April 5, 2010

HAND DELIVERY

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street - Filing Room (2 North)
Harrisburg, PA 17120

Pertaining to Utilities’ Service Outage Response and Restoration Practices
Docket No. L-2009-2104274

Dear Secretary McNulty:

Pursuant to Ordering Paragraph 5 of the Proposed Rulemaking Order entered November 10, 2009, in the above-captioned matter, enclosed for filing please find an original and fifteen (15) copies of
the Comments of the Pennsylvania Telephone Association.

Should you have any questions, please do not hesitate to contact me.

Very truly yours,

THOMAS, LONG, NIESEN & KENNARD

By [Signature]
Regina L. Matz

Enclosures

cc: Daniel Searfoorce, Coordinator, Bureau of Fixed Utility Services (w/encl. via first class mail)
    Elizabeth Barnes, Esquire, Law Bureau (w/encl. via electronic and first class mail)
Before the
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Proposed Rulemaking for Revision of 52:
Pertaining to Utilities’ Service Outage
Response and Restoration Practices

COMMENTS OF THE
PENNSYLVANIA TELEPHONE ASSOCIATION

I. Introduction

On November 10, 2009, the Pennsylvania Public Utility Commission ("Commission") entered a proposed rulemaking order to establish a more uniform approach for reporting standards among the gas, water/wastewater, and electric industries when utility service outages occur. A companion Policy Statement was entered on November 10, 2009 at Docket No. M-2008-2065332.

The proposed rulemaking specifically seeks to amend Sections 57.11, 59.11, and 65.2 of the Pennsylvania Code, which affect electric, gas, and water service, respectively. It also proposes to implement revisions to the Commission's regulations for service outages, specifically affecting telecommunications carriers by proposing amendments to Chapter 67 of the regulations requiring fixed utilities to provide a greater level of detail to the Commission regarding outage events. The proposed rulemaking asserts the dual goal of providing the affected industries clear direction, by amended regulation, of the information and action expected of them during outages, while fostering goodwill among customers without being either financially or unduly burdensome on the affected industries.
Comments to the proposed rulemaking are due within thirty days of its March 6, 2010 publication in the Pennsylvania Bulletin, or by April 5, 2010. The Pennsylvania Telephone Association ("PTA")\(^1\) timely files these comments pursuant to the Commission’s proposed rulemaking order. The PTA appreciates the Commission’s solicitation of comments from those members of its regulated industry that will be affected by these proposed changes. General consideration of and comments on the proposed rulemaking is provided in the body of these comments. Suggested changes to the specifically proposed amendments is provided in the attached redlined version of the Commission’s Annex A as that Annex appeared in the Commission’s entered Order.

II. Proposed Changes

As set forth in the proposed rulemaking order, the Commission was incented to undertake the proposed revisions as a result of the extensive electric service interruptions that occurred following Hurricane Ike, which swept through Pennsylvania in September 2008. The Commission immediately set out to investigate the electric distribution companies’ (EDCs) responses and restoration practices. This resulted in the proposed revisions to Sections 57.11, 59.11, and 65.2 specifically, as well as the concomitant Policy Statement, which is addressed separately, and which as currently proposed impacts the electric industry only. In addition, the proposed rulemaking seeks to make more specific the information to be reported under Section 67.1, which unlike the previously cited sections of the Pa. Code, also affects telephone companies.

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\(^1\) The PTA is the state's oldest trade organization for the local exchange carrier industry. PTA represents more than 30 telecommunications companies that provide a full array of services over wire line networks. PTA members support the concept of universal service and are leaders in the deployment of advanced telecommunications capabilities.
The Commission describes the information to be required under the proposed amendments as additional written information that is generally requested informally from the Commission's Bureau of Fixed Utility Services. Specific changes include the following amendments that would have the general effect of increasing the amount of information currently required:

(b) changing "incident" in section (b) to "event," which the Commission contends is how the section is presently interpreted, i.e., to mean the event that caused the outage, not a single outage;

(b)(1) changing the requirement in subsection (b)(1) to report the "approximate number of customers involved in single incident" to the "total number of sustained outages during the event" with "sustained outage" meaning loss of service for "5 minutes or greater";

(b)(2) changing the requirement in subsection (b)(2) for identification of the outage by county and local political subdivision to require the approximate number of outages and trouble cases for each county affected during the event;

(b)(3) adding a new subsection (b)(3) that would require the "approximate number of sustained outages for each county affected," the same information required under (b)(1) but broken out by county;

(b)(4) adding a new subsection (b)(4) that would require a report of "the number of outage cases exceeding 6 or more hours in duration";

(b)(5) adding a new subsection (b)(5) that would require, for outages exceeding 6 hours, additional information regarding geographic location, number of customers affected, duration, initial time/date, and restoration time/date of each outage;
(b)(7) adding “of the event” to the end of what had been subsection (b)(4), coinciding with the suggested revision to section (b);

(b)(8) adding the requirement that the number of utility workers assigned to the repair work be broken out by general function such as linemen, tree crew etc.;

(b)(9) adding a new subsection (b)(9) that would require identification of contract workers assisting in repairs, by company and general function (linemen, tree crew etc.);

(b)(10) adding a new subsection (b)(10) that would require identification of mutual aid workers assisting in repairs, by company and general function (linemen, tree crew etc.);

(b)(14) adding a new subsection (b)(14) that would require a general description of physical damage sustained;

(b)(15) adding a new subsection (b)(15) that would require the reporting of the utility’s weather reports for the day before and of the event for weather-related events;

(b)(16) adding a new subsection (b)(16) that would require for all events causing outages to more than 10% of customers, the reporting of the historical ranking of the event in terms of number/duration of the outages and examples of two comparable events, to the extent available through historical data.

(c) amending section (c) to identify those subsections that should be addressed in the utility’s telephonic report to the Commission; also commits the Commission to posting forms on the Commission’s website available for download; would commit the PUC to posting forms for utilities to use;
(c) amending section (d) to require utilities to post on their web sites phone numbers for normal operating hours and 24/7 in emergencies in addition to the local telephone directory as currently required.

III. Comments

A. General

The PTA has concerns about the burdens, both financial and work-force related, some of the proposed amendments to Section 67.1 of the Pennsylvania Code would impose upon its Member Companies. This is coupled with what the PTA sees as little to no benefit in return – to the Commission, with whom the Companies have always worked informally and in a mutually beneficial manner to provide information their systems are currently required to and capable of capturing; to the Companies, who require the flexibility to focus first and foremost their increasingly limited resources on addressing repairs; and to the customers, who rightly expect to have service restored as quickly as possible, and which the PTA Companies already currently strive to achieve.

The Commission should recognize first that there are today many distinctions among its different regulated utility markets – electric, gas, water, and telecommunications. Proposed amendments that may be both possible and appropriate for some utility sectors may not be for others. For example, the Commission acknowledges that the information sought under the proposed amendments is available to the EDCs and certain electric utilities are already report this information voluntarily.\(^2\) While the PTA of course does not offer commentary on behalf of those utility industries, the PTA believes that distinctions exist between those industries, water, and telecommunications, primarily

\(^2\) Proposed Rulemaking Order, 40 Pa. B. 1205.
as a result of the enactment of different statutory and/or regulatory pathways to deregulation (or continued monopoly regulation in the case of the water industry). Those differences, the PTA submits, warrant different consideration for the PTA's Member Companies than the Commission may employ for other industries. Therefore the inclusive approach of amending Section 67.1 for all industries across the board is not appropriate.

For example, the PTA Companies are unlike the gas and electric industries, which are competitive at the commodity level but remain to one extent or the other regulated monopolies at the transmission and delivery level. The electric industry also saw a specific statutory surcharge authorized to recover stranded costs, while the gas industry, because of the nature of deregulation, did not experience stranded investment.

On the other hand, the telecommunications market is highly competitive at all levels. The PTA Companies were provided no statutory, regulatory, or other recognition of plant stranded as a result of competition. Yet, the regulated telecommunications ILECs, with their extensive networks and Carrier of Last Resort obligations, are experiencing increasing capital expenditures even as total access lines served are decreasing. This has placed the PTA Member Companies in an environment in which any change in their regulatory burden negatively impacts those carriers' ability to remain competitive by competing at their most efficient level. For the PTA Member Companies, efficiency requires the Companies to continue to provide excellent service in this increasingly competitive environment or risk losing customers, and to do so in the leanest and most cost efficient manner possible. The PTA Companies' efficiency, however, is meaningless if the regulated Companies are subject to regulatory constraints and burdens
(reporting requirements being one singled out in Act 183), even ones perceived as minimal, that do not apply with equal force to their competitors.

PTA Companies have experienced access line losses in staggering amounts – over 20% from the beginning of 2000 through 2007, and today averaging over 5% annually. Most PTA Companies face their most aggressive challenges from intermodal competitors who operate largely outside the Commission’s jurisdiction. Wireless providers operate without any state certification or service conditions imposed upon them. For a growing number of users, wireless service has become an acceptable substitute for the PTA Companies’ local voice service offering. In 2009, the Centers for Disease Control’s National Center for Health Statistics released a report concluding that one in five U.S. homes exclusively use cell phones. The 20.2 percent figure for the last six months of 2008 was up 2.7 percent from the first half of the previous year. The study also concluded that 14.5 percent of homes receive virtually all of their calls via cell service, even though they have landline phones. And, for the first time, the percentage of homes with mobile phones and no landline exceeded those with landline and no mobile phones.

Cable companies are increasingly entering the voice market, and while not ubiquitous, cable plant passes approximately 90% of the homes in Pennsylvania. Last year, Comcast surpassed Qwest and the third largest telecommunications carrier in the country, behind only Verizon and AT&T. As more and more cable voice service is provided over a fixed Voice over Internet Protocol (“VoIP”) platform rather than through regulated CLECs, intermodal cable competitors increasingly escape the same level of regulation that is imposed upon incumbent “telephone companies.”

Customers also have access to nomadic VoIP service providers that are growing and aggressively advertising, “all you can eat” world-wide plans for $14.99 per month.
These competitors, such as Vonage, Skype, Magic Jack, or Oomo, for the most part operate wholly outside the regulatory framework.

Further, as this Commission is aware, some carriers upon Commission certification as CAP or CLEC providers, use the PTA Companies’ networks, but do not compensate those PTA Companies for the use. Consequently, the PTA Companies have had to employ the extraordinary, and costly, forum of regulatory complaint proceedings in order to collect tariffed charges for the use of their networks.

The telecommunications market has achieved a level of competition on all levels that the electric, gas, and water industries do not share. As such, the market forces of competition already compel the PTA Member Companies to provide a level of customer service that engenders the good will that the Commission’s proposed rulemaking seeks to deliver via regulatory mandates. Delivering timely and accurate information and promptly repairing outages is what the regulated PTA Member Companies already do out of necessity to retain their customers. Increased regulation will only serve to divert time and resources that are already under pressure during a reportable outage event away from customer service, thus negatively impacting quality of service. The PTA Member Companies already recognize that quality service above what their competitors offer is a part of gaining customer good will. The other part is price. The PTA Member Companies cannot offer competitive pricing, however, if they are subject to unnecessary reporting requirements and other standards that their competitors evade.

It is against this backdrop of increasing competition with a goal towards lesser regulation that the General Assembly assured the regulated ILECs that their reporting requirements to the Commission would be minimized, and not further enlarged without a specific cost/benefit analysis. For the reasons the PTA has previously expressed in its
October 25, 2005 Comments to the Commission’s Tentative Order at Docket No. M-00051900, incorporated herein by reference, seeking comment on whether the Service Outage Report remained appropriate under Act 183, the PTA Companies respectfully disagree with the Commission’s apparent conclusion that the proposed revisions to Section 67.1 satisfy Section 3015(f) of Act 183 because the Commission has previously found that Section 67.1 service outage reports themselves should be continued to be required post Act 183.

Finally, the PTA notes that configuration of its Member Companies' systems also differentiates them from other regulated industries such as electric. The regulated PTA Member Companies back up their telecommunications service through add-on batteries and generators. Even during periods of widespread electric outages, the PTA Member Companies avert serious telecommunications outages. The serious and widespread disruption to electric service caused by Hurricane Ike was not experienced by the PTA Member Companies’ customers because any weather event essentially would have to physically destroy telecommunications’ buildings and mobile generators in order to disrupt regulated telephone service. That just does not happen. Consequently, while the proposed amendments may be appropriate for other regulated utilities, the PTA submits that the amendments are neither necessary nor appropriate for the regulated telecommunications industry represented by the PTA because the level of outages generally is not as severe.

For these reasons, the PTA urges the Commission to reconsider imposing upon its regulated member carriers those additional reporting requirements under Section 67.1 noted and discussed below, and the Proposed Policy Statement (addressed separately)
that the PTA Companies believe will unduly burden their operations without measurable benefit to the Companies, their customers, or the Commission.

Section (b)

The PTA Companies do not oppose revising section (b) to change “incident” to “event.” However, as the Commission acknowledges, since the current regulation has already been consistently implemented as an “event,” rather than individual incidents, the PTA does not see the need for the change.

Subsection (b)(1)

The PTA Members oppose the imposition of what is effectively a new measuring and reporting standard interjected through the use of the term “sustained outage” as defined as loss of service for “5 minutes or greater.” As measured currently in Section 67.1, an outage is a loss of service (unscheduled service interruption) for 6 or more projected consecutive hours. It is this type of outage that the Companies currently are set up to measure, record, and report. The Commission offers the observation that “with technical advances, [] generally utility companies have better software systems capable of calculating sustained outages more accurately, and thus, the Commission seeks this information as part of a §67.1 report.”3 This is an inaccurate assumption.

The definition of “sustained” is generally understood as continuous, chronic, unrelenting, unremitting, prolonged, or lasting. By any generally accepted understanding, a 5 minute outage is not sustained. Requiring PTA Companies to separately identify service losses that exceed a 5 minute increment but do not rise to the level of a 6 hour outage would require changes to current outage tracking and remedy platforms, with no measureable benefit in return. The information required under subsection (b)(1) currently

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seeks to identify the number of customers involved in the event. The added layer of complexity requiring companies to measure, evaluate, and report on all interruptions that exceed 5 minutes, is unnecessary for the Commission to understand the scope of the outage event. Outages of 5 minutes in duration will likely go unnoticed and unreported in most events. The current measurement of an outage meaning 6 hours or more is a reasonable standard for which the regulation should continue to adhere. The proposed modification should be rejected.

**Subsection (b)(2)**

The PTA opposes the additional requirement, within the context of a service outage report, to also have to report on trouble, or non-outage, cases. This amendment takes the current regulation, which specifically addresses service outages of a prescribed scope, and greatly expands its applicability and attendant reporting requirement and burden to trouble reports, which are already subject to different provisions of the Commission’s regulations. PTA Member Companies currently have systems in place to report network outages separately from trouble reports. To combine both into a new, revised service outage report, would require changes to their current program, which in some cases are vendor provided. This creates a negative impact on the Companies’ financial and personnel resources, all for a proposed amendment that has no direct link to the specific service outage regulation at hand.

Because of the PTA’s edits proposed to subsection (b)(3) below, the remaining proposed amendments to subsection (b)(2), once edited to remove reference to trouble reports, are rendered redundant and therefore removed.

**Subsection (b)(3)**
The PTA opposes the Commission’s use of the term “sustained outages” in this subsection, for the reasons described above. The PTA does not object to providing the approximate number of customers without service for 6 or more hours by county. The PTA’s proposed removal of “sustained outage” in subsection (b)(1) and this subsection provided the opportunity to combine subsections (b)(3), (4) and (5) to provide the Commission the further level of detail sought in those subsections all in the new, condensed subsection (b)(2).

Subsections (b)(4) and (5)

The PTA does not object to the provision of data requiring a listing of the number of outage cases exceeding 6 hours or more by county, and with the further level of detail including more specific geographic location (municipality or township), number of customers affected, duration of the outage, initial date/time of the outage, and restoration date/time. Given the PTA’s suggested revisions to subsection (b)(2), however, newly proposed subsections (b)(4) and (5) become redundant, and therefore are removed.

Subsection (b)(7)

For the reasons stated above in comment on section (b), the PTA does not believe that inclusion of the words “of the event” are necessary, as it is generally understood that the projected time for service restoration means an estimate when all interruptions will be restored. Finally, it is not “the event” that is restored. Placement of the words “of the event” at the end of the sentence appears awkward.

Subsections (b)(15) and (16)

The PTA opposes both of these new requirements as imposing a new reporting requirement on its Member Companies with no benefit to the affected customers, no benefit to the Companies, and only color commentary to the Commission. The only
arguable benefit to the Commission is having access to historical information for comparison purposes. However, that additional information has no bearing on the status of the current service interruptions or their repairs.

For customers affected, the weather reports the day before and of the outage will have been experienced first hand. Reporting them, therefore, provides no benefit at all to the customers. Moreover, it is more likely than not that if the service interruptions were weather related (as most broad based outages affecting the requisite number/percentage of customers are), the weather was also experienced state-wide, or sufficiently state-wide, as to have been the subject of local news for the Commission as well, and therefore already within the Commission’s knowledge. Consequently, the provision of this information on a “required” basis (even if subject to “to the best of the utility’s ability to access historical data”) imposes a new burden on the PTA Member Companies with no substantive benefit at all with respect to gaining customer good will, or keeping the Commission duly informed of the extent of the interruption and the steps taken for restoration – the purpose of the regulation.

On the other hand, the added burden on the Companies is substantial. This information is currently not tracked for reporting purposes, and therefore would require changes to the Companies’ customer service programs, creating a negative financial and/or personnel impact, depending on whether the program is internally created or vendor provided.

Section (c)

The PTA appreciates the Commission’s offer to provide blank outage reporting forms that may be used. Use of the forms should be at the Companies’ option, however, so that the required information could be produced by the Companies and reported to the
Commission as efficiently and expeditiously as possible. The PTA’s only other modification to this section is to modify the specifically identified subsections required to be reported on telephonically to comport with the PTA’s proposed revisions to the amendments as discussed above. This modification will change as the proposed revisions change, and will only be set upon final rulemaking.

IV. Conclusion

The PTA appreciates the opportunity to comment on these proposed amendments. The PTA Member Companies strive to achieve the highest service quality standards, including keeping both the Commission and the customers informed and satisfied. The PTA does not believe that this Commission has reason to change the current regulation as identified in the comments above in order to assure those standards remain.

New requirements, such as measuring and reporting on 5 minute service outages, will require modifications to Companies’ existing tracking and remedy platforms. This will require these Companies to expend their already strained financial resources to address what the Companies do not believe has been a problem with incumbent telecommunications outages – informing the Commission of the extent of the outage and the restoration response.

Other proposed revisions, such as conducting historical research of previous storms for comparative purposes may provide colorful commentary, but does nothing to advance the goal of the report, which is to identify the nature of the serious outages and the Companies’ responses.

The Commission avers that its proposals will provide benefits to the Companies in terms of increased customer goodwill. The PTA submits, however, that its Member
Companies have not been the subject of outages and resulting widespread customer complaints as were wrought on the electric industry by Hurricane Ike, and which in turn prompted this proposed rulemaking and policy statement. The PTA also submits that its Member Companies engender the most good will with their customers when they are able to focus on repairing service outages and providing the level of quality service that today's competitive telecommunications market demands, rather than diverting time and resources from that competitive market in order to report levels of details that have not been demonstrated to be a source of customer complaint. In the long run, the Commission's proposal will do more to impede, rather than facilitate, not only repairs but also customer good will. Further, the new level of detail appears to offer little in return to the Commission in terms of providing relevant and useful information. Ultimately, for these reasons, the PTA believes the proposed amendments, as addressed above, conflict with Section 3015(e) of Act 183 (66 Pa.C.S. §3015(e)).

Respectfully submitted,

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DATE: April 5, 2010
ANNEX A

CHAPTER 67. SERVICE OUTAGES


(a) Electric, gas, water and telephone utilities holding certificates of public convenience under 66 Pa.C.S. §§ 1101 and 1102 (relating to organization of public utilities and beginning of service and enumeration of acts requiring certificate) shall adopt the following steps to notify the Commission with regard to unscheduled service interruptions.

(b) All electric, gas, water, and telephone utilities shall notify the Commission when 2,500 or 5.0%, whichever is less, of their total customers have an unscheduled service interruption in a single incident for 6 or more projected consecutive hours. Written notification shall be filed with the Commission within five working days after the total restoration of service. Where storm conditions cause multiple reportable interruptions as defined by this section, a single composite report shall be filed for the event. Each report shall contain the following information:

(1) The total number of sustained-outages during the event. Sustained-outages are of a duration of 5 minutes or greater. Outages are unscheduled service interruptions for 6 or more projected consecutive hours.

(2) The approximate number of outage cases and trouble cases for each county affected during the event. Trouble cases are non-outage cases such as line-down calls and emergency calls.

(23) The approximate number of sustained-outage cases for each county affected during the event, including the following:

(i) Geographic location (municipality or township).
(ii) Total number of customers affected.
(iii) Duration of the outage.
(iv) Initial date and time of the outage.
(v) Restoration time and date.

(4) The number of outage cases exceeding 6 or more hours in duration.

(5) A listing of each outage case exceeding 6 or more hours in duration, including the following:

(i) Geographic location (municipality or township).
(ii) Total number of customers affected.
(iii) Duration of the outage.
(iv) Initial date and time of the outage.
(v) Restoration time and date.

[(3)] (36) The reason for the interruption.

[(4)] (47) The projected time for service restoration of the event.

[(5)] (58) A listing of the number of utility workers [and others] assigned specifically to the repair work by general function, that is linemen, troublemen, tree crew, and the like.

(69) A listing of the number of contract workers assigned specifically to the repair work by company and by general function, that is linemen, troublemen, tree crew, and the like.

(710) A listing of the number of workers received as mutual aid by company and by general function, that is linemen, troublemen, tree crew, and the like.

[(6)] (811) The date and time of the first information of a service interruption.

[(7)] (912) The date and time that repair crews were assembled.

[(8) The date and time that the supervisor made the first call.

(9) The approximate time that repair work was started.

(10)] (1013) The actual time that service was restored to the last affected customer.

(114) A general description of the physical damage sustained by the utility facilities as a result of the event. This shall include facilities replaced due to damage, and a listing of the number of poles, transformers, spans of wire, pipes or valves replaced.

(15) For weather-related events, the utility’s weather reports, outlooks or scenarios for the day before and the day of the interruption event.

(16) For all interruption events that caused outages to more than 10% of customers in the utility’s service territory, and to the best of the utility’s ability to access historical data, the historical ranking of the event in terms of the number and duration of outages and examples of two comparable events, including the number and duration of outages for those comparable events.

(c) In addition to the requirements of subsection (b) the utility shall notify the Commission by telephone within [one] 1 hour after preliminary assessment of conditions reasonably indicates that the criteria listed in subsection (b) may be applicable. [The first four items] Subsection (b), paragraphs (1), (2) (with subparts i through v reported on telephonically to the extent known at the time), (3), and (46), and (7) shall be used as guidelines for the telephone report. The Commission will maintain telephone lines for this purpose and will notify each utility of the numbers to be called. Blank outage
reporting forms shall be posted on the Commission’s website and shall be available for download.

(d) The Commission will implement a plan to govern its internal operations in receiving notification of service interruptions, in investigating such interruptions, and in assisting the customers of the utility, the utility and Commonwealth agencies in restoring service.

(e) All electric, gas, water and telephone utilities shall list in the local telephone directories of their service areas, and on their websites, a telephone number to be used during normal operating hours and an emergency telephone number to be used 24 hours in emergency service situations.