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E-File

September 12, 2017

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

**Re: Rulemaking to Amend the Provisions of 52 Pa. Code, Chapter 56 to Comply
with the Amended Provisions of 66 Pa. C.S. Chapter 14
Docket No. L-2015-2508421**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are PPL Electric's Reply Comments in the above-captioned proceeding. These Reply Comments are being filed pursuant to the Notice of Proposed Rulemaking issued on July 21, 2016 in the above captioned proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on September 12, 2017, which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions regarding these comments, please call me at (610)774-4254 or Melinda Stumpf – Manager, Regulatory Programs/Business Services at (484)634-3297.

Very truly yours,


Amy E. Hirakis

Enclosures

cc via email: Tanya J. McCloskey, Esquire
Mr. John R. Evans
R. Kanaskie, Esquire
Mr. Daniel Mumford
Mr. Matthew Hrivnak
Ms. Patricia Wiedt

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Rulemaking to Amend the Provisions of 52 :
Pa. Code, Chapter 56 to Comply with the : Docket No. L-2015-2508421
Provisions of 66 Pa. C.S., Chapter14 :

**REPLY COMMENTS OF
PPL ELECTRIC UTILITIES CORPORATION**

I. INTRODUCTION

On July 21, 2016 the Pennsylvania Public Utility Commission (“Commission”) adopted a Notice of Proposed Rulemaking (“NOPR”) to amend Chapter 56 of the Commission’s regulations. The NOPR proposed revising Chapter 56 to incorporate the 2014 amendments to Chapter 14 of the Public Utility Code. Through the NOPR, the Commission sought comments on its proposed revisions. In response to the NOPR, PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) submitted comments on April 19, 2017. On July 13, 2017, the Commission entered an Order Seeking Additional Comments. PPL Electric provides the following comments in response to the Commission’s July 13th Order:

II. COMMENTS ADDRESSING ISSUES RAISED IN THE JULY 13th ORDER

In its July 13th Order, the Commission highlightes several specific matters raised in the initial comments of the parties, as well as introduces two new issues to which the Commission now seeks comments from the parties. PPL Electric provides comments on the issues raised in the July 13th Order below.

A. Privacy Guidelines

In the NOPR, the Commission asked parties to comment on what should be included in the Commission's privacy guidelines. After reviewing the comments submitted by the parties, the Commission determined that there are a number of concerns with this issue that need to be addressed. As such, the Commission proposes addressing this topic in a separate proceeding using the comments received to develop a Tentative Order. PPL Electric endorses this approach to address issues related to developing the Commission's privacy guidelines.

B. Data on the usage of Medical Certificates

The Commission invited parties to comment on their experience with the use of medical certificates to avoid termination, the fraudulent use of medical certificates, how medical certificate fraud has affected uncollectible accounts, and what proportion of the utility's overall revenue is impacted by the use of fraudulent medical certificates.

PPL Electric does not typically check for fraud when a customer submits a medical certificate except in unusual situations. The Company believes that its internal procedure of asking medical professionals to submit the medical certificates directly to PPL Electric limits the opportunity for such fraud. PPL Electric, however, does track information on the use of medical certificates to avoid termination. In 2016, PPL Electric had 8,649 medical certificates or renewals submitted by customers. The Company accepted 6,728 of those medical certificates. Of those accepted, approximately 98% of those customers were in the termination process during 2016. This information suggests that customers do submit medical certificates to avoid termination. As discussed in its initial comments and below, PPL Electric is concerned that medical certificates can and are being misused by customers to avoid paying their electric bill.

C. Cost and Impact of Regulatory Changes

With the exception of the Commission's proposal relating to the third-party notification of supplier switching, at this time PPL Electric is not able to provide cost impacts related to the Commission's proposed revisions to Chapter 56. Many of the cost impacts will be directly related to how many customers avail themselves to the Commission's proposed regulations, if adopted, and this is unknown at this time.

D. Third-Party Notification of Supplier Switching

The Commission proposes adding supplier switch notices to the list of notices that a utility will provide under Section 56.131 and 56.361. PPL Electric is not opposed to this proposal. If this proposal were adopted, however, the Company would need to develop an automated process that would send these notices out to the designated third-party. PPL Electric estimates that it would cost \$25,000 to develop this automated process. Although PPL Electric does not have a cost estimate at this time, PPL Electric notes that there would be mailing costs as well.

E. Customer Retaining Utility Service Pending Formal Appeal

The Order provides that the Commission's Bureau of Consumer Services (BCS) has identified confusion amongst some utilities as to the automatic stay provision provided in Section 56.172(d). The Commission states that this section does not entirely reflect the Commission's intention, which is that a stay should operate to maintain or restore utility service while the issue remains in dispute. As such, the Commission proposes revising this section to specifically state that the benefit of the stay is to maintain utility service until a final formal determination is made. PPL Electric does not oppose the proposed language clarifying the regulation, but does request that the revision clarify that utility service must be restored and maintained while the issue remains in dispute, unless the customer or applicant has not paid

according to the terms set forth in the informal complaint decision or an imminent threat to life, health, or safety exists at the location at which the service had been terminated or disconnected. PPL Electric also proposes making this regulation applicable to applicants.

PPL Electric offers the following alternative revision to Section 56.172(d) for the Commission's consideration:

(d) Upon the filing of a formal complaint by a customer or applicant within the 30-day period and not thereafter except for good cause shown, there will be an automatic stay of the informal complaint decision. Informal complaint decisions directing the restoration of utility service are not subject to an automatic stay, unless the customer or applicant has not paid according to the terms set forth in the informal complaint decision or an imminent threat to life, health, or safety exists at the location at which the service had been terminated or discontinued.

III. REPLY COMMENTS

PPL Electric submits the following reply comments in response to the initial comments submitted by various other parties. To the extent that PPL Electric does not specifically respond to a comment of another party, failure to respond should not be interpreted as support or agreement with those comments.

A. Electronic Notification of Termination

The NOPR sought comment on privacy protections and customer consent practices related to the use of electronic notification of service termination. PPL Electric commented that the Commission's proposed amendment to Section 56.93 is consistent with Section 1406(b) of Chapter 14, which requires that utilities obtain confirmative consent from customers prior to using electronic communications for purposes of termination. Some parties recommended that the Commission establish rules around how consent is obtained and maintained. Specifically, the Consumer Advisory Council, Joint Commenters¹ and the Low Income and Consumer Rights

¹ The Joint Commenters consist of the following organizations that submitted joint comments: Community Justice Project; Disability Rights Pennsylvania; Health, Education and Legal Assistance Project; The Homeless Advocacy Project; The Housing Alliance of Pennsylvania; The Pennsylvania Coalition Against Domestic Violence;

Group² recommend in their comments that utilities be required to obtain written consent from customers and to periodically update customers' electronic contact information. *See* Consumer Advisory Council Comments at 9-11; Joint Commenters Comments at 21-24; Low Income and Consumer Rights Group Comments at 27-31. PPL Electric disagrees with these recommendations.

PPL Electric already obtains consent from customers to communicate with them electronically via text messages and emails. The Company obtains customer consent through its IVR and website, and by agents during live telephone calls. Customers have the ability to change their consent preference regarding communications and update their contact information at any time by phone or online. PPL Electric submits that requiring a second consent statement for a narrow scope of account behavior creates an unnecessary burden for the customer to renew preference decisions he or she already made. This would also present a burden on utilities as utilities would have to document separate types of consent after already confirming that a customer is willing to receive account and service information through an electronic medium. Identifying and enforcing a restrictive method for gaining and renewing consent for account termination notices may also inhibit the customer's ability to comfortably expect account notices and updates on a channel that they have already stated to the utility is their preferred contact method.

PPL Electric also notes that the proposal that consent be obtained in writing, and that utilities be required to renew the consent and update contact information periodically creates an unnecessary expense for the utility. PPL Electric estimates that it would cost approximately

The Pennsylvania Health Law Project; The Pennsylvania Utility Law Project; The Women's Center, Inc. of Columbia & Montour Counties; and The Women's Resource Center.

² The Low Income and Consumer Rights Group consists of the Tenant Union Representative Network, Action Alliance of Senior Citizens of Greater Philadelphia and Coalition for Affordable Utility Service and Energy Efficiency in Pennsylvania.

\$850,000 to send 1.2 million residential customers written consent notices. This expense would be repeated, and perhaps increase, each time the Company would be required to renew the consent agreements. This expense would ultimately be borne by the ratepayers.

B. Emergency Medical Procedures

As PPL Electric notes in its initial comments, the Company supports the Commission's objective of balancing the needs of customers who have serious medical conditions with the needs of utilities to manage their overdue receivables. As such, the Company proposed several revisions to the Emergency Medical Procedures regulations which it believes are necessary to reach this balance. In reviewing the comments of other parties, PPL Electric identified two proposals which the Company believes do not strive to achieve such a balance. PPL Electric specifically responds to these proposals below.

The Consumer Advisory Council and the Low Income and Consumer Rights Group recommend making the length of a medical certificate correspond to the length of the affliction, and in the event an illness is without a specific end date, recommended that the medical certificate extend for a period of 6 months. *See* Consumer Advisory Council Comments at 12-13; Low Income and Consumer Rights Group Comments at 35-38. The Joint Commenters recommend allowing the medical professional to specify the length of a medical certificate based on the customer's needs. *See* Joint Commenters Comments at 15-16. PPL Electric strongly opposes extending the maximum length of a medical certificate to be more than 30 days. PPL Electric submits that these recommendations offer a short term solution that creates long term problems for customers and utilities.

PPL Electric submits that extending the duration of a medical certificate to be longer than 30 days will directly impact the customer's perceived payment obligation and consequently a

utility's uncollectibles and the customer's own ability to maintain a payment agreement after the balance has become unmanageable. A medical certificate that extends longer than 30 days essentially releases a customer's from his or her obligation to pay current charges since there is no immediate consequence for non-payment. If a customer has a medical certificate that extends for several months, or perhaps a year or longer³, that customer could potentially stop paying for utility service during this extended period. Although this may seem a benefit for a household experiencing an illness, a medical certificate is not a free pass to customers unable to pay for utility service. The customer's charges during this period will accrue and eventually need to be paid to the utility, whether at the expiration of the medical certificate or when the customer reaches the renewal limit. At this point, the balance may be unmanageable and lead to termination. For the utility, lengthy medical certificates will likely lead to increased uncollectibles, and little, if any, ability to manage this issue. As such, PPL Electric submits that extending the duration of medical certificates for longer than 30 days neither balances the interests of customers with the utility, nor serves the intent behind medical certificates.

The Low Income and Consumer Rights Group also recommend that the Commission hold a collaborative to develop a universal medical certificate form, and that the form be posted on the Commission's website. *See* Low Income and Consumer Rights Group Comments at 32-33. Although PPL Electric does not oppose a uniform medical certificate form, the Company recommends that if a uniform medical certificate form is developed (or if utilities develop their own forms), that the forms not be made publically available. PPL Electric recommends that medical certificate forms be available only to medical professionals by contacting the customer's utility. PPL Electric is concerned that making medical certificate forms available to the general

³ A chronic illness in reality may not have an end date, leading to medical professionals extending the duration of a med cert for a year or more.

public could invite temptation for misuse by certain customers, as the ease of completing a form is very different from developing a medical certificate from scratch.

C. Reporting Deaths to the Commission

Under Section 56.100(j), a utility is required to report to the Commission when it becomes aware of a household fire, incident of hypothermia or carbon monoxide poisoning or other event that resulted in a death following the termination of service. The utility must submit a telephone or electronic report to the Commission within 1 business day of becoming aware of the incident. The regulation provides that information submitted to the Commission will be treated in accordance with 66 Pa.C.S. § 1508 (relating to reports of accidents) and may not be open for public inspection except by order of the Commission. The Low Income and Consumer Rights Group propose to have Section 56.100(j) revised to make the information submitted by the utility under this regulation public, stating that it is in the public's interest for this information to be revealed. *See* Low Income and Consumer Rights Group Comments at 43-46. PPL Electric opposes this proposed revision. PPL Electric submits that the public is served by the Commission having this information and there is no need to make this information public. If the Commission believes, after receiving a report by a utility, that the facts warrant further investigation, the Commission has the ability to initiate an investigation. PPL Electric fails to see how the public interest is not currently being protected by placing this matter in the discretion of the Commission, which has the obligation to protect the health and safety of the citizens of the Commonwealth.

D. Advanced Payment

The Low Income and Consumer Rights Group recommends that the Commission eliminate the advanced payment regulation, 52 Pa. Code § 56.17(3), or in the alternative, that the

regulation be modified to prohibit utilities from offering this service to households with incomes at or below 300% of the federal poverty level. *See* Low Income and Consumer Rights Group Comments at 17. PPL Electric disagrees with these recommendations. PPL Electric believes that there may be interest among all customers for this service, including lower income customers. While PPL Electric acknowledges that there are parties that have concerns with lower income customers participating in advanced payment programs, the company submits that this rulemaking proceeding is not the appropriate proceeding in which to address those concerns. Before any utility offers this service to customers, the utility must first submit a plan to the Commission per the regulation. 52 Pa. Code § 56.17(3)(iv). It is in the context of reviewing these plans that the issues raised by the Low Income and Consumer Group should be reviewed.

E. Supplier Consolidated Billing

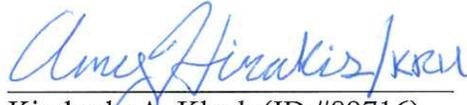
On December 8, 2016, NRG Energy, Inc. (“NRG”) filed a petition with the Commission requesting that the Commission implement supplier consolidated billing by electric generation suppliers.⁴ In this rulemaking proceeding, NRG filed comments recommending that the Commission revise Chapter 56 to accommodate supplier consolidated billing. PPL Electric submits that NRG’s proposal to revise Chapter 56 is premature, as its petition is still pending before the Commission. As such, PPL Electric submits that NRG’s proposals regarding Chapter 56 should not be considered as part of this rulemaking. PPL Electric notes that in response to NRG’s petition, it filed Comments, an Answer, and a Petition to Intervene opposing NRG’s petition. These documents are available on the Commission’s website under Docket No. P-2016-2579249.

⁴ *Petition of NRG Energy, Inc. for Implementation of Electric Generation Supplier Consolidated Billing*, Docket No. P-2016-2579249 (Petition filed December 8, 2016).

IV. CONCLUSION

PPL Electric respectfully submits the Reply Comments pursuant to the Commission's July 13th Order. The Company looks forward to continuing working with the Commission and other stakeholders as the Commission moves through this rulemaking process for Chapter 56.

Respectfully submitted,



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