

Regulatory Analysis Form		This space for use by IRRC
(1) Agency Pennsylvania Public Utility Commission		<p>RECEIVED JAN 24 10:15 PENN. PUBLIC UTILITIES COMMISSION</p> <p>IRRC Number: 2213</p>
(2) I.D. Number (Governor*s Office Use) L-00010153/57-222		
(3) Short Title Updating and Revising Financial Reporting Requirements for All Telecommunications Carriers		
(4) PA Code Cite 52 Pa. Code §§ 63.31-63.33 52 Pa. Code § 71.3	(5) Agency Contacts & Telephone Numbers Primary Contact: Carl Hisiro 717-783-2812 and Elizabeth Lion Januzzi 717-772-0696, Law Bureau (legal) Secondary Contact: Robert Wilson 717-783-6162, Bureau of Fixed Utility Services (technical)	
(6) Type of Rulemaking (check one) <input type="checkbox"/> Proposed Rulemaking <input checked="" type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted	(7) Is a 120-Day Emergency Certification Attached? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language. <p>The final rulemaking amends the Commission's existing definitions of telephone utility classes so that they are based on whether the carrier is an incumbent or new entrant and whether the carrier is subject to an alternative form of regulation or some type of rate based, rate-of-return regulation. The final rulemaking also allows competitive carriers not required by the Federal Communications Commission to conform to the Uniform System of Accounts to use other systems so long as they notify the Commission in their annual report and state what method is being utilized. Finally, the quarterly or annual rate-of-return financial reports will only be required from incumbent carriers and the quarterly reports will be reduced to a semi-annual basis.</p>		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions. 66 Pa. C.S. § 501		

Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

No.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

With enactment of Chapter 30 of the Public Utility Code and the federal Telecommunications Act of 1996, the Commission is responsible for adopting more flexible "market entry" procedures for telecommunications carriers operating in Pennsylvania. The final rulemaking will allow the Commission to adopt more streamlined financial reporting requirements for all local exchange carriers, thus removing a potential barrier to entry into Pennsylvania telecommunications markets.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

None.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

All customers of telecommunications services will benefit from this rulemaking because it will promote competition by removing a potential entry barrier, resulting in decreased prices and/or greater service offerings over time. All local exchange telecommunications providers will also benefit because it will lessen the regulatory burdens placed on them for filing financial reports.

Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

No person or entity will be adversely affected by this regulation.

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

All local exchange telecommunications providers under the Commission's jurisdiction will be required to comply with the regulation. There are currently hundreds of incumbent and competitive local exchange carriers licensed to do business in Pennsylvania that will be subject to this rulemaking.

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

The rulemaking grew out of the Collaborative established by the Commission at M-00001374 in September 2000. Participation in the Collaborative included 14 industry members representing incumbent and competitive local exchange carriers operating in Pennsylvania, the Pennsylvania Telephone Association, the Office of Consumer Advocate, and the Office of Trial Staff. The final rulemaking was unanimously recommended by all those participating in the Collaborative.

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

Since the rulemaking will substantially reduce many of the reporting requirements, especially for competitive local exchange carriers, some undetermined amount of savings will be realized for these companies.

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(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

Not applicable.

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

Commission staff will continue to review the financial reports submitted. The time spent is expected to be reduced because of the substantially reduced filing requirements that will result from the implementation of the final rulemaking.

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(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
SAVINGS:	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
COSTS:						
Regulated Community						
Local Government						
State Government						
Total Costs						
REVENUE LOSSES:						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

Not measurable at this time.

Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Not applicable.				

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

See response to No. 17 above. As already discussed, there should be no additional costs associated with the reduced reporting requirements, only savings.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

Not applicable.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

Not applicable.

Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

No.

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

Comparison with other states was not directly made. However, the rulemaking should be advantageous to Pennsylvania telecommunications carriers as it will facilitate reduced financial reporting requirements. The final rulemaking, therefore, should not put Pennsylvania at a competitive disadvantage with other states.

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

The rulemaking will amend existing regulations at 52 Pa Code §§ 63.31-63.33 and 71.3 and effect changes as described in response to No. 8 above.

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

No.

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(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

Yes. The quarterly financial reports now required pursuant to 52 Pa. Code § 71.3 will now become due on a semi-annual basis. Further, the definitional change in 52 Pa. Code § 63.31 relating to classes of telephone utilities will be used as the means for modifying the annual reports required under 52 Pa. Code § 63.36 in a way that will streamline or eliminate numerous schedules, or parts thereof, that are now required to be completed by telecommunications carriers. The changes that will result to the annual reports are contained in Appendix C of the Final Report dated March 15, 2001, filed by the Collaborative at M-00001374.

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

Not applicable.

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

The regulation will become effective upon publication in the Pennsylvania Bulletin following review by the standing committees and the Independent Regulatory Review Commission, and compliance will be required immediately after the regulation becomes final.

(31) Provide the schedule for continual review of the regulation.

The financial reporting requirements will be reviewed on an ongoing basis after the regulation becomes effective, which review may result in future changes in the regulation itself as is necessary to promote a competitive marketplace and still meet the Commission's evolving financial information reporting needs.

**FACE SHEET
FOR FILING DOCUMENTS
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

RECEIVED
LEGISLATIVE REFERENCE BUREAU
NOV 15 2001

#2213

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General.

BY _____
(DEPUTY ATTORNEY GENERAL)

DATE OF APPROVAL

Check if applicable
Copy not approved. Objections attached

Copy below is hereby certified to be true and correct copy of a document issued, prescribed or promulgated by:

Pennsylvania Public Utility Commission
(AGENCY)

DOCUMENT/FISCAL NOTE NO. L-00010153/57-222

DATE OF ADOPTION November 30, 2001

BY James J. McNulty
James J. McNulty

TITLE (SECRETARY)

Copy below is hereby approved as to form and legality. Executive or independent Agencies.

BY Bohdan R. Pankiw
Bohdan R. Pankiw
Chief Counsel

11-30-01
DATE OF APPROVAL

Check if applicable. No Attorney General approval or objection within 30 days after submission.

L-00010153/57-222
Final Rulemaking
Re: Financial Reporting Requirements for
All Telecommunications Carriers.
52 Pa. Code, Chapters 63 and 71

The Pennsylvania Public Utility Commission on November 30, 2001, adopted a final rulemaking order which streamlines certain financial reporting requirements for both CLECs and ILECs while still providing the Commission with necessary information needed to effectively monitor the telecommunications industry in Pennsylvania. The contact persons are Robert Wilson, Bureau of Fixed Utility Services, 783-6162, Carl S. Hisiro, Law Bureau, 783-2812, and Elizabeth Lion Januzzi, Law Bureau, 772-0696.

EXECUTIVE SUMMARY

L-00010153/57-222

Final Rulemaking

Re: Financial Reporting Requirements
for all Telecommunications Carriers
52 Pa. Code, Chapters 63 and 71

In September 2000, the Commission established a collaborative consisting of all interested telecommunications carriers, Commission staff, and other interested parties to determine what, if any, modifications should be adopted to the Commission's accounting procedures and financial reporting requirements in response to the opening of the local and toll telecommunications markets to competition. In particular, the Collaborative was charged with resolving a number of important issues, including whether competitive local exchange carriers (CLECs) should be held to the same financial reporting requirements as incumbent local exchange carriers (ILECs), what reports should be treated as proprietary, and whether CLECs should be required to maintain separate accounting systems for their various operations.

At the conclusion of its deliberative process, the Collaborative filed a Final Report detailing its findings and recommendations. The recommendations significantly streamline the reporting requirements for both CLECs and ILECs; however, several of the recommendations require changes in the Commission's regulations.

Specifically, the final regulations redefine the classes of telephone utilities in 52 Pa. Code § 63.31 based on whether a carrier is an incumbent or new entrant, and, if an incumbent, whether the utility is subject to an alternative form of regulation or some type of rate based, rate-of-return regulation. The current class definitions are based solely on access lines and/or minimal operating revenues

which results in CLECs and ILECs filing the same reports even though the Commission's informational needs for these two types of carriers are completely different. The final regulations also amend 52 Pa. Code § 63.32 to recognize that CLECs not required by the Federal Communications Commission to conform to the Uniform System of Accounts must inform the Commission of this fact in their annual reports and state what method of accounting is being utilized. Finally, the final regulations clarify that the quarterly or annual rate-of-return financial reports required under 52 Pa. Code §71.3 only apply to ILECs and that the quarterly reports for the larger ILECs are reduced to a semi-annual basis.

The contact persons are Carl S. Hisiro (717) 783-2812 and Elizabeth Lion Januzzi (717) 772-0696 in the Law Bureau, and Robert Wilson (717) 783-6162 in the Bureau of Fixed Utility Services.

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265**

Public Meeting held November 30, 2001

Commissioners Present:

Glen R. Thomas, Chairman
Robert K. Bloom, Vice Chairman
Aaron Wilson, Jr.
Terrance J. Fitzpatrick

**Rulemaking Re: Financial Reporting Requirements
For All Telecommunications Carriers**

L-00010153

FINAL RULEMAKING ORDER

BY THE COMMISSION:

On June 28, 2001, this Commission entered an order proposing to amend its regulations relating to financial reporting requirements for telecommunications providers. These proposed amendments to existing regulations will facilitate adoption of the various recommendations to streamline certain financial reporting requirements previously contained in the Final Report of the Collaborative, which was created by this Commission at M-00001374.

The June 28, 2001 Order was published September 8, 2001, at 31 Pa.B. 5110. Comments were thereafter received from only three entities: the Office of Consumer Advocate ("OCA"), AT&T Communications of Pennsylvania, Inc. ("AT&T"), and the Independent Regulatory Review Commission ("IRRC"). This Final Rulemaking Order discusses the comments received and sets forth, in Annex A, final amendments to the Commission's regulations necessary to adopt the

recommendations contained in the Collaborative's Final Report filed March 15, 2001, with this Commission at M-00001374.

Discussion

None of the comments filed address concerns or disagreements with any of the proposed amendments to the existing regulations.¹ Instead, the focus of the comments filed by OCA and IRRC address more general concerns relating to how the Commission will treat financial reporting information that is designated "confidential" or "proprietary" in the future.

The OCA's primary concern is that the recommendation made by the Collaborative and adopted by the Commission in its June 28, 2001 Order, relating to the preliminary designation of certain schedules or parts thereof as proprietary, will "virtually eliminate all useful ILEC [(incumbent local exchange carrier)] information from the public view." OCA Comments filed October 9, 2001 ("OCA Comments"), at 2. This is the same concern that OCA expressed in its minority report filed with the Collaborative's March 15, 2001 Final Report and rejected by the Commission when it adopted the Collaborative's recommendations *in toto*. For the reasons expressed below and in the Final Report, we do not agree with the OCA that the preliminary designations of proprietary treatment for certain schedules, or parts thereof, will have the type of negative impact suggested in OCA's comments. We believe, instead, that the preliminary proprietary designations represent an appropriate and reasonable balancing of competing interests between disclosure and nondisclosure in an evolving competitive environment.

¹ Indeed, AT&T's comments consist of a one-page letter in lieu of comments stating its support of the adoption of the new rules. In addition, AT&T urges the Commission to continue to monitor the condition of the Pennsylvania marketplace and to be prepared to take further steps to ensure that the remaining reporting requirements do not act as a barrier to entry in Pennsylvania.

IRRC's concern, on the other hand, relates solely to the vehicle used by the Commission to effectuate a change in how certain information designated as "proprietary" will be handled in the future. IRRC asserts that the change contemplated by the Commission should be implemented through the formal rulemaking process and not as a change to its internal operating procedures.

Specifically, IRRC's position is that to allow a utility to designate preliminarily certain financial information as proprietary without filing a petition for protective order is in conflict with 52 Pa. Code § 71.9. Section 71.9 provides that "financial reports are public documents" and that "[i]f a public utility requests proprietary treatment for information in the report," the utility must "file a petition for protective order."

After carefully reviewing IRRC's comments in regard to this issue, we conclude that no change to 52 Pa. Code § 71.9 is required at this time. The change that was implemented by the Commission in its operating procedures does not affect the underlying principle that these financial reports are public documents or that a petition for protective order must be filed if there is a challenge to any "proprietary" designation made by a utility.²

The reality of the marketplace today in an increasingly deregulated environment is that disclosure of certain financial information may indeed cause unfair economic or competitive damage. Under current practice, telecommunications carriers have routinely designated various schedules or parts thereof of their annual financial reports as proprietary to protect themselves from

² We must emphasize that the only modification made to the proprietary designation process is to the timing of when the petition for protective order has to be filed with the Commission. If the petition was required to be filed at the same time the annual report has to be filed with the Commission, we could fairly expect the Commission to be inundated with repetitive petitions to protect the confidentiality of the requested information.

damaging disclosures. The fact that they are entitled to do so notwithstanding the designation of such reports as “public documents” in 52 Pa. Code § 71.9 is beyond question. Section 5.423 of Title 52 of the Pa. Code spells out the specific procedures that must be followed if a utility wants to designate certain information as proprietary that otherwise would be made part of the “public record.”

Indeed, section 5.423(b)(4) of 52 Pa. Code clearly supports the type of process the Commission has set up herein, whereby a utility does not file a petition for protective order until there is a specific challenge to a proprietary designation. Under that subsection, the party claiming the privilege must only file a petition for protective order “within 14 days of the date the request for information was received.” As the General Instructions to the new Annual Reports at page 2 clearly provide, the preliminary classifications “as to what may be proprietary are not final or binding on the Commission or any party wishing to challenge these [proprietary] designations nor are they binding on any party seeking to have additional schedules, or parts thereof, declared proprietary.” (Emphasis added.) These same General Instructions also instruct the company on when it has to file a petition for protective order pursuant to 52 Pa. Code § 5.423 to preserve its proprietary designation. We, therefore, believe that the procedures utilized for designating certain financial information as proprietary are consistent with the terms of 52 Pa. Code § 71.9 and no amendment to this section is necessary.

In discussing whether allowing certain financial information to be designated “proprietary” runs counter to the current regulation’s declaration that the financial reports are “public documents,” IRRC also points out an apparent typographical error in the text of 52 Pa. Code § 71.9 which cites to “§ 5.43 (relating to petitions for issuance, amendment, waiver or repeal of regulations).” IRRC suggests that the proper cite should have been to section 5.423 of our

regulations relating to orders to limit availability of proprietary information and not to section 5.43.

In researching this issue back to when Chapter 71 was originally proposed in the early 1990s, we find that the Advance Notice of Proposed Rulemaking Re: Public Utility Earnings, Docket No. L-00910061 entered September 24, 1991, did cite to section 5.423, and not to section 5.43. The section 5.423 cite, however, was later changed, inadvertently it appears, in the Proposed Rulemaking Order at the same docket entered March 3, 1992, and was not discovered by anyone until now. We agree with IRRC that the appropriate cite in 52 Pa. Code § 71.9 should be to section 5.423. Section 5.43 relates to petitions filed with the Commission to change a regulation; it has nothing to do with petitions seeking proprietary treatment. After consulting with the Legislative Reference Bureau regarding the proper way to handle this issue, we are amending 52 Pa. Code § 71.9 as set forth in Annex A to make this technical correction to the citation found in that section.

Finally, the OCA also suggests that the Commission should have taken this opportunity to develop information to help consumers better understand which companies offer service in their area and what those services may be. OCA Comments at 7-9. The OCA contends that with this type of information, it could provide consumers with a shopping guide listing the companies that provide services in each incumbent's territory and how to contact these companies. While we agree that the provision of such information would be beneficial to consumers, this rulemaking proceeding dealing with financial reporting requirements of telecommunications carriers is not the proper vehicle for addressing this issue.³

³ It is worth noting that the Commission at its Public Meeting of November 9, 2001, adopted a Tentative Order seeking comments on whether it should create a standard method for comparing local telephone offers at M-00011580; the very issue raised by the OCA in its comments. The order was entered on November 13, 2001.

Conclusion

Accordingly, under sections 501 and 1501 of the Public Utility Code, 66 Pa. C.S. §§ 501, 1501; sections 201 and 202 of the Act of July 31, 1968, P.L. 769 No. 240, 45 P.S. §§ 1201-1202, and the regulations promulgated thereunder at 1 Pa. Code §§ 7.1, 7.2 and 7.5; section 204(b) of the Commonwealth Attorneys Act, 71 P.S. 732.204(b); section 745.5 of the Regulatory Review Act, 71 P.S. § 745.5; and section 612 of The Administrative Code of 1929, 71 P.S. § 232, and the regulations promulgated thereunder at 4 Pa. Code §§ 7.251-7.235, we find that the regulations at 52 Pa. Code §§ 63.31-63.33, 71.3, and 71.9 should be amended as set forth in Annex A, attached hereto; **THEREFORE,**

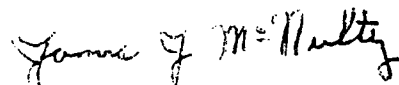
IT IS ORDERED:

1. That 52 Pa. Code Chapters 63 and 71 are hereby amended as set forth in Annex A hereto.
2. That the Secretary shall certify this Order and Annex A and deposit them with the Legislative Reference Bureau for publication in the Pennsylvania Bulletin.
3. That the Secretary shall submit this Order and Annex A to the Office of Attorney General for approval as to legality.
4. That the Secretary shall submit this Order and Annex A to the Governor's Budget Office for review of fiscal impact.
5. That the Secretary shall submit this Order and Annex A for review by the designated standing committees of both houses of the General Assembly, and for review and approval by the Independent Regulatory Review Commission.

6. That a copy of this Order and Annex A shall be served upon the Pennsylvania Telephone Association, the Telecommunications Resellers Association, all jurisdictional telecommunication utilities, the Office of Trial Staff, the Office of Consumer Advocate, and the Small Business Advocate.

7. That the final regulations embodied in Annex A shall become effective upon publication in the Pennsylvania Bulletin.

BY THE COMMISSION,



James J. McNulty
Secretary

(SEAL)

ORDER ADOPTED: November 30, 2001

ORDER ENTERED: **DEC 04 2001**

ANNEX A
TITLE 52. PUBLIC UTILITIES
PART I. PUBLIC UTILITY COMMISSION
Subpart C. FIXED SERVICE UTILITIES
CHAPTER 63. TELEPHONE SERVICE
Subchapter C. ACCOUNTS AND RECORDS

§ 63.31. Classification of public utilities.

For accounting and reporting purposes, telephone public utilities are classified as follows:

(1) *Class A.* [Public utilities having 50,000 or more access lines.] Telephone public utilities that are incumbent local exchange carriers subject to an alternative form of regulation, including, but not limited to, price cap formulas, under 66 Pa.C.S. Chapter 30 (relating to alternative form of regulation of telecommunications services).

(2) *Class B.* [Public utilities having less than 50,000 access lines.] Telephone public utilities that are incumbent local exchange carriers subject to rate base/rate of return regulation or the Plan B Simplified Ratemaking Plan approved by the Commission under 66 Pa.C.S. Chapter 30.

(3) *Class C.* [Telephone public utilities having average annual operating revenues exceeding \$10,000 but not more than \$50,000.] Telephone public utilities that provide competitive local telephone exchange services and that are not the incumbent provider in any local exchange area within this Commonwealth.

[(4) *Class D.* Telephone public utilities having average annual operating revenues not exceeding \$10,000.]

§ 63.32. Systems of accounts.

(a) Class A and Class B telephone public utilities shall keep their accounts in conformity with the requirements prescribed by the Federal Communications Commission (FCC), under "Common Carrier Services; Revision; Uniform System of Accounts (USOA); Classes A, B, and C Telephone Companies," 51 Fed. Reg. 43498 (December 2, 1986) (to be codified at 47 CFR Part 32). The symbol "32" which forms the initial component of each account number in the system of accounts, as published, may not be considered as a prescribed part of the account number for accounting and reporting purposes.

(b) [(Reserved).

(c) Class C and D telephone public utilities, in the absence of a prescribed system of accounts for Class C and Class D telephone public utilities, shall keep the accounts as will be adequately informative for reasonable and foreseeable regulatory purposes.] A Class C telephone public utility which is not required by the FCC to conform to the USOA and does not do so, shall inform the Commission of this fact on its annual financial report. The Class C utility shall also state the method of accounting utilized to compile the financial information reported, including the Generally Accepted Accounting Principles (GAAP).

[(d) A telephone public utility may adopt a system of accounts prescribed for a higher class of telephone public utilities, if the Commission is first notified of the intention of the utility to do so.]

§ 63.33. Integrity of reserve accounts to be preserved.

[Amounts] With respect to those companies which keep their accounts in conformity with the requirements prescribed by the Federal Communications Commission under the "Common Carrier Services; Revision; Uniform Systems of Accounts (USOA); Classes A, B and C Telephone Companies", 51 Fed. Reg. 43498 (December 2, 1986) (to be codified at 47 CFR Part 32), amounts in Class A and Class B accounts 169--173 inclusive, and in Class C accounts 185 and 190, reserved as of the effective date of the appropriate system of accounts prescribed in § 63.32 (relating to systems of accounts), [shall] may not, except by permission of the Commission, be used for any purpose other than the specific purpose for which reserved.

CHAPTER 71. FINANCIAL REPORTS

§ 71.3. Filing requirements.

(a) The following public utilities shall file a financial report for the 12-month period ending each March 31, June 30, September 30 and December 31:

* * * * *

(2) [Local exchange telecommunications utilities with annual intraState gross revenues in excess of \$10 million.

(3)] * * *

[(4)] (3) * * *

(b) Incumbent local exchange telecommunications utilities with annual intraState gross revenues in excess of \$10 million shall file a financial report for the 12-month period ending each June 30 and December 31.

(c) The following public utilities shall file a financial report for the 12-month period ending each December 31:

* * * * *

(2) [Local] Incumbent local exchange telecommunications utilities with annual intraState gross revenues in excess of \$1 million but which do not exceed \$10 million.

* * * * *

[(c)] (d) * * *

[(d)] (e) * * *

* * * * *

§ 71.9. Financial reports as public documents.

The financial reports are public documents. The reports will be maintained by the Secretary and will be available for public inspection. If a public utility requests proprietary treatment for information in the report, it shall be incumbent upon that utility to file a petition for protective order under ~~§ 5.43 (relating to petitions for issuance, amendment, waiver or repeal of regulations)~~ § 5.423 (RELATING TO ORDERS TO LIMIT AVAILABILITY OF PROPRIETARY INFORMATION).



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA

GLEN R. THOMAS
CHAIRMAN

January 24, 2002

The Honorable John R. McGinley, Jr.
Chairman
Independent Regulatory Review Commission
14th Floor, Harristown II
333 Market Street
Harrisburg, PA 17101

Re: L-00010153/57-222
Final Rulemaking
Financial Reporting Requirements
for all Telecommunications Carriers
52 Pa. Code Chapters 63 and 71

Dear Chairman McGinley:

Enclosed please find one (1) copy of the regulatory documents concerning the above-captioned rulemaking. Under Section 745.5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19) (71 P.S. §§745.1-745.15) the Commission, on August 27, 2001, submitted a copy of the Notice of Proposed Rulemaking to the House Committee on Consumer Affairs, the Senate Committee on Consumer Protection and Professional Licensure and to the Independent Regulatory Review Commission (IRRC). This notice was published at 31 Pa.B. 5110, on September 8, 2001. In compliance with Section 745.5(b.1) copies of all comments received were provided to your Commission and the Committees.

In preparing this final form rulemaking, the Public Utility Commission has considered all comments received from the Committees, IRRC and the public.

Very truly yours,

A handwritten signature in cursive script that reads "Glen Thomas".

Glen R. Thomas
Chairman

Enclosures

cc: The Honorable Clarence D. Bell
The Honorable Lisa Boscola
The Honorable Dennis M. O'Brien
The Honorable Joseph Preston, Jr.
Legislative Affairs Director Perry
Chief Counsel Pankiw
Regulatory Coordinator DelBiondo
Assistant Counsel Hisiro
Assistant Counsel Januzzi
Mr. Wilson
Ms. Labecki

TRANSMITTAL SHEET FOR REGULATIONS SUBJECT
TO THE REGULATORY REVIEW ACT

ID Number: L-00010153/57-222

Subject: Re: Financial Reporting Requirements for all
Telecommunications Carriers

Pennsylvania Public Utility Commission

TYPE OF REGULATION

- Proposed Regulation
- Final Regulation with Notice of Proposed Rulemaking
Omitted.
- Final Regulation
- 120-day Emergency Certification of the Attorney
General
- 120-day Emergency Certification of the Governor

FILING OF REPORT

Date	Signature	Designation
1/24/02	Lila Burris	HOUSE COMMITTEE Consumer Affairs
JAN 24 2002	Janet E. Zedler	SENATE COMMITTEE Consumer Protection and Professional Licensure
1/24/02	Elena Pagan	Independent Regulatory Review Commission
		Attorney General
		Legislative Reference Bureau