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February 9, 2005

VIA UNITED PARCEL SERVICE

James J. McNulty, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building P.O. Box 3265 Harrisburg, PA 17105-3265

Re: Advance Notice of Proposed Rulemaking for Revision of 52 Pa. Code Chapter 57 Pertaining to Adding Inspection and Maintenance Standards for the Electric Distribution Companies Docket No. L-00040167

Dear Secretary McNulty:

Enclosed herewith for filing on behalf of Metropolitan Edison Company, Pennsylvania Electric Company and Pennsylvania Power Company are an original and sixteen (16) copies of Comments in the above-referenced proceeding. Please date stamp the enclosed additional copy and return to me in the enclosed postage-prepaid envelope.

A copy of these Comments is also being mailed electronically to Elizabeth Barnes, Assistant Counsel.

Sincerely,

Linda R. Evers, Esquire

dlm

Enclosures

c: As per Certificate of Service

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Advance Notice of Proposed Rulemaking

for Revision of 52 Pa. Code Chapter 57
Pertaining to Adding Inspection and

Maintenance Standards for the Electric

Distribution Companies

Docket No. L-00040167

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true and correct copy of the foregoing document upon the individuals listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

Service by United Parcel Service, postage prepaid, as follows:

James J. McNulty, Secretary Pennsylvania Public Utility Commission Commonwealth Keystone Building P.O. Box 3265 Harrisburg, PA 17105-3265

Service by electronic mail, as follows:

Elizabeth Barnes, Assistant Counsel @ebarnes@state.pa.us

Dated: February 9, 2005

Linda R. Evers
Attorney for:

Metropolitan Edison Company Pennsylvania Electric Company

Pennsylvania Power Company

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BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Advance Notice of Proposed Rulemaking for

Revision of 52 PA Code Chapter 57 Pertaining:

to Adding Inspection and Maintenance

Standards for the Electric Distribution

Companies

Docket No. L-00040167

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

I. <u>INTRODUCTION</u>

Metropolitan Edison Company ("Met-Ed"), Pennsylvania Electric Company ("Pennelec") and Pennsylvania Power Company ("Penn Power"), collectively referred to as the "FirstEnergy Companies", submit comments to the above-captioned docket in response to the Pennsylvania Public Utility Commission's ("Commission") Advance Notice of Proposed Rulemaking Order and Request for Comments on the proposed establishment of inspection, maintenance, repair and replacement standards under 52 PA Code Chapter 57.

II. SUMMARY

The FirstEnergy Companies believe that specific inspection and maintenance ("I&M") standards imposed by the Commission are unnecessary. Each Electric Distribution Company ("EDC") should develop its own company specific I&M standards that are available for review by the Commission. This would take into consideration the differences among EDCs while optimizing the opportunity to improve reliability.

III. SPECIFIC COMMENTS

Following are comments of the FirstEnergy Companies addressing the five issues identified in the proposed rulemaking as requested by the Commission:

1. Whether it is appropriate for the Commission to adopt specific inspection and maintenance ("I&M") standards.

The FirstEnergy Companies do not advocate that the Commission implement specific I&M standards for Electric Delivery Companies EDCs in Pennsylvania. Many factors unique to an EDC will drive the guidelines that the EDC follows in the areas of vegetation management, distribution and substation maintenance, and capital improvement projects.

Factors such as distribution and transmission easement rights, system design and operation methods used for vegetation management, negotiated long-term contract strategies, customer demographics, and service territory landscapes do vary considerably among EDCs.

Consequently, the FirstEnergy Companies do not believe that there is a relationship between the Commission imposing generalized I&M standards for all EDCs to follow and improved reliability performance.

The Commission should require EDCs to have a documented I&M program. Compliance can be monitored through progress reporting and an annual self-certification process. This allows each EDC to maintain the flexibility to develop work plans to achieve optimum reliability for each EDC. This Commission has already recognized the need for variances among EDCs as evidenced by the fact that all the EDCs have different reliability standards and benchmarks.

2. Whether standards should be placed in the regulations that are specific to each individual EDC, or whether all EDCs should be held to the same standard, and how would this be monitored and regulated.

The EDCs systems and service territories have many differences such as percentage of overhead versus underground, mountainous terrain versus flat and rural or urban

settings. The FirstEnergy Companies affirm the position noted in 1. above, that a set of uniform and specific I&M standards proscribed by the Commission could detrimentally impact an EDC's operational efficiency, cost effectiveness, and reliability performance due to the variation that exist among each EDCs. Further, if the Commission monitors the EDC's compliance through requiring regular progress reporting and self-certification towards completing its workplan, it is not necessary for the Commission to impose I&M standards.

3. What the standards should be regarding vegetation management practices, pole inspections, transmission and distribution line inspections, substations, transformers, reclosers, and other types of inspection and maintenance practices.

The Commission can assist EDCs by imposing regulation that mitigates jurisdictional barriers to implementing an EDC's I&M program. Examples include Commission regulations that supercedes local city, borough, and other municipal ordinances that may attempt to limit tree pruning, removal of vegetation, the use of herbicides or that require stump removals — all of which are impediments to completing required and essential vegetation management in a cost effective and timely manner. FirstEnergy encourages the Commission to impose regulation supporting removal of non-compatible vegetation on transmission rights-of-ways, use of herbicides and promotes state level interdepartmental cooperation among agencies such as the Game Commission, the Department of Environmental Protection ("DEP"), and the Department of Conservation and Natural Resources ("DCNR").

4. Whether standards should be established for repair and maintenance of electric distribution company equipment or facilities that are critical for system reliability.

Currently, there are no distribution facilities designated as critical to system reliability. The East Central Area Reliability ("ECAR") Transmission System Performance

Panel ("TSPP") is developing criteria to be used to develop such a list. PJM has not designated any critical transmission facilities below 230 kV. Facilities above 230 kV are maintained in accord with NERC requirements.

5. Whether there should be automatic civil penalties written into the regulations for failure to meet standards for more than three consecutive quarters or some other reasonable time period, depending upon the type of inspection and maintenance that is at question.

Automatic penalties should not be imposed on EDCs that fail to meet I&M standards. There are factors outside of an EDC's control, such as weather, that impact an EDCs ability to conduct inspections and maintenance. As with other reliability-related regulations, there should be a process for further discussion to determine causation and whether or not further action is necessary.

IV. <u>CONCLUSION</u>

The FirstEnergy Companies thank the Commission for the opportunity to comment on this Advance Notice of Proposed Rulemaking pertaining to adding specific inspection and maintenance standards to Pa Code 52 Chapter 57. The FirstEnergy Companies also commend the Commission's focus and efforts to improve reliability to customers in the Commonwealth of Pennsylvania. However, improved and sustainable reliability standards will only be achieved if each individual EDC maintains the flexibility to implement practices that consider factors unique to the EDC. Contrarily, a specific set of standards uniformly imposed on all EDCs could detrimentally impact an EDC's operational efficiency, cost effectiveness, and reliability performance. The Commission clearly has the opportunity to monitor compliance through progress reporting and self-certification.

Respectfully submitted,

Dated: February 9, 2005

Linda R. Evers

Attomey for:

METROPOLITAN EDISON COMPANY PENNSYLVANIA ELECTRIC COMPANY PENNSYLVANIA POWER COMPANY

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