



PPL Electric Utilities Corporation (“PPL Electric”) is an EDC located in the Commonwealth of Pennsylvania which provides delivery service and Provider of Last Resort service to over 1.3 million retail customers. PPL Electric is a strong proponent of providing a high level of customer satisfaction and, as such, the Company consistently ensures that the reliability of its delivery system is a top priority.

PPL Electric appreciates the opportunity to submit comments in this docket. PPL Electric generally supports the Commission’s initiative to amend the current reliability benchmarks and standards for EDC’s in Pennsylvania. In addition, the Company has specific comments to several of the proposed revisions, which are addressed below in its Specific Comments.

## 2. Specific Comments

### A. Recalculation of Reliability Benchmarks

The Commission has proposed a uniform reliability calculation for each EDC to compute and report its reliability metrics. This calculation would be based on one operating area encompassing the EDC’s entire service territory, rather than multiple operating areas that are defined differently by each EDC. Although the Commission does not propose changes to the definition of a major event, based on reporting one operating area, the only events that would qualify are those where 10% of the customers in the EDC’s entire service area are interrupted for a duration of five minutes or longer.

PPL Electric supports the Commission's proposed recalculation of the benchmarks using single operating area data. This approach will eliminate the benchmark variability issue and establish a uniform calculation method for computing and reporting reliability metrics on a service territory basis. It will remove the variability associated with defining the size of multiple operating areas. It also will eliminate the variability of defining which service interruptions can be excluded for a "major event" in those instances where only one operating area of a multiple operating configuration meets the event criteria.

#### B. Revising Performance Standards

The Commission has proposed a two-tiered reliability performance standard. One tier for a rolling three-year performance period and one tier for a rolling 12-month performance period.

Under the first tier, an EDC's rolling three-year average performance must be within 10% of the benchmark level. The EDC's rolling three-year performance would be measured against the standard at the end of each calendar year.

Under the second tier, the rolling 12-month average performance for large EDCs must be within 20% of the benchmark level. An EDC's rolling 12-month performance would be measured against the standard at the end of each calendar quarter.

Although PPL Electric supports the Commission's recommendation of a two-tiered approach and the percentage allocation for each tier, these benchmarks

and standards do not adequately address the issue of satisfactory and unsatisfactory performance prior to industry restructuring. PPL Electric believes that the benchmarks and standards should consider an EDC's historical performance and provide additional allowances for those EDCs that consistently have met performance objectives. As a result, PPL Electric recommends that the Commission address the issue of benchmarks and standards by considering an EDC's historical performance level. EDCs with historically satisfactory performance results, which were tightly centered about the mean, should be held to performance standards that are less restrictive than those applied to EDCs whose historical performance was unsatisfactory.

Under the Commission's current proposal, an EDC whose performance was better than the state average would now be held to performance standards that will allow for less variability than those standards that would be applied to EDCs whose performance is below the state average. This approach penalizes better performing EDCs, but fails to encourage more consistent performance by poorer performing EDCs. Acceptable levels of performance should be set on a statewide basis, and a reasonable set of transition benchmarks and standards should be established to move EDCs to a satisfactory level of performance.

PPL Electric would support the Commission performing additional studies to determine the validity of a single statewide standard. Performance under a statewide standard could be correlated to factors such as: the size of an EDC's service territory, the number of miles of distribution line and the amount of overhead and underground facilities, among other factors deemed applicable to determining

the appropriate benchmarks. The application of a statewide standard would ensure that better performing EDCs are not penalized for historically good performance and that improvement by those EDC's whose performance has lagged is encouraged.

C. Request for Approval of a "Major Event"

The Commission has proposed a process by which an EDC would submit a formal request to exclude specific service interruptions for reporting purposes by demonstrating that an outage qualifies as a "major event."

PPL Electric does not perceive a need to file formal requests to have specific service interruptions qualify as "major events." A "major event," by definition, is a service interruption to 10% of the customers served in the EDC's service territory. Because the Commission has proposed a single operating area for all EDCs, the need to analyze outage data to determine whether interruptions in other areas should be included or excluded is moot. PPL Electric believes that the proposed form for requesting an exclusion is duplicative because most "major events" would be associated with storms that require submission of a Storm Outage Report. All of the information requested on the proposed form already is provided in the Storm Outage Report that PPL Electric provides to the Commission pursuant to Section 67.1 of the Commission's regulations. 52 Pa. Code § 67.1. However, PPL Electric recognizes that there presently is no standard format for Storm Outage Reports. Consequently, PPL Electric recommends that the Commission develop a standard reporting format for outages which includes the required information. PPL Electric also recommends that the request to classify a storm as a "major event" be

part of the Storm Outage Report and that the request be deemed approved unless denied by the Commission within 10 business days.

D. Enforcement of Starting and Ending Times for “Major Events”

The Commission has reiterated that existing regulations define the designated starting and ending times of “major events” and should be followed by all EDCs. PPL Electric supports the consistent application of the current Commission regulations which define the starting and ending times of “major events” for all EDCs.

E. Waiver of Reporting Requirements

The Commission proposes to require an EDC to file a Petition for Waiver of reliability reporting requirements when it is unable to conform to those requirements. PPL Electric supports this requirement which provides a means for EDCs to petition the Commission for extensions, or changes, when reporting requirements cannot be met.

### 3. Conclusion

As discussed above, PPL Electric recommends that the proposed amendments to the current reliability benchmarks and standards for EDCs, which are set forth in the Tentative Order, be modified consistent with these comments.

Respectfully submitted,

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