

COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA PUBLIC UTILITY COMMISSION P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE P-2017-2594688

August 24, 2017

Rosemary Chiavetta, Secretary Pennsylvania Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105-3265

Re.

Pennsylvania Public Utility Commission, Bureau of Investigation and

Enforcement v. North Heidelberg Sewer Company

Docket No. P-2017-2594688

Dear Secretary Chiavetta:

In lieu of filing a Reply Brief in the above-referenced proceeding, the Pennsylvania Public Utility Commission's ("Commission") Bureau of Investigation and Enforcement ("I&E") submits this letter to briefly respond to a single averment advanced by the Metropolitan Edison Company ("Met-Ed") in its Main Brief dated August 16, 2017.

In its Main Brief, Met-Ed asserts that the Commission has no authority to direct a payment arrangement for North Heidelberg Sewer Company ("NHSC") to pay its arrearage to Met-Ed for electric service provided by Met-Ed because NHSC is a commercial customer. Met-Ed M.B. at 3-5. In support of its position, Met-Ed relies on *Kayla's Place Inc. v. Duquesne Light Co.*, Docket No. C-00981711 (Order entered May 24, 1999), to argue that the Commission "cannot, by law, direct Met-Ed to enter into an arrangement with NHSC at all...." Met-Ed M.B. at 4. However, the Commission did not make such a conclusive and sweeping determination as Met-Ed would claim. Rather, the Commission stated in *Kayla's Place* that "a ratepayer of a commercial account for public utility service does not *usually* qualify for the special protections afforded by Chapter 56 of the Commission's Regulations, 52 Pa. Code § 56.1 *et seq.*, including the establishment of a payment schedule for any unpaid arrearage owned on such an account." *Id.* (emphasis added).

The instant matter presents special circumstances that are distinguishable from *Kayla's Place* in that the commercial ratepayer here is a public utility. Evidence of record indicates that termination of NHSC's electric account would harm NHSC's customers and the environment. The Commission has plenary powers afforded to it pursuant to Section 501 of the Public Utility Code ("Code"), 66 Pa.C.S. § 501, which it can use to carry out the intent of the Code. Those "powers have been interpreted broadly to include both the express powers conferred by the Code and those implied powers necessarily implicitly in the Code." *Commonwealth of Pa. v. IDT Energy Inc.*, Docket No. C-2014-2427657 (Order entered June 30, 2016). (In *IDT Energy*, the Commission used its plenary authority under Section 501 to direct an electric generation supplier to issue a credit or refund for an overbilling). An exercise of the Commission's plenary authority to direct Met-Ed to enter into a payment arrangement with NHSC is appropriate and necessary here to protect the public.

Copies of this letter have been served on the parties of record in accordance with the Certificate of Service.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Stephanie M. Wimer

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PA Attorney ID No. 207522

Prosecutor

Bureau of Investigation and Enforcement

Enclosure

cc: As per Certificate of Service

Michael L. Swindler, Deputy Chief Prosecutor

Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement

v.

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Docket No. P-2017-2594688

North Heidelberg Sewer Company

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing document upon the parties, listed below, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a party).

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The Honorable Elizabeth Barnes Administrative Law Judge Pennsylvania Public Utility Commission P. O. Box 3265 Harrisburg, PA 17105-3265 ebarnes@pa.gov

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Dated: August 24, 2017

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