing to properly maintain the company equipment and facilities; and

- Failing to properly enforce terms of the applicable tariff with regard to sump pumps and tree roots.

For these multiple violations, the ALJ imposed an identical civil penalty against WP Sanitary in the amount of \$547,500.

However, in the ordering paragraphs, the ALJ directed that these civil penalties be held in abeyance until the Section 529 proceeding was resolved. In addition to the penalties assessed against the companies, the ALJ imposed civil penalties against both owners in the amount of \$109,500 each for their personal misfeasance. The ALJ found that they jointly and individually do not possess the financial, managerial or technical ability to operate a water or wastewater utility. Exceptions and reply exceptions were filed. That case is currently before the Commission for a final opinion and order.

In a related matter, on Feb. 26, 2007, WP Sanitary filed a petition to abandon wastewater service. Law Bureau prosecutory staff filed a notice of intervention. Protests were filed by the OCA, Department of Environmental Protection (DEP) and Washington Township. On June 7, 2007, the OCA filed a petition for a Commission order directing the acquisition of WP Water company and WP Sanitary Company pursuant to 66 Pa. C.S. § 529. On June 15, 2007, the Commission granted the OCA's petition and issued an emergency order that was ratified at the June 21, 2007, public meeting. That order directed WP to locate a new water source, install a 50,000 gallon water storage tank and install customer meters.

On June 27, the OCA filed a petition to consolidate the section 529 investigation with WP's abandonment application. By order entered July 11, the Commission granted the OCA's petition in part by directing the Law Bureau to participate in an investigation of whether a capable public utility should be directed to acquire WP Water Company and WP Sanitary Company and consolidating that proceeding with WP's abandonment application. The consolidated proceeding is currently in mediation.

In another case involving WP Water Company, WP protested the application of Aqua Pennsylvania Inc. for approval to begin to offer, render and supply water service to the public in portions of Dallas Township, Luzerne County. In that case, an ALJ denied WP's protest and found WP unfit to serve. Exceptions and reply exceptions were filed to that initial decision. By order entered July 12, 2007, the Commission denied WP's exceptions and adopted the initial decision. That decision has been appealed to Commonwealth Court.



Verizon-MCI Merger Appeal

On Feb. 20, 2007, the Commonwealth Court reversed a decision of the Commission that approved the merger of MCI Inc. and Verizon Communications Inc. The Commonwealth Court found that the Commission had not analyzed the merger's impact on competition in Pennsylvania. The Commonwealth Court also said that the PUC had failed to identify how the public would benefit as required by the Pennsylvania Supreme Court decision in *City of York v. Pa. Public Utility Commission*, 295 A.2d 825 (Pa. 1972).

The Commission appealed the decision to the Pennsylvania Supreme Court citing several facts that supported the Commission's analysis of the merger's impact in Pennsylvania. The Commission also claimed that the court incorrectly weighed all the record evidence to reach a different result that could require future parties in mergers to deliver concessions in a way not authorized by *City of York*. Finally, the Commission reiterated all the facts supporting a determination that the public would benefit in a substantial way from the merger as required by the *City of York* case.

The Supreme Court granted the Commission's request for review and established an abbreviated schedule for briefs and argument. Philadelphia Electric Company, et al (PECO) and the Office of Small Business Advocate (OSBA) filed amicus briefs. PECO supports the Commission. The OSBA intervened in the appeal. The OSBA and the Office of Consumer Advocate supported the Commonwealth Court decision.

At oral argument on Oct. 16, 2007, the Commission explained the difference between rate cap regulation and traditional regulation. The Commission also emphasized that the conclusions in its decision to approve the merger were entirely consistent with the *City of York* and that the Commonwealth Court "improperly rewrote" Pennsylvania law. The Commission is awaiting a decision from the Pennsylvania Supreme Court.

Tour of Core Communications

On Sept. 21, 2007, Core Communications hosted several Commission staffers on a field trip to its downtown Harrisburg facilities. The topic of the day was "Bridging the Worlds of Internet and Telecom." Calling itself CoreTel for short, the company was formed in August 1997. CoreTel provides network services to other service providers, not directly to end users. Its wholesale services include Internet backbone connectivity for Internet service providers, data server collocation, and managed port services. During the visit, staff had the opportunity to meet Bret Mingo, president & CEO; Chris Van de Verg, general counsel; Rick Hicks, local counsel; and Catherine Riley, consultant.

North Pittsburgh and Cordia Communications Reach Settlement Agreements

According to the terms of the Commission-approved settlement agreement between the PUC's Law Bureau prosecutory staff and North Pittsburgh Telephone Company (NPTC), NPTC will issue a credit of approximately \$1,198 to 74 affected customers.

The settlement agreement results from the informal investigation of NPTC. The PUC's Bureau of Consumer Services (BCS) discovered that NPTC was incorrectly billing customers for certain toll calls that used the Telecommunications Relay Service. BCS brought the issue to the attention of the Law Bureau. The investigation revealed that NPTC failed to implement a rate change in its billing program software. On Aug. 30, 2007, an order (Docket No. M-00072011) was entered approving the settlement agreement.

NPTC will also issue a general notice to all customers explaining that it failed to bill certain customers at the correct rate. In addition, the company will notify customers to contact NPTC if they believe they were incorrectly billed during the period of Aug. 1, 2001, through July 31, 2005; and implement new checks and balances to ensure that all rate changes are timely and properly implemented. NPTC will also pay a civil penalty of \$5,500. If NPTC finds additional credit is due to customers, the company will deduct the credits from the penalty amount. The balance of the penalty will go to the Commission's consumer education efforts.

In a separate proceeding, Cordia Communications Corporation paid a civil penalty of \$5,000 and implemented business practices to improve its compliance with Commission regulations, according to the terms of a settlement agreement between the Law Bureau's prosecutory staff and Cordia (Docket No. M-00072012).

The settlement agreement resolves an informal investigation that began in 2006 when BCS brought to the Law Bureau's attention the fact that Cordia had failed to respond within 30 days to informal consumer complaints. Cordia's residential customers had filed the informal complaints with BCS from Jan. 1, 2004, through May 6, 2006. The Commission's regulations at Chapter 64, Section 153(b) (1) require local exchange carriers to send a utility report for each informal complaint to the Commission within 30 days of notification that a consumer filed a complaint.

New Members Appointed to TRS Advisory Board

At the public meeting held Aug. 30, 2007, the PUC acted to appoint two new members to the Pennsylvania Telecommunications Relay Service (TRS) Advisory Board. The appointees are Todd Behanna, of Bell Vernon, Fayette County, and Robert J. Davis, of Throop, Lackawanna County. Both will serve on the board for the two-year term ending Aug. 30, 2009. The two appointees have a wealth of experience that will prove to be beneficial to the Relay Advisory Board.

Behanna currently serves as the Director of the Independent Living Program at the Western Pennsylvania School for the Deaf. Behanna has nearly eight years of experience working for a relay service company as a customer service manager and contract manager and is familiar with the Federal Communication Commission's rules and regulations.

Davis' experience includes 14 years as a college-level instructor at Pennsylvania State University and 12 years of experience working for the Social Security Administration dealing directly with deaf and hard of hearing persons in an effort to provide user-friendly telephone equipment, instruction in the use of relay service equipment, and to help solve any problems with existing equipment.

The Relay Advisory Board is comprised of representatives from AT&T, the Pennsylvania Telephone Association, the Office of the Deaf and Hard of Hearing, the PUC, and from the community of persons who are or who have experience with people who are deaf or hard of hearing or those with language and speech disorders. It was established by the PUC in 1990 for the purpose of identifying any improvements which might need to be implemented to ensure the continued success of the Pennsylvania Telecommunications Relay Service. The Pennsylvania Telecommunications Relay Service allows persons who are deaf, hard of hearing or speech disabled to make telephone calls with the general public, and vice versa, via a traditional relay operator, video relay or Internet relay.

CTRS Provider Selected

Hamilton Telephone Company has been selected as the contract provider for Pennsylvania captioned telephone relay service (CTRS). CTRS is designed for individuals who have understandable speech but who do not hear well over the phone; it allows them to see captions of their telephone conversations on a screen built into their telephones or on associated monitors.

Hamilton uses *CapTe*® technology, equipment, and call centers. The contract with Hamilton does not cover premises equipment, which is the responsibility of the customer unless the customer qualifies for equipment under the Telephone Device Distribution Program.

Annual Report Submitted for TDDP

On Sept. 28, 2007, the Commission submitted its annual report pursuant to the Universal Telecommunications and Print Media Access Act, which relates to the Telecommunication Device Distribution Program (TDD Program) and the Print Media Access System Program (PMAS Program). This was the PUC's 12th annual report sent to Pennsylvania's Governor, Lieutenant Governor, and the members of the General Assembly addressing the TDD Program and the third year Annual Report on the PMAS Program. Both programs are operated by the Office of Vocational Rehabilitation (OVR) in the Department of Labor and Industry. The TDD Program is funded from the Telecommunication Relay Service Program (TRS) surcharge. The PMAS Program historically has been funded from special grants; however, for the 2006-07 year, it was funded entirely through the TRS surcharge fund. The PUC administers the TRS surcharge fund.

The report summarizes these aspects of the programs:

- TDD Program fund balance;
- TDD Program revenues received from July 2006 through June 2007;
- Statement of the TRS surcharge level established pursuant to §6701.4(c);
- Disbursements and expenses of the fund;
- An account of the TDD Program and PMAS Program expenses;
- OVR reported information; and
- Public Utility Commission conclusion.

An electronic version of this report is available on the Commission's Web site at www.puc.state.pa.us.

TRS Recertification

Every five years, each state must seek recertification of its Telephone Relay Service (TRS) program from the Federal Communications Commission (FCC). The states have primary responsibility for the oversight and compensation of intrastate TRS operation, but the FCC regulations and certification process ensures that TRS is provided in a uniform manner throughout the country.

The current Pennsylvania TRS recertification expires July 26, 2008. Several of the PUC's bureaus worked with AT&T Communications and Hamilton Telecommunications to assemble the required information to submit for recertification. The application for recertification was submitted on Nov. 9, 2007.

Request Filed for Further Stay of Access Charge Investigation

On Oct. 16, 2007, the Rural Telephone Company Coalition (comprised of the rural incumbent local exchange carriers in Pennsylvania), the Office of Consumer Advocate, the Office of Trial Staff and Embarq Pennsylvania filed a joint motion requesting a further stay of the PUC's *Investigation Regarding Intrastate Access Charges and IntraLATA Toll Rates of Rural Carriers and the Pennsylvania Universal Service Fund*, at Docket No. I-00040105.

The PUC initially granted a stay of the investigation in August 2005, for one year, or until the Federal Communications Commission (FCC) issues a ruling in its pending intercarrier compensation proceeding at CC Docket No. 01-92, whichever occurred earlier. By order entered Nov. 15, 2006, the PUC further stayed the investigation under the same criteria. The Nov. 15, 2006, order also directed the parties to file a status report pertaining to common or related matters in the instant investigation and the FCC's unified intercarrier compensation proceeding and the need for any coordination of those matters or any new matters that may arise once the instant investigation is reinstated. The Commission is expected to consider the status report in acting before year end on whether to grant or deny the third request for a stay.

2007 Biennial Network Modernization Plans Update

A number of Pennsylvania incumbent local exchange carriers (ILECs) have filed their biennial Network Modernization Plan (NMP) update reports for 2007. The reports detail the progress the companies have made as of Dec. 31, 2006, toward meeting commitments to modernize their networks and eventually provide broadband availability to all customer access lines in their service areas. These broadband commitments were made in accordance with Chapter 30 of the Public Utility Code, and are set forth in each company's NMP on file with the Commission.

Of the 33 ILECs that filed reports, two of them—Verizon PA and Verizon North—are committed to achieving 100 percent broadband availability by Dec. 31, 2015. The two larger rural companies—Embarq and Windstream—should reach this goal by Dec. 31, 2013. The remaining small rural companies—29 in all—are committed to reaching full broadband availability by Dec. 31, 2008. The biennial update reports allow Commission staff to assess the companies' progress toward meeting these NMP commitments by providing detailed information on the provisioning of various broadband technologies in their service areas, and their investment in broadband-related facilities.

VoIP Legislation

Several bills were introduced in the current legislative session dealing with Voice over Internet Protocol (VoIP). Although all are still pending, the very introduction of such legislation points to the impact that VoIP has on our daily communications. Under Pennsylvania Senate Bill 385, VoIP providers would be required to collect monthly contributions from their customers to support county 911 functions. PA Senate Bill 1000 seeks to limit regulation of VoIP while Pennsylvania Senate Bill 460 (caller ID fraud involving any telecommunications or VoIP service) advocates more consumer protections. SB 1000 was amended and voted out of the Senate Communications and Technology Committee on Oct. 24, 2007. On the federal scene, United States Senate Bill 428 (VoIP 911) indicates that amendments to the nation's Wireless Communications & Public Safety Act of 1999 are in order.

Price Stability Index Report

The Price Stability Mechanism (PSM) is a formula that may be included in an incumbent local exchange carrier's (ILEC's) Commission-approved alternative form of regulation Chapter 30 plan. It permits rates for noncompetitive services to be adjusted upward or downward based on the annual change in the United States Commerce Department's Gross Domestic Product – Price Index (GDP-PI) inflation factor. Currently 23 ILECS operate using a PSM. Each year, these ILECs file an annual Price Stability Index (PSI) report based on this change in GDP-PI. The PSI is an index that tracks these GDP-PI changes cumulatively, adjusted for any exogenous events, indicating the maximum amount an ILEC may raise its rates.

When the change in the GDP-PI is positive, the ILEC has the option of taking the full amount of the increase available to it, taking part of the allowed increase and banking the remainder for future use, or banking the increase in its entirety. Most of the ILEC Chapter 30 plans state that the ILEC must implement any banked increases within four years or forfeit them.

Since January 2007, the PUC has approved annual PSI filings for 21 of the 23 ILECS operating with a PSM. One of these ILECs implemented part of the increase available to it, while forfeiting the remainder due to a settlement agreement. Three implemented part of their allowed increase while banking the remainder for future application, and 16 ILECs banked their allowed revenue increases in their entirety. To date in 2007, these companies implemented approximately \$8.88 million in increases while banking approximately \$8.02 million for future use.

Core Communications Appeal

On Dec. 6, 2006, the Commission allowed Core Communications Inc., a competitive local exchange carrier (CLEC), to amend its certificate of public convenience so Core could expand its operations from Verizon's service territory into the service territories of Pennsylvania's rural carriers. The decision, at Docket Nos. A-310922F0002AMA and A-310922F0002AMB, authorized Core to provide competitive services, primarily wholesale transmission service for dial-up internet service providers, in the rural carriers' service territories just like Core was already providing in Verizon's service territory.

On April 19, 2007, the Pennsylvania Telephone Association (PTA) and the Rural Telephone Company Coalition (RTCC) filed an appeal with the Commonwealth Court. The appellants claim that Core's services are "information" service not "telecommunications" service under state and federal law. The appellants also challenge the Commission's conclusion that Core has the facilities necessary to be a "facilities-based" CLEC. The appellants conclude that Core has no right to an amended certificate as a CLEC provider of telecommunications.

The Commission filed its reply brief with the Commonwealth Court on Aug. 1, 2007. The Commission asked the court to reject the appeal. Core is a facilities-based carrier fit to provide wholesale transmission service. Core has provided wholesale transmission service in Verizon's service territory in competition with Verizon and there is no basis for denying Core the right to expand its operation to provide the same services in the rural carriers' service territories. The Commission explained that a February 2007 decision of the FCC considers wholesale transmission service as telecommunications service based on Pennsylvania law in *DQE v. North Pittsburgh Telephone Company* at File No. EB-05-MD-027.

Oral arguments are tentatively scheduled for Dec. 11, 2007.

PUC Staff Tours Verizon



In September and October, PUC staff visited Verizon's Norristown Training Center. Staff toured their facility, learned how telecommunications has evolved and met several of Verizon's staff.

Left: *David Screven of Chairman Wendell F. Holland's Office, volunteered to try on a Verizon lineman's gear to show how much equipment they wear when repairing lines.*

Right: *Vicki Bonner and Joan Smith, both of the PUC's Bureau of Consumer Services, and Ted Farrar, of the Office of Special Assistants, watch as Verizon's Jerry Bedell and Mike Torres splice together a fiber optics line.*

PUC Approves Joint Petition in Verizon's 2007 PCO Proceeding

By order entered Oct. 12, 2007, at Docket No. R-00061914, *et al.*, the Commission adopted the recommended decision of a PUC administrative law judge (ALJ), to approve a joint settlement petition submitted by Verizon PA, Verizon North (jointly, Verizon Companies), the Office of Trial Staff, the Office of Consumer Advocate, and the Office of Small Business Advocate, with regard to the proceedings addressing the formal complaints against Verizon PA's and Verizon North's 2007 Price Change Opportunity (PCO) filings. The joint settlement resolves numerous, complex and contested issues that intertwine with the Verizon Companies' 2006 PCO filings, as well as a pending Commonwealth Court appeal proceeding involving two of the contested issues.

More specifically, the joint petition settles the following matters:

1. That the revenue from intercompany settlements shall be deemed noncompetitive revenue in the Verizon Companies' 2007 PCO calculations;
2. That the Verizon Companies' banking proposals associated with unused revenue increases/decreases shall be allowed;
3. That the 12-month period used to determine the change in the inflation rate and revenues shall be moved back one calendar quarter for purposes of the 2007 PCO;
4. That the Verizon Companies shall reflect rate revisions in the 2008 PCO that are necessary to remove attribution from the 2007 PCO filings subject to the Verizon Companies' pending appeal at Commonwealth Court; and
5. That the Verizon Companies shall use the actual number of residential and business lines in service as of March 31, 2006, for purposes of the 2007 PCO calculation subject to the Verizon Companies' pending appeal at Commonwealth Court.



PGW Rate Filing

On Dec. 22, 2006, Philadelphia Gas Works (PGW) filed Supplement No. 16, calculated to produce \$100 million in additional annual revenues. On March 5, 2007, PGW extended the suspension date until Sept. 28, 2007. Public input hearings were held on March 26, March 28 and April 9, 2007. More than 60 witnesses, including state senators, state representatives, city council members, local officials, community groups and residential customers presented sworn testimony. All of the elected officials stated that the residents of Philadelphia could not afford an increase in rates. Evidentiary hearings were held on May 21-24, 2007.

On July 30, the Commission issued the recommended decision, which proposed an allowed annual revenue increase of \$25 million. Exceptions and reply exceptions were filed on Aug. 20 and Aug. 30, respectively. At the public meeting of Sept. 13, 2007, the Commission conducted a binding poll of the issues.

Within PGW's request was a proposal to change the regulatory treatment of capacity release credits and off-system sales margins. Currently these revenues are part of PGW's annual purchased gas cost (PGC) rate filing and amount to approximately \$10 million. PGW proposed to remove these revenues from the PGC rate and include them in base rates to offset future long term debt borrowing. The Commission rejected this proposal, which however, may be considered in PGW's next PGC proceeding. On Sept. 28, 2007, the Commission's order was entered, allowing the \$25 million annual increase in rates which will be allocated almost entirely to the residential class.

PPL Selling Natural Gas Business

On July 30, PPL Corporation announced its intent to conduct a sales process for the company's natural gas distribution business, PPL Gas Utilities Corporation. The gas utility serves about 77,000 natural gas distribution customers in 34 counties throughout the state. It operates about 3,800 miles of pipeline and owns underground gas storage capacity in three separate reservoirs in north-central Pennsylvania. The expectation is for the sale to be completed during the second half of 2008, following the execution of a sales agreement and the receipt of all necessary regulatory approvals.

Natural Gas Improvements

At an Oct. 16, 2007, press conference at the state Capitol, Chairman Wendell F. Holland joined House Appropriations Chairman Dwight Evans, D-Phila., and House Consumer Affairs Chairman Joseph Preston, D-Pittsburgh, to promote a bill that would establish a Distribution System Improvement Charge (DSIC) to pay for natural gas infrastructure improvements. The bill was introduced as part of the General Assembly's special energy session.

Chairman Holland said in his view DSIC:

- Is pro-environment because it decreases line loss, conserves natural gas resources and reduces greenhouse gases;
- Increases safety;
- Promotes the administration's and legislature's objective of fixing aging infrastructure; and
- Encourages economic development.

"DSIC is one of the most important regulatory tools of the past decade," Chairman Holland said. "If ever there were a regulatory tool recognized as a best practice around the country it is the DSIC and should be extended to utilities such as natural gas. I look at these needed infrastructure repairs just as a homeowner looks at replacing a roof or a furnace – these are not repairs you want to make, but you know you have to for the long-term health of your home."

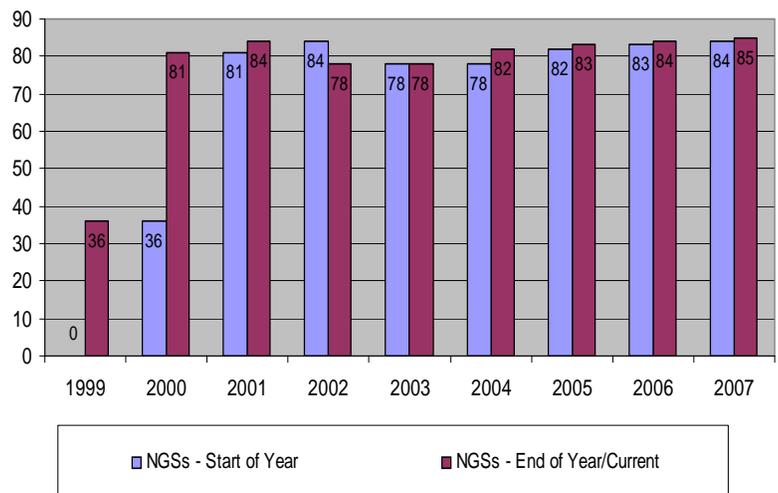
Gas Supplier Licensing

Activity from Aug. 1, 2007, to Oct. 31, 2007.

85 Active Licenses

- 1 license approved
- 1 license canceled
- 0 applications pending

Number of Licensed NGSs



Energy Price Forecast for November 2007

The Energy Information Agency's (EIA's) November 2007 *Short Term Energy Forecast* reports rising consumption, continued geopolitical turmoil, crude oil inventory tightness, and worldwide refining bottlenecks. As a consequence, crude oil prices are expected to remain high and volatile. For the rest of this year regular gasoline pump prices are now expected to be around \$3 per gallon.

West Texas Intermediate crude oil (WTI) is the benchmark crude oil in the United States. In 2006 WTI crude averaged \$66.02 a barrel. WTI crude oil is expected to average around \$87 per barrel for the rest of this year and \$80 in 2008.

EIA shows that Henry Hub (Louisiana) wholesale natural gas prices averaged \$6.41 per Mcf in 2006 and are projected to average \$7.30 per Mcf in 2007. For 2008, the Henry Hub average price is projected to move up to an average of \$8.01 per Mcf.

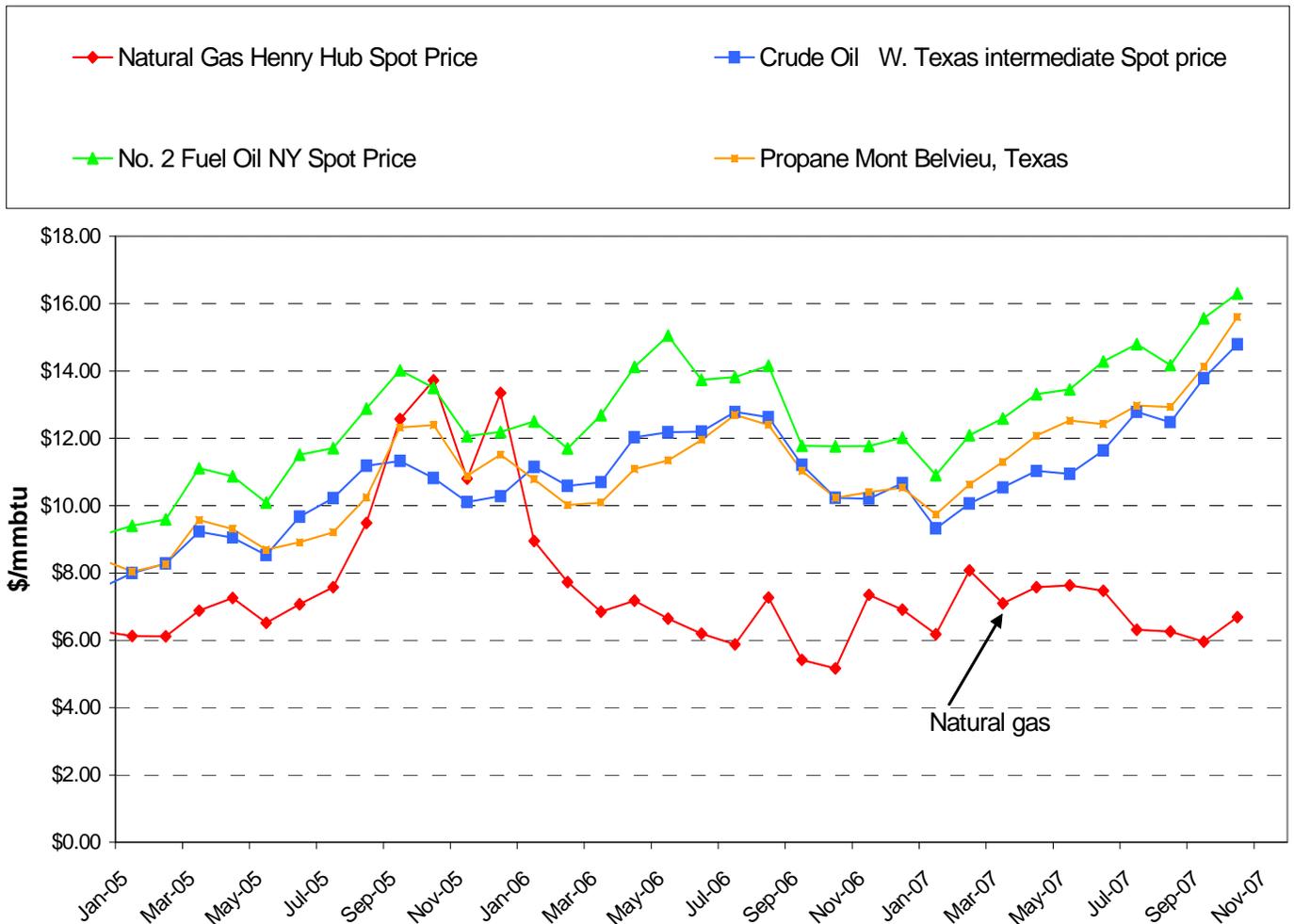
Retail heating oil prices are projected to average about 40 cents per gallon higher than last winter.

Additional forecast details can be found at: <http://www.eia.doe.gov/oiaf/forecasting.html>.

Also see "Why are oil prices so high?" at: <http://www.eia.doe.gov/emeu/steo/pub/2007-oil-prices.html>.

Wholesale Fuel Prices by Heat Content

Data from EIA's *Weekly Gas Report* and *Weekly Petroleum Status Report* (Unweighted Average)



Pennsylvania Hosts 2007 CVSA

From Sept. 16 to 19, 2007, the Commercial Vehicle Safety Alliance (CVSA) held its Fall Workshop in Pittsburgh. Officers of the PUC's Motor Carrier Division served as ambassadors to the nearly 500 attendees from the United States, Canada and Mexico, providing transportation and technical support. The PUC enforcement officers worked closely with members of the Pennsylvania State Police to ensure a safe and efficient workshop for everyone involved.

CVSA is an association of state, provincial and federal officials responsible for the administration and enforcement of motor carrier safety laws in the United States, Canada and Mexico. The organization was established to promote an environment free of commercial vehicle accidents and incidents. The mission of CVSA is to promote commercial motor vehicle safety and security by providing leadership to enforcement, industry and policy makers. This is accomplished by establishing effective motor carrier safety standards through compliance, education, training and enforcement programs.

The work of CVSA is accomplished by its members who sit on its various committees. The PUC has been a member of CVSA for almost 20 years, and the Motor Carrier Division has had representatives on several committees over the years. Currently, Gerry Clark, Safety Coordinator, serves as the Secretary of the CVSA Training Committee, which is responsible for developing the curriculums for each of the North American Standard training courses, instructor certifications, and student testing materials.

CVSA member jurisdictions are represented by various departments of transportation, public utility and service commissions, state police, highway patrols and ministries of transport. In addition, several hundred associate industry members are also committed to helping the Alliance achieve its goals.

The following Motor Carrier Division employees served as ambassadors during the CVSA Fall Workshop: Gerry Clark, Lisa Wilson, Charles Bowser, Jeff Longo, Greg English, Brian McGowan, Brian Mehus, Lonnie Blank, Alan Taylor, Phil Jones, Barry Pacovsky, Bill Lark and Charlie Myers. Thank you for a superb job!

Rail Ethanol Shipments Increasing

As the cost increases for petroleum distillate fuels, the use of ethanol has dramatically grown over the past few years. Refineries in the United States produced 4.9 billion gallons of ethanol in 2006. Ethanol is used as either a gasoline additive, or as a primary fuel ingredient in a product called E85. More than 75 percent of ethanol produced in the country is transported by rail, including shipments through Pennsylvania, which accepts trains transporting ethanol from the corn belt in the Midwest, to fuel terminals in New Jersey.

The ethanol industry currently has the potential to annually generate as much as 430,000 rail car loads. The PUC Rail Safety Division has recognized the increase in ethanol shipments and has likewise increased its safety inspections for trains transporting ethanol tank cars. Generally the inspections occur in rail yards located in Conway, Enola and Allentown. The rail safety inspectors will continue to frequently monitor and inspect ethanol trains to ensure compliance with the Federal Rail Administration requirements for equipment, track and hazardous material.

Attendance High at Gas Safety Seminar

A record number, 147 people, attended the PUC's annual Gas Safety Division Pipeline Safety Seminar in State College, on Oct. 10 to 11. This year's seminar focused upon facility damage prevention.

The first day of the seminar centered upon a four-hour presentation by Ronald Six, a consultant for AEGIS Insurance Services.

His presentation included:

- A discussion about the explosive physical properties of several gases;
- Classification of leaks;
- Proper leak location methods;
- Tips for first responders to incidents;
- Incident investigation; and
- Lessons learned.

Six provided an extremely informative discussion, highlighted by the lessons learned portion, which included real life examples of incidents that he had been involved. Also on the first day of the seminar, George Lomax of Heath Consultants provided instruction about the classification and proper mitigation methods of pipeline leaks.

The second day of the seminar focused upon Pennsylvania's One Call law. This day was highlighted by presentations from Bill Kiger, Executive Director and President of the PA One Call System Inc., and Cathy Wojciechowski, Assistant Counsel for the Department of Labor and Industry. They provided the law's perspective. Tim Greenland, Owner of Greenland Construction, discussed the One Call law from the perspective of the excavator.

Day Two also included a discussion by Ray Geesey, Columbia Gas, and Gary Bartnik of PECO Energy, regarding the damage protection programs utilized by their respective companies. Paul Metro, Chief of the PUC's Gas Safety Division, concluded the session by talking about compliance measures of the Gas Safety Division, and to encourage companies to utilize the information received at the seminar as needed in their damage prevention programs.

FCC Highlights



The Federal Communications Commission (FCC) recently issued several important decisions that impact Pennsylvania.

In the Matter of Verizon's Petitions for Forbearance in the Boston, New York, Philadelphia, Pittsburgh, and Virginia Beach Metropolitan Statistical Areas, WC Docket No. 06-172, DA 06-1869.

In Jan. 2007, Verizon petitioned the FCC for forbearance under federal law from common-carrier obligations that require Verizon to offer access to its facilities at rates approved by the FCC as tariffed under federal law. Verizon relied on an earlier FCC decision in the *Omaha Forbearance Order*, WC Docket No. 04-233 (Dec. 2, 2005) in which the FCC granted limited forbearance, or waiver, of FCC and federal legal requirements. Verizon's forbearance addresses the major coastal communications centers in Verizon's territory. The PUC filed comments urging the FCC to hold that any waiver the FCC grants does not overturn conditions imposed on Verizon by other state commissions.

The PUC is very concerned that forbearance not be interpreted as allowing Verizon to abandon conditions the PUC imposed on Verizon when the PUC issued an order approving the merger of MCI Inc. and Verizon. The PUC also expressed concern that forbearance could hurt competition from several providers, particularly in the Philadelphia area, because they rely on tariffed access to Verizon's facilities to compete against Verizon.

The PUC also filed comments in a related proceeding, at Docket No. WC 04-440. In that case, the FCC granted Verizon forbearance by operation of law because the FCC did not decide the case by the statutory deadline. The Commission's comment asked the FCC to issue an order clarifying what kind of forbearance Verizon got in that decision.

Finally, the PUC filed comments in the *Omaha Forbearance Order* supporting a petition which asks the FCC to revisit it. The PUC agreed that the FCC should examine the decision because Verizon relies on that decision in the case and because the competitive result did not happen as predicted. In all these proceedings, the PUC repeatedly asks the FCC to limit the scope of the forbearance to preserve Pennsylvania's conditions and to consider the impact to competition in making its decisions.

In the Matter of High-Cost Universal Service, Report of the Federal-State Joint Board, CC Docket No. 96-45, WC 05-337.

Several carriers and national trade associations continue to file *ex parte* filings telling the FCC how to resolve the problem of the growing costs of universal

service. In June 2007, the FCC sought comments on a proposal of the Federal-State Board on Universal Service to impose an interim, emergency cap on high-cost support that competitive eligible telecommunications carriers (ETCs) would receive in each state. The proposed cap would base support on the average level of competitive support distributed in 2006. The PUC filed a reply comment with the FCC urging the FCC to adopt the cap and extend it to all support. Because Pennsylvania is a net contributor to the federal universal service fund in excess of \$124 million, the PUC filed a comment expressing concern about rising costs that are primarily attributable to wireless carriers.

Petition of NEP Cellcorp Inc. for Designation as an Eligible Telecommunications Carrier in the Commonwealth of Pennsylvania, CC Docket No. 96-45, DA 07-3602.

On Aug. 15, 2007, the FCC released a notice soliciting comments on the request of NEP Cellcorp Inc. to receive federal funding to provide wireless service in Pennsylvania. On Sept. 5, 2007, the PUC filed a reply comment opposing designation because other carriers were receiving federal support in some of the same areas served by NEP. The Commission is concerned that the large increases in this federal fund will increase costs to Pennsylvania consumers because Pennsylvania pays more than it gets.

Telecommunication Carriers' Use of Customer Proprietary Network Information and other Customer Information, CC Docket No. 96-115

In April 2007, the FCC issued a final order establishing the rules for a carrier's protection of customer proprietary network information (CPNI). Those rules allowed states that have more consumer privacy protections or regulations than under federal law, like Pennsylvania, to retain their rules. Since then, the FCC received several petitions from carriers or carrier associations asking the FCC to reconsider some parts of the rules or to refresh the record because of changes in technology. Those matters are pending.

IP-Enabled Services; Access to Telecommunications Relay Services (TRS) and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities, WC Docket No. 04-36, Final Order and Further Notice of Proposed Rulemaking.

On Oct. 9, 2007, the FCC issued an order granting Voice over Internet Protocol (VoIP) providers a six-month extension on their obligation to deliver VoIP 711 calls to an appropriate public safety answering point (PSAP). The FCC sought comment on how to incorporate TRS/711 and 911 with VoIP now that the "information service" VoIP providers must provide this "telecommunications" service.

FCC Highlights Continued on Page 18.

FCC Highlights

Continued from Page 17.

Recommendations of the Independent Panel Reviewing the Impact of Hurricane Katrina on Communications Networks, EB Docket No. 06-119, WC Docket No. 06-63, Petitions for Reconsideration.

On Aug. 14, 2007, the FCC published notice of petitions for reconsideration of the FCC's emergency back-up power source rules established in June 2007. They asked the FCC to reconsider the eight-hour backup requirement for cell sites because those sites are frequently located in areas that cannot support backup power equipment. Parties also addressed the FCC's decision to stay the effective date of a requirement that larger wireless carriers and local exchange carriers deploy backup power when their facilities are normally powered by commercial AC power.

Numbering Resource Optimization, Petitions of Alabama, Idaho and Wisconsin for Delegation of Numbering Authority, CC Docket Nos. 96-98 and WC 07-118.

On Aug. 27, 2007, the FCC granted these petitions for delegated authority to implement thousands-block numbering pooling. The FCC gives authority to implement number pooling if an area code is in jeopardy, the area code has less than one year of life, or if the area code is located within one of the nation's top 100 Metropolitan Statistical Areas (MSAs). None of those criteria were met, but the FCC granted the petitions because of an increase in demand for numbers and the low utilization thresholds. The FCC recognized that denying these petitions would increase the use of 10,000 blocks, particularly given that the area codes were expected to exhaust in the next five years.

Natural Gas Service Termination Case Resolved

A complaint (Docket No. C-20066348) arose from a service termination after the customer failed to comply with payment agreements negotiated with National Fuel Gas Distribution (NFG). The Bureau of Consumer Service (BCS) determined that service should be restored if the customer paid a small amount on his arrearage and a reconnection fee.

The PUC's administrative law judge (ALJ) vacated the BCS informal decision, concluding that, pursuant to 66 Pa. C.S. § 1407, the utility may demand payment of the entire outstanding balance and a reconnection fee because the customer defaulted on two payment agreements. The ALJ determined that, because the consumer was no longer a "customer," neither BCS nor the Commission could exercise the options available

under Section 1405. NFG requested clarification regarding:

1. The precedential value of initial decisions, which become final by operation of law, on future BCS informal decisions; and
2. Whether the ALJ's application of Section 1407 to the payment arrangement applied only to this specific case and customer or to every case or situation brought before the BCS.

The Commission held that, pursuant to statute and existing case law, ALJ initial decisions, which become final by operation of law, are to be given the same value as Commission orders which proceed through the PUC's public meetings. The PUC further determined that Subsection 1405 gives the Commission the authority, generally, to establish payment agreements between public utilities, customers and applicants. The PUC held that Subsection 1407 in no way divests the Commission of its duty to act as the final arbiter of a utility consumer's rights with respect to payment disputes.

Nevertheless, the Commission found that the facts in this case did not warrant an order to reconnect gas service due to the customer's income, lack of good faith effort to pay the bill, and failure to establish good cause for non-payment.

State Rail Managers Meet

The 2007 Annual Meeting of the Association of State Rail Safety Program Managers was held in Fort Worth, Texas, during the week of August 27. Mike Hoffman, Director, and Patrick Edwards, Federal Rail Administration (FRA) Program Supervisor, represented the PUC's Bureau of Transportation and Safety. The annual meeting provides the managers of the FRA safety programs in each of the participating states with the opportunity to discuss new and revised FRA safety policies and procedures, recent trends, and the states' best practices for inspections and investigations. This year the meeting with the State Program Managers was held in conjunction with the Motor Power and Equipment Inspectors' annual training conference.

The meeting sessions featured presentations by senior managers from the FRA's Office of Safety, including:

- Utilization of FRA inspection and incident data;
- FRA rulemakings
- Guidance for each of the various inspection disciplines; and
- States' legal issues.

Other presentations and discussions included: highway grade crossing safety, transportation of spent nuclear fuels, and rail security issues. In addition, each FRA state region had the opportunity to meet with Jo Strang, FRA Associate Administrator for Safety, to discuss matters within the state and/or region.

Consumer Reports Released

2006 Universal Service Report

On Aug. 3, 2007, the PUC released the Bureau of Consumer Services Report on *2006 Universal Service Programs and Collection Performance of the Pennsylvania Electric Distribution Companies and Natural Gas Distribution Companies*.

The report is based primarily on 52 Pa. Code §§ 54.75 and 62.5, Universal Service and Energy Conservation Reporting Requirements. The report includes reviews of the assistance programs that help low income customers maintain their utility service, including the Low Income Usage Reduction Program (LIURP), the Customer Assistance Programs (CAPs), CARES Programs and Utility Hardship Fund Programs. Residential collection data is reported for all residential customers and further segmented for the confirmed low income customers.

Overall, 929,824 out of the 7,282,163 households receiving service from the major electric and gas companies were confirmed to be low income. Of those, 410,524 participated in CAP in 2006. Overall, the utilities spent \$28,324,226 in 2006 on the Low Income Usage Reduction Program (LIURP) while treating 23,757 households. Overall, 21,079 customers received \$7.2 million in Hardship Fund benefits in 2006.

2006 UCARE Report

On Oct. 15, 2007, the Commission released the *2006 Utility Consumer Activities Report and Evaluation (UCARE)*. According to the report, the Commission's Bureau of Consumer Services (BCS) received 70,690 contacts from utility customers that required review in 2006, a decrease of 19 percent from 2005. Of these contacts, 21,310 were consumer complaints and 49,380 were payment arrangement requests. In addition, BCS received almost 91,000 consumer contacts that did not require investigation.

In the electric industry, service interruptions produced the highest number of consumer complaints from residential customers in 2006. For the gas industry, credit and deposit issues generated the most residential consumer complaints. The number one reason that residential water customers contacted BCS was to resolve billing disputes with their companies, while service delivery issues yielded the most complaints from residential telephone customers.

The newly released report shows that 82 percent of consumers reported that they would contact the PUC again if they were to have another problem with a utility that they could not settle by talking with the company. In addition, 78 percent rated the service they received from the PUC as "good" or "excellent."

The report, prepared by BCS, is available on the PUC Web site (www.puc.state.pa.us) under Publications & Reports.

2006 Customer Service Performance

The Commission released the *2006 Customer Service Performance Report: Pennsylvania Electric & Natural Gas Distribution Companies* on Sept. 24, 2007. The report, prepared by the Bureau of Consumer Services, appears on the PUC Web site (www.puc.state.pa.us) under Publications & Reports.

The report's data falls into two categories: company-reported performance data and customer survey results. The company-reported data measures telephone access, the timeliness of meter reading and billing, and the time a company takes to respond to disputes. The report measures three different factors to ascertain the quality of telephone access: the percent of calls that received a busy signal; the percent of calls abandoned by callers; and the percent of calls answered within 30 seconds.

The second section of the report provides the results of uniform surveys of randomly selected consumers who interacted with the electric distribution companies and the natural gas distribution companies during 2006. The purpose of the transaction survey is to assess those consumers' perceptions regarding the interactions. The survey questions the consumers on different aspects of customer service such as ease of reaching the company, employee courtesy and knowledge, promptness and timeliness of a company's response or visit, and satisfaction with the handling of the interaction.

OALJ Held Conference

Over two days in September, the PUC's Office of Administrative Law Judge (OALJ) held their annual conference. Guest speakers reviewed utility issues and recent developments in administrative law.



Chief ALJ Veronica Smith presented John Corbett (center) with the OALJ's Golden Gavel Award as Wayne Weismandel displays the plaque with past recipients. The award is presented annually to the ALJ who has gone above and beyond their duty as an ALJ.

PUC Submits 2008-09 Budget

On Oct. 11, 2007, the PUC submitted its Executive Budget Request for fiscal year 2008-09. By that request, the Commission sought approval for state funds in the amount of \$56,779,000, as well as authority to spend anticipated federal funds in the amount of \$2,564,000, for a total budget of \$59,343,000.

This submission seeks an increase of less than \$300,000 from current levels to fund mandated increases in salaries and benefits for 509 employees. The balance of the proposed increase is to fund a \$5 million statewide consumer-education campaign to prepare electricity consumers for potential rising power costs and to offer ways to conserve energy.

Budget hearing materials will be furnished to the House and Senate appropriations committees in advance of hearings during the first quarter of 2008.

Chairman Testifies on State's Utility Infrastructure

Chairman Wendell F. Holland testified on Sept. 12, 2007, before the state House Consumer Affairs Committee on the status of infrastructure for the state's jurisdictional utilities and offered his thoughts on moving forward with any needed improvements.

Chairman Holland testified that improvement to the utility infrastructure in the Commonwealth is critical to promote reliability, economic development and the environment. While the status of Pennsylvania's infrastructure related to jurisdictional utilities is generally acceptable and receiving appropriate levels of necessary maintenance, incidents have required special attention, he said, adding that he believed that a distribution system improvement charge (DSIC) is a proven method for accomplishing this result.

"The PUC continues to be actively engaged in the issues surrounding the state's utility infrastructure," Chairman Holland said. "We are not afraid to take new and innovative approaches to funding the infrastructure needs such as with the implementation of the DSIC 10 years ago. I strongly support implementing distribution system improvement mechanisms for other utilities and am willing to work closely with the legislature to develop a program that would benefit utility customers through better service, increased reliability and rate stability."

InfoMAP Update



Early in December, the Commission's new case and document management system will go live! Development of InfoMAP (Information Management and Access Project) has been underway since March 2006. At that time, Unisys partnered with the PUC to replace an antiquated system with one that reduces reliance on paper, automates workflows and enhances internal efficiencies by improving the tracking, sharing and updating of information throughout the agency.

The second and third phases will provide better public access to information, permit electronic filings and enable external users to engage in e-commerce. These capabilities will be available in 2008.

Implementing electronic filings requires changes to the Commission's procedural regulations. Proposed revisions were adopted on Aug. 30, 2007, and were published in the *Pennsylvania Bulletin* on Nov. 17, 2007. Comments are due on the proposed regulations within 60 days, or by Jan. 16, 2008.

Various topics are covered in the proposed electronic filing rules. They include: registration as a filing user; the filing of formal complaints; an acknowledgement of the electronic receipt of a document; the format and size of electronically-filed documents; and the electronic service of documents on other parties. These changes were developed through an extensive stakeholder process that included a review of the rules in place in other state utility commissions, federal agencies, and state and federal courts. Interested parties are encouraged to review those proposed rules and support this important first step toward enhancing access to the PUC and permitting e-filings.

Winter Reliability Meeting

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various conditions that may affect supply, price and service reliability of natural gas this winter.

Both the EAPA and PECO reported adequate natural gas supplies to meet winter demands, and that gas prices would likely be at least 10 percent higher this winter compared to last winter.

AmeriGas told the Commission that propane users would be paying more for propane this winter because the United States propane inventory remains below the five-year average.

DPW representatives reported on the Low-Income Home Energy Assistance Program (LIHEAP), which began taking applications on Nov. 5. Consumers can apply for heating bill assistance for this winter until March 21, 2008.

Spotlight on New Bureau Directors

The PUC recently appointed M. Carl Lesney of Allegheny County as the Director of the Bureau of Audits and Robert F. Wilson of Cumberland County as the Director of the Bureau of Fixed Utility Services (FUS).

A Certified Public Accountant working as a PUC auditor in Western Pennsylvania, Lesney replaced Bureau of Audits Director Tom Sheets, who retired. Lesney previously served as Energy and Policy Advisor to the late Commissioner Aaron Wilson Jr. from 1998 to 2003. Before joining the Commission, Lesney worked as the Chief Financial Officer, Comptroller, Secretary and Treasurer for the Carnegie Natural Gas Company, the Carnegie Interstate Pipeline Company, and the Carnegie Production Company, all subsidiaries of USX Corp.

Wilson is a Certified Public Accountant with extensive experience in financial and regulatory accounting and federal and state tax law. Previously serving as Manager of Finance and Tariffs in FUS, Wilson replaced Director Robert A. Rosenthal, who retired. Since 1978, Wilson has served various roles in FUS, and previously worked in the PUC Bureau of Rates and the Office of Special Assistants. His responsibilities have included management of financial and regulatory accounting and reporting, taxation, cost of capital, securities, mergers and tariffs, as well as issues related to the regulation and restructuring of the electric, natural gas and telecommunications industries.

The Bureau of Audits performs financial, management and specialized audits on electric, natural gas, water and telecommunications utilities.

The Bureau of Fixed Utility Services advises the PUC on technical issues related to energy, telecommunications and water/wastewater; offers policy recommendations on rates, tariffs and regulatory matters; processes fixed utility applications for PUC authority; and coordinates emergency operations of utilities.

PUC Staff Training in Emergency Preparedness

The PUC is an active and vital participant in the emergency response function of the Commonwealth of Pennsylvania and the Pennsylvania Emergency Management Agency (PEMA). A key part of the PUC role in this function is the Emergency Preparedness Liaison Officer (EPLO). Several PUC employees volunteered to become EPLOs following a request for more participants. The new EPLOs began their training online and with a trip to Valley Forge for training in PJM's emergency procedures. Several of the new EPLOs also participated in the winter storm exercise at the PEMA State Emergency Operations Center in Harrisburg on Oct. 9.

In addition to the PUC EPLOs, over the next year the PUC as a whole will begin training certain personnel in emergency response and the Incident Command System in order to comply with the National Incident Management System (NIMS) guidelines. The Governor mandated that the NIMS be utilized by all state agencies for emergency response and the NIMS guidelines call for certain training levels to be achieved by the end of fiscal year 2008.

70th Anniversary Celebration



On Sept. 27, the Public Utility Commission celebrated its 70th Anniversary. The Commission has a rich and proud history of serving Pennsylvanians. Since 1937 (and dating back to predecessor agencies), utilities and customers have counted on the PUC to balance their needs, and the Governor and General Assembly have relied on the Commission to fulfill its mission.

At the anniversary event, present Commissioners recounted the PUC's history and recognized several past Commissioners who were able to attend. Those who attended were: Lisa Crutchfield; Glen R. Thomas; Terrance J. Fitzpatrick; John Quain; David Rolka; and Joseph Rhodes Jr.

Audio from the event can be found on the Commission's Web site at www.puc.state.pa.us/general/PMAudio.asp.



Current PUC Commissioners posed for a photo with past Commissioners who attended the PUC's 70th Anniversary celebration. From left, the Commissioners are Lisa Crutchfield; Joseph Rhodes Jr.; Commissioner Tyrone J. Christy; David Rolka; Vice Chairman James H. Cawley; Chairman Wendell F. Holland; Glen R. Thomas; John Quain; Terrance J. Fitzpatrick; and Commissioner Kim Pizzigrilli.

PUC Holds First Open House

The PUC held its first Open House on Nov. 7 at its offices in the Commonwealth Keystone Building, Harrisburg. The PUC invited all interested parties and stakeholders (utilities, consumer groups, other organizations and legislative staff that interact with the PUC) to attend the special inaugural PUC Open House.

Highlights included:

- A special unveiling of a new PUC display in the building's atrium. The new display is an interactive entry point for the public, particularly school students, learning about the PUC, and anyone new to dealing with the agency;
- Overview presentations of the Commission, its mission and its structure;
- Tours of Commission Offices and Bureaus; and
- Q&A sessions with bureau directors and staff.



Chairman Wendell F. Holland (left), along with Vice Chairman James Cawley and Commissioner Kim Pizzigrilli welcomed over 100 people to the Commission's First Open House.



Attendees to the Open House were given tours of the PUC's offices. They also had an opportunity to meet with bureau directors and attend an overview presentation of the PUC.

New Atrium Display Unveiled at Open House



Commissioners Tyrone J. Christy and Kim Pizzigrilli test the PUC's new display in the atrium of the Commonwealth Keystone Building in Harrisburg.

On Wednesday, Nov. 7, the PUC commissioners officially unveiled the Commission's new display in the Atrium of the Commonwealth Keystone Building. The unveiling was part of the Commission's Open House activities. The Commission's Office of Communications worked with the Pennsylvania Historic Museum Commission and the Department of General Services to redesign and produce the display. The new display is interactive and provides visitors with information regarding the Commission's role in the five industries it regulates.



Attendees and PUC staff gather around to view the new atrium display. The display is interactive and shows the PUC's role in regulating utilities.