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November 6, 2006

VIA OVERNIGHT UNITED PARCEL SERVICE

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor
Harrisburg, PA 17120

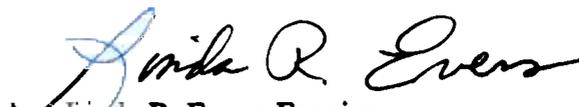
***Re: Proposed Rulemaking for Revision 52 Pa. Code Chapter 57
Pertaining to Adding Inspection and Maintenance Standards
For Electric Distribution Companies
Docket No. L-00040167***

Dear Secretary McNulty:

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

Please contact me at the above number should you have any questions.

Sincerely,


Linda R. Evers, Esquire

dln
Enclosures

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Proposed Rulemaking for Revision 52 Pa.
Code Chapter 57 Pertaining to Adding
Inspection and Maintenance Standards for
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).

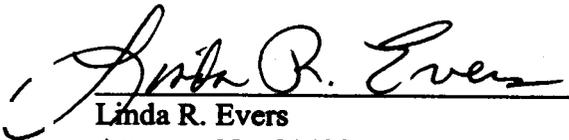
Service by United Parcel Service, postage prepaid, as follows:

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: November 6, 2006



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**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Proposed Rulemaking for Revision 52 Pa.
Code Chapter 57 Pertaining to Adding
Inspection and Maintenance Standards for
Electric Distribution Companies**

Docket No. L-00040167

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

I. Background

The Pennsylvania Public Utility Commission (“PaPUC” or “Commission”) on November 18, 2004 adopted an order regarding an Advanced Notice of Proposed Rulemaking regarding inspection and maintenance standards. The order was published in the *Pennsylvania Bulletin* on December 11, 2004 for comment. The Metropolitan Edison Company, Pennsylvania Electric Company and the Pennsylvania Power Company (herein after collectively “FirstEnergy” or “the Companies”) filed comments to the Advanced Notice of Proposed Rulemaking.

On April 21, 2006, the PaPUC entered a Proposed Rulemaking Order regarding regulations to govern Inspection and Maintenance Standards (“I&M Standards”) for Electric Distribution Companies (“EDCs”). The Proposed Rulemaking Order was published in the *Pennsylvania Bulletin* on October 7, 2006, with comments due thirty (30) days following publication or on November 6, 2006. Below are the Companies’ comments to the issues identified in the order.

II. Discussion of Issues

The Companies believe the proposed standards as outlined in § 57.198 hinders the EDCs ability to implement an effective and cost efficient plan based on the specific circumstances of the EDC. Not only will inspection and maintenance needs vary depending on the system configuration, design, equipment, customer density and condition of each EDC's system, but they will differ within pockets of a system. Recognizing that budgets are not limitless, the EDCs need the flexibility to focus their execution of targeted inspection and maintenance practices that are imperative to provide safe and reliable electric service. The Commission has many opportunities to monitor system performance: 1) quarterly reliability reports, 2) annual reliability reports, 3) management audits, 4) volume of justified service quality complaints, and 5) meetings with EDCs. The detail now provided in the quarterly and annual reports provide the Commission with ample data about the inspection and maintenance practices of each EDC. More importantly, the reliability benchmarks and standards provide the necessary motivation for EDCs to have adequate inspection and maintenance standards. Imposing additional standards is duplicative, counterproductive and costly.

Pennsylvania customers are already facing rising electric rates due to market conditions. As additional EDCs' rate caps expire, this trend is likely to continue. The proposed I&M Standards are estimated to cost over \$75 million collectively among all of the EDCs in the Commonwealth. It does not seem prudent to add these additional expenses to already escalating rates when there are more efficient means of monitoring the I&M practices as well as the reliability of an EDC.

The Companies are confident that the inspection and maintenance practices that are adhered to today along with the current oversight of this Commission will drive the right

reliability performance. While the Commission's concern with the EDC's ability to provide such safe and reliable service should be commended, this Commission should let the existing rules currently in place drive the level of performance they were designed to drive.

A. Rural vs. Urban

FirstEnergy does not believe that EDCs should be required to distinguish between rural vs. urban in its plans. While systems that are rural may differ from systems that are urban, to draw distinctions based on the definitions provided in the proposed rulemaking would be arduous and costly with little to no benefit to be realized. Additionally, a single circuit can cross between rural and urban areas multiple times. The Companies do not distinguish its systems based on the population threshold of five thousand and encourages the Commission to eliminate this designation in any final rules.

B. Transmission Standards

Transmission facilities are subject to the jurisdiction of the Federal Energy Regulatory Commission ("FERC"). The National Electric Reliability Council ("NERC") has developed national reliability standards under the Energy Policy Act of 2005. FERC has charged NERC with the responsibility to enforce transmission reliability standards. FirstEnergy believes the Commission is outside of its jurisdiction when it seeks to impose I&M Standards for vegetation management on the transmission system. As a result, the Companies respectfully request that the Commission decline to adopt such standards.

C. Vegetation Management

The Commission's proposed requirement that EDCs trim tree branches and limb located in close proximity to overhead electric wires when the branches and limbs may cause damage to the electric wires regardless of whether the trees in questions are on or off of a right-of-way contains several problematic issues. The phrase "may cause" is vague and too open ended especially when coupled with the requirement to trim off of right-a-way. This "may cause" standard is too subjective and will always lead to an EDC losing the Monday morning quarterback call. There could be trees across the street and down the street from a line. How far does the responsibility continue to accommodate the "may cause" requirement? FirstEnergy believes its current practice of pruning on a four-year cycle to achieve four years of clearance from FirstEnergy primary conductors based on tree species and growing conditions and FirstEnergy's priority tree identification program to mitigate obvious adjacent hazards are reasonable.

EDCs do not have the legal right to cut trees that are outside of the right- of –way. EDCs would be at the mercy of property owners and should not be penalized for situations that are outside of an EDCs control. In its comments to the Commission's Advanced Notice of Proposed Rulemaking, FirstEnergy requested that the Commission assist the EDCs by imposing regulations that mitigates jurisdictional barriers to implementing an EDC's I&M program. Examples include Commission regulations that supersedes 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. Additionally, 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”) would be helpful to EDCs. FirstEnergy urges the Commission to consider such action.

III. Conclusion

FirstEnergy has participated in the comments filed by the Energy Association of Pennsylvania (“EAPA”) and supports those comments. Any issues not directly discussed herein are addressed in the EAPA comments and reflects the Companies positions. FirstEnergy thanks the Commission for the opportunity to comment on this Proposed Rulemaking pertaining to specific inspection and maintenance standards. The 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 as well as raise the rates of Pennsylvania consumers. Therefore, the Commission should decline such action.

Respectfully submitted,

Dated: November 6, 2006



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