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INDEPENDENT REGULATORY REVIEW COMMISSION
333 MARKET STREET, 14TH FLOOR, HARRISBURG, PA 17101

February 21, 2002

Honorable Glen Thomas, Chairman
Pennsylvania Public Utility Commission
Keystone Building
400 North Street
3rd Floor, North Wing
Harrisburg, PA 17105

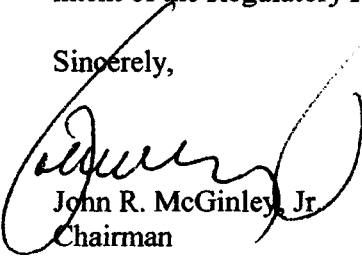
Re: Regulation #57-222 (IRRC #2213)
Pennsylvania Public Utility Commission
Financial Reporting Requirements for All
Telecommunications Carriers

Dear Chairman Thomas:

The Independent Regulatory Review Commission approved your regulation on February 21, 2002. Our Order is enclosed and is available on our website at www.irrc.state.pa.us.

We appreciate the joint effort that went into producing a regulation that meets the criteria and intent of the Regulatory Review Act.

Sincerely,


John R. McGinley, Jr.
Chairman

evp

Enclosure

cc: Honorable Dennis M. O'Brien, Majority Chairman, House Consumer Affairs Committee
Honorable Joseph Preston, Jr., Democratic Chairman, House Consumer Affairs Committee
Honorable Clarence D. Bell, Chairman, Senate Consumer Protection and Professional Licensure Committee
Honorable Lisa M. Boscola, Minority Chairman, Senate Consumer Protection and Licensure Committee

**INDEPENDENT REGULATORY REVIEW COMMISSION
APPROVAL ORDER**

Commissioners Voting:

Public Meeting Held February 21, 2002

John R. McGinley, Jr., Chairman
Alvin C. Bush, Vice Chairman, by Phone
Arthur Coccodrilli, by Phone
Robert J. Harbison, III
John F. Mizner

Regulation No. 57-222
Pennsylvania Public Utility Commission
Financial Reporting Requirements for All
Telecommunications Carriers

On August 27, 2001, the Independent Regulatory Review Commission (Commission) received this proposed regulation from the Pennsylvania Public Utility Commission (PUC). This rulemaking amends 52 Pa. Code §§ 63.31 – 63.33, 71.3 and 71.9. The proposed regulation was published in the September 8, 2001 *Pennsylvania Bulletin* with a 30-day public comment period. The final-form regulation was submitted to the Commission on January 24, 2002.

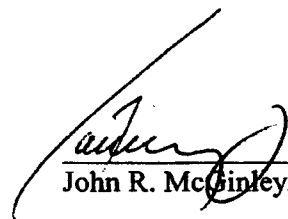
The regulation updates the existing telephone utility classifications and streamlines reporting requirements for incumbent local exchange carriers (ILECs) and competitive local exchange carriers (CLECs). The regulation allows CLECs to use accounting methods other than the Uniform System of Accounts as long as they report to the PUC which method they are using. Finally, existing requirements for quarterly and annual rate-of-return financial reports are clarified to apply only to ILECs, and the quarterly reports are reduced to semi-annual reports.

We have determined this regulation is consistent with the statutory authority of the PUC (66 Pa.C.S.A. § 501) and the intention of the General Assembly. Having considered all of the other criteria of the Regulatory Review Act, we find promulgation of this regulation is in the public interest.

BY ORDER OF THE COMMISSION:

This regulation is approved.





John R. McGinley, Jr., Chairman