

The National Electrical Code has been revised to include a requirement for all residential receptacles to be Tamper Resistant. The revision takes effect with the 2008 NEC and is worded as follows:

406.11 Tamper Resistant Receptacles in Dwelling Units. In all areas specified in 210.52 all 125-volt, 15- and 20-ampere receptacles shall be listed tamper resistant receptacles.

Substantiation: 210.52 specifies the areas in dwelling units where receptacles shall be installed. This proposal references those areas.

This revision will impact an enormous number of new construction installations. It requires all receptacles to be tamper resistant in single-family homes and multi-family homes. We anticipate that this code will also apply to hotel guest suites, barracks and dormitories which have permanent provisions for cooking.

The Code-Making Panel acted in response to a Consumer Product Safety Commission study that showed 2,400 children per year are injured in incidents related to electrical receptacles. These injuries include burns and electrical shock. There are also estimated 6 to 12 fatalities per year.

New editions of the National Electrical Code are historically adopted by states and municipalities over a period of time. Based on the historical rate of adoption of previous editions we estimate that approximately 50% of the states will adopt this new edition in 2008. 80% of the states will likely have adopted the code by 2009.

P&S has been preparing for this new code and will have tamper resistant versions of all receptacles that are used in residential installations in stock and available in November, 2007.

P&S already has an outstanding line of Tamper Resistant Receptacles including the 885TR Decorator Tamper Resistant Receptacle and the TM8HWLTR Decorator Hallway Light with Tamper Resistant Receptacle. These products won the Home Safety Council's Commendation Award for Product Innovation for Consumer Safety. P&S also offers our Tamper Resistant GFCI which won the 2005 Electrical Contracting Products Innovation Award. These receptacles use Pass & Seymour's patented, UL-Listed shutter system to protect children from injury.

This new code requires Pass & Seymour to make a very large investment in new product development, manufacturing equipment and dual inventory of Tamper Resistant and non-Tamper Resistant receptacles. The Tamper Resistant Receptacles will have a higher material and labor cost.

We anticipate a Cornerstone Stock Price of \$.75 for the new 3232TR_.

More information including prices and catalog numbers for all new Tamper Resistant Receptacles will be distributed when available. If you have any questions, please contact your P&S Sales Representative.

Regards,
Bob Smith
Executive Vice-President of Sales