**PENNSYLVANIA**

**PUBLIC UTILITY COMMISSION**

**Harrisburg, PA 17105-3265**

 Public Meeting held September 13, 2012

Commissioners Present:

 Robert F. Powelson, Chairman

 John F. Coleman, Jr., Vice Chairman

 Wayne E. Gardner

 James H. Cawley

 Pamela A. Witmer

|  |  |  |
| --- | --- | --- |
| Pennsylvania Public Utility Commission,Bureau of Investigation and Enforcement  v.PPL Electric Utilities Corporation |  |  M-2012-2264635 |

#

# Opinion and Order

**BY THE COMMISSION:**

 Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is a proposed Settlement Agreement (Settlement) filed on April 23, 2012, by the Commission’s Bureau of Investigation and Enforcement (I&E) and PPL Electric Utilities Corporation (PPL) (collectively, the Parties), with respect to an Informal Investigation conducted by I&E. Both Parties submitted a Statement in Support of the Settlement Agreement. I&E submits that the proposed Settlement is in the public interest and is consistent with the Commission’s Policy Statement at 52 Pa. Code

§ 69.1201, *Factors and standards for evaluating litigated and settled proceedings involving violations of the Public Utility Code and Commission regulations—statement of policy* (Policy Statement). I&E Statement in Support at 9. We will issue the Settlement for comment.

**History of the Case**

 On October 21, 2011, at the request of the Commission’s Bureau of Consumer Services (BCS), I&E instituted an informal investigation pertaining to PPL’s submission of a report on August 4, 2011, pursuant to the Commission’s Secretarial Letter of January 16, 2009, regarding *Interim Reporting Requirements for Regulated Electric and Gas Utilities to File Reports Regarding any Incidents Involving Death at Locations Where Residential Utility Service Has Been Terminated* at Docket No.
M-2009-2084013.[[1]](#footnote-1) The informal investigation concerned a residential account that had been terminated for non-payment on May 24, 2011, and on June 20, 2011, when an unauthorized reconnection was discovered. PPL was informed by the property owner that the customer passed away at his residence on August 2, 2011.

 Based on its investigation, I&E determined that PPL may have violated Section 1501 of the Public Utility Code (Code), 66 Pa. C.S. § 1501, certain provisions of Chapter 14 of the Code, and certain provisions of Chapter 56 of the Commission’s Regulations, during contacts with the customer prior to and after termination of service. As a result of negotiations between I&E and PPL, the Parties have agreed to resolve their differences and urge the Commission to approve the Settlement as being in the public interest. Settlement ¶ 9, at 3-4.

**Background**

The proposed Settlement is attached to this Opinion and Order and has been filed by the Parties in order to resolve allegations of certain violations of Section 1501 of the Code relating to the failure to provide adequate, efficient, safe, and reasonable service, and provisions of Chapter 14 of the Code and Chapter 56 of the Commission’s Regulations concerning dispute and termination procedures. Had this matter been litigated, I&E would have alleged, *inter alia*, that PPL failed to: (1) exercise good faith and fair judgment in attempting to equitably resolve the matter; (2) restore service within twenty-four hours of the erroneous termination; (3) determine whether the customer was satisfied at the conclusion of contacts made with customer service representatives (CSRs); (4) fully investigate the customer’s dispute or initiate utility company dispute procedures; and (5) provide the customer with the information necessary for making an informed decision. Settlement ¶ 25, at 11-14.

While PPL fully cooperated with the investigation, PPL does not admit to any of these allegations. However, PPL recognizes the seriousness of the allegations and acknowledges that the acts alleged, if committed, may constitute violations of certain legal requirements. *Id*. ¶ 29, at 15.

**Terms of the Settlement**

 Pursuant to the proposed Settlement, PPL will deliver targeted training to its call center personnel, including its CSRs, to review its policy and procedure for customers with disputes, including identification of what qualifies as a dispute and the handling of a customer dispute concerning erroneous termination of service. PPL will also provide to BCS copies of its monthly call monitoring reports, which contain results that assess CSR teams regarding their responsibilities to identify disputes and customer satisfaction levels. In addition to these call monitoring initiatives, PPL will host Commission staff on dates and times of the Commission’s choosing for the purpose of directly monitoring incoming calls to PPL’s call centers. Further, PPL agrees to conduct “situational workshops” for its Customer Contact Center supervisors for the purpose of presenting and discussing dispute identification and handling. Finally, PPL will pay a civil settlement amount of $30,000 and make a contribution of $15,000 to its Operation HELP hardship fund. The terms that have been agreed upon by the Parties are set forth in greater detail in the Settlement ¶ 33, at 16-20.

 I&E agrees to forbear from initiating a formal complaint relative to the allegations that are the subject of the proposed Settlement. The proposed Settlement would not, however, affect the Commission’s authority to receive and resolve any formal or informal complaints filed by any affected party with respect to the incident, except that no further sanctions may be imposed by the Commission for any actions identified in the Settlement. Settlement ¶ 34, at 20. The Settlement provides that none of the provisions of the Settlement or statements therein shall be considered an admission of any fact or culpability. *Id.* ¶ 41, at 22. The Settlement makes no findings of fact or conclusions of law, and therefore it is the Parties’ intent that this document and the related Statements in Support not be admitted as evidence in any potential civil proceeding regarding this matter*.* *Id.* ¶ 42, at 23.

The proposed Settlement is conditioned on the Commission’s approval without modification of any of its terms or conditions. *Id.* ¶ 38, at 21. If the Commission does not approve the proposed Settlement or makes any change or modification to the proposed Settlement, either Party may elect to withdraw from the Settlement. *Id.* ¶ 39, at 22.

**Discussion**

 Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission’s policy to promote settlements. The Commission must, however, review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered January 7, 2004); *Pa. PUC v. CS Water and Sewer Assoc.*, 74 Pa. P.U.C. 767 (1991); *Pa. PUC v. Philadelphia Electric Co.*, 60 Pa. P.U.C. 1 (1985).

**Conclusion**

Before issuing a decision on the merits of the proposed Settlement, and consistent with the requirement of 52 Pa. Code § 3.113(b)(3), we are providing an opportunity for interested parties to file comments regarding the proposed Settlement; **THEREFORE,**

 **IT IS ORDERED:**

 1. That this Opinion and Order, together with the attached Settlement Agreement and the Statements in Support thereof, shall be issued for comments by any interested party.

 2. That a copy of this Opinion and Order, together with the attached Settlement Agreement and the Statements in Support thereof, shall be served on the Office of Consumer Advocate and the Office of Small Business Advocate.

 3. That comments regarding the proposed Settlement Agreement and the Statements in Support thereof, will be considered timely if filed within twenty (20) days of the date of entry of this Opinion and Order.

4. That, subsequent to the Commission’s review of comments filed in this proceeding, an Opinion and Order will be issued.

 **BY THE COMMISSION,**

 Rosemary Chiavetta

 Secretary

(SEAL)

ORDER ADOPTED: September 13, 2012

ORDER ENTERED: September 13, 2012

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

|  |  |  |
| --- | --- | --- |
| **Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement****v.****PPL Electric Utilities Corporation** |  |  |
|  | **Docket No. M-2012-2264635** |
|  |
|  |  |  |

**SETTLEMENT AGREEMENT**

**I. Introduction**

1. The parties to this Settlement Agreement ("Settlement Agreement") are the Pennsylvania Public Utility Commission, Bureau of Investigation and Enforcement ("I&E" or "Prosecutory Staff"), P.O. Box 3265, Harrisburg, PA 17105-3265, and PPL Electric Utilities Corporation ("PPL" or "Company"), Two North Ninth Street, Allentown, PA 18101-1179.
2. The Pennsylvania Public Utility Commission ("Commission") is a duly constituted agency of the Commonwealth of Pennsylvania empowered to regulate utilities within this Commonwealth pursuant to the Public Utility Code ("Code"), 66 Pa.C.S. §§ 101, *et seq.*
3. Section 50I(a) of the Code, 66 Pa.C.S. § 501(a), authorizes and obligates the Commission to execute and enforce the provisions of the Code.
4. The Commission has delegated its authority to initiate proceedings that are prosecutory in nature to I&E and other bureaus with enforcement responsibilities. *Delegation of Prosecutory Authority to Bureaus with Enforcement Responsibilities,* Docket No. M-00940593 (Order entered September 2, 1994), as amended by Act 129 of 2008, 66 Pa.C.S. § 308.2(a)(11).
5. PPL is a jurisdictional electric utility headquartered in Allentown, Pennsylvania. PPL is a public utility as defined by 66 Pa.C.S. § 102 and is engaged in, *inter alia,* the provision of public utility service for compensation as an electric distribution company.
6. Section 3301 of the Code, 66 Pa.C.S. § 3301, authorizes the Commission to impose civil penalties on any public utility or on any other person or corporation subject to the Commission's authority for violations of the Code or Commission regulations or both. Section 3301 further allows for the imposition of a separate fine for each violation and each day's continuance of such violation(s).
7. Pursuant to Sections 331(a) and 506 of the Public Utility Code, 66 Pa.C.S. §§ 331(a) and 506 and Section 3.113 of the Commission's Practice and Procedure ("Regulations"), 52 Pa. Code § 3.113, Commission staff has the authority to conduct informal investigations or informal proceedings in order to gather data and/or to substantiate allegations of potential violations of the Commission's regulations.
8. This matter concerns an informal investigation initiated by the Bureau of Consumer Services ("BCS") upon the submission by PPL on August 4, 2011, of

electronic notification of the death of former PPL customer, Mr. Richard Eberly, pursuant to the January 16, 2009, Secretarial Letter re: *Interim Reporting Requirements For Regulated Electric and Gas Utilities To File Reports Regarding Any Incidents Involving Death At Locations Where Residential Utility Service Has Been Terminated,* at Docket No. M-2009-2084013.1 The Prosecutory Staffs investigation was conducted to examine PPL's treatment of an account where residential electric service was terminated for non­payment on May 24, 2011, and then again on June 20, 2011, when an unauthorized reconnection was discovered. PPL was called by the property owner on August 3, 2011 to have service put in his name, advising that the tenant and former PPL customer, Mr. Eberly, had been found deceased in his residence on August 2, 2011. Thus, electric service to the residence had been terminated prior to the customer's death. BCS determined that PPL may have violated Chapters 14 and 56 provisions (52 Pa. Code) and Title 66 during contacts with the customer-of-record prior to and after termination of electric service to the residence.

9. As a result of negotiations between Prosecutory Staff and PPL (hereinafter

"Parties"), the Parties have agreed to resolve their differences as encouraged by the Commission's policy to promote settlements. (See, 52 Pa. Code § 5.231.) The duly authorized Parties executing this Settlement Agreement agree to the settlement terms set

1 This reporting requirement has since been incorporated into the Commission's regulations at 52 Pa. Code § 56.100(j).

forth herein ("Settlement") and urge the Commission to approve the Settlement Agreement as submitted as being in the public interest.

**II. Background**

1. The account in question was in the name of Richard Eberly with service
having been furnished to his residence, a trailer at the Red Maple Trailer Park, located at 200 West Burkholder Drive, Lot 9, Lititz, Pennsylvania. On May 24, 2011, electric service to Mr. Eberly's residence was disconnected for non-payment with an amount due of $5,325.71. From October 20, 2008 through June 1, 2011, Mr. Eberly made three (3) payments totaling $563.00. His actual bills for this same period totaled over $4,200.00. Between December 12, 2008 and April 29, 2011, Mr. Eberly claimed a medical condition six different times but did not provide a medical certificate from a licensed doctor or nurse practitioner to PPL. In addition, Mr. Eberly was formerly enrolled in PPL's OnTrack payment program on two separate occasions, but was removed from the OnTrack program on October 28, 2009 and June 30, 2010 due to non-payment of bills. On August 3, 2011, PPL was advised telephonically by Mr. Eberly's "landlord" that Mr. Eberly had died. The newspaper obituary indicated that Mr. Eberly had died of natural causes at the age of 45.
2. A notice of overdue balance was sent to the customer from PPL on May 2, 2011, with an amount due of $5,325.71 and termination scheduled for May 19, 2011. On May 9, 2011, Mr. Eberly initiated telephone contact with a PPL Customer Service Representative ("CSR") and agreed to a payment arrangement of $2,711.00 due May 18,

2011 and installments of $176.00 per month thereafter.2 PPL's account records indicate that on May 19, 2011 at 11:02 AM, the date for termination of Mr. Eberly's electric service was extended from May 19, 2011 to June 3, 2011. The account record notation "SC-grace extension" suggests that all service termination action was stopped. The account record notation for the 11:53 AM contact on May 20, 2011, states, in part, "cust has grace ext advd. satis". In the next phone call to a PPL CSR on May 20, 2011, at 12:10 PM (the final call from Mr. Eberly that day), the PPL CSR advised Mr. Eberly that

a hold had been placed on the termination of his electric service until June 3, 2011 (CD of recorded calls, May 20, 2011, 12:03:47 PM, 03:18/05:21). At the conclusion of that call, after the customer again inquired as to whether service would be cut off that day, the PPL CSR again confirmed that service would not be terminated that day stating, "no, it's not going to be turned off today because they do have a hold on the account right now." (CD of recorded calls, May 20, 2011, 12:03:47 PM, 05:05/05:21).

12. The Company had placed a grace extension on Mr. Eberly's account on

May 19, 2011 when another person had called to put service in her name. PPL Electric removed the grace extension when it discovered that she already lived in the house. The removal of the grace extension was not communicated to Mr. Eberly because the

2 On May 11, 2011, Mr. Eberly contacted the BCS termination hotline seeking Commission assistance in establishing a payment agreement with PPL to avoid the termination of his electric service. However, since Mr. Eberly's account included arrearages accrued while participating in PPL's CAP program (OnTrack), the Commission was unable to help the customer. See, 66 Pa.C.S. § 1405(c).

Customer Service Representative failed to check the appropriate computer information screen showing that PPL had removed the grace extension.

1. On May 24, 2011, Mr. Eberly's electric service was disconnected by the Company. The Company's grounds for disconnection were non-payment of bills. Soon thereafter, the customer, Mr. Eberly, called and spoke to PPL CSRs at 10:22 and 10:26 AM (The second contact was a transfer from the first contact, all from a single call). Although these calls are contained on the CD of calls provided by PPL, neither contact appears on the printed account record identified by PPL in its informal data responses as "Attachment 1". In the 10:22 AM contact, Mr. Eberly first states, "They told me I had until June 3rd!" (CD of recorded calls, May 24, 2011, 10:22.39 AM, 00:07/05:21) and in response to shutting off electric service again said, "[you] told me not June P." (CD
of recorded calls, May 24, 2011, 10:22:39 AM, 01:00/05:21). The Company did not restore service or classify Mr. Eberly's claim as a "dispute" as defined in the Commission's regulations at 52 Pa. Code § 56.2.
2. On May 24, 2011, at 11:04 AM, Mr. Eberly's next call was again transferred. Mr. Eberly again advised the PPL CSR that he had been told that the service termination was not to occur until June 3, 2011. The PPL CSR stated, "I'm just reviewing all the notes, 'cause there are quite a few notes so just bear with me, ok?" (CD of recorded calls, May 24, 2011, 11:00:50 AM, 02:21/34:41). The CSR then placed Mr. Eberly's call on hold for over thirteen minutes. (CD of recorded calls, May 24, 2011, 11:00:50 AM, 03:38 to 17:17/34:41). Despite the account record of May 19, 2011 at

11:02 AM stating "SC-GRACE EXTENSION" with a date of "6/3/2011," the PPL CSR returned to the call and advised Mr. Eberly that she was unable to find a clear notation of a hold until June 3. The customer's call was again placed on an extended hold. (CD of recorded calls, May 24, 2011, 11:00:50 AM, 18:56 to 31:40134:41). The CSR returned and stated that the hold on termination of electric service should have been explained to him as being until May 29 and not June 3. In either case, termination on May 24 thus occurred ***prior*** to either of these dates. Neither contact resulted in classifying Mr. Eberly's claim as a "dispute" as defined in the Commission's regulations at 52 Pa. Code § 56.2.

15. A CSR in the series of May 24, 2011 contacts advised Mr. Eberly that her

supervisor was, "contacting the metering department to see why exactly your service was terminated." The CSR advised "it appears because that hold was on, you should not have been terminated" then cautioned the customer to await the supervisor's callback for confirmation of that position. The customer again stated, "The lady told me June 3rd! The CSR responded, "Yea, I know. We did hear that phone call...." (CD of recorded calls, May 24, 2011, 11:00:50 AM, 32:23/34:41). The notations on the account records for a contact made by Mr. Eberly to PPL at 11:04 AM on May 24, 2001 note that "cust is stating he was cut in error...", and at 11:06 AM "mix up with shutoff." The PPL CSR

stated that a supervisor would call him back. The account record notes further state that "cust was advised not to call back."3

16. Later on May 24, 2011, Mr. Eberly initiated additional telephone contacts

with PPL at approximately 12:40 PM, 3:18 PM, 4:21 PM and 4:55 PM, each in an attempt to confirm that he would receive the promised callback from a PPL customer service supervisor before the Close of business that day in order to seek prompt restoration of his prematurely terminated electric service.

12:40 PM call — The customer called to inquire about callback and was placed on hold for over eight minutes. The CSR stated at one point, "I'm sure you will hear back from him same day." (CD of recorded calls, May 24, 2011, 12:43:33 PM, 10:55/11:09). At the conclusion of the call, the CSR asked the customer "do you understand what we talked about", but did not inquire whether the customer was "satisfied." (CD of recorded calls, May 24, 2011, 12:43:33 PM, 11:00/11:09).

3:18 PM call — The customer still had not received any supervisor callback. The customer explained to the CSR that his service was not supposed to be shut off until May 29, or June 3. The customer was placed on hold for over two minutes. The CSR returned to the call and stated, "they advised you not to call back." (CD of recorded calls, May 24, 2011, 15:18:21 PM, 04:20/04:41). This was an accurate reading of the account records

3 The notation suggesting that Mr. Eberly was told not to call back is not accurate. The customer requested a phone number to call back and the CSR assured the customer that if the supervisor did not call him, she would, stating, "We will be getting in contact with you in just a few" and "1 promise you that if... the supervisor does not contact you back, I myself will contact you back." (CD of recorded calls,

May 24, 2011, 11:00:50 AM, 33:53/34:41). Contrary to the implication of this account record notation, at no time on the call did the CSR tell Mr. Eberly "not to call back."

for the May 24, 2011 11:06 AM call, but it did not accurately represent what was actually stated on that call. The prior notation also referenced the customer's statement that he was cut off in error and that there was a mix up in the shut off. Yet, not only was no effort taken to restore service, but the contact did not result in classifying Mr. Eberly's claim as a "dispute" as defined in the Commission's regulations at 52 Pa. Code § 56.2. Moreover, at the conclusion of the call, the CSR did not inquire whether the customer was satisfied.

4:21 PM call — The customer called and was transferred, then put on hold for over three minutes. The customer stated, among other things, that he needs electric service "because of my health." (CD of recorded calls, May 24, 2011, 16:30:10 PM, 05:35/05:42). At the conclusion of the call, the CSR provided no medical certification information and did not inquire whether the customer was satisfied.

17. Mr. Eberly was finally transferred to a customer service supervisor (5:01

PM call). The supervisor did not address Mr. Eberly's complaint that despite being told that his electric service would not be turned off until June 3, 2011, it had been terminated that day - May 24, 2011. Rather, the supervisor recited only a standard dialogue for restoration of service to an account with a large balance due, without addressing Mr. Eberly's allegation that service had been terminated over one week earlier than he was told it would be terminated. The account record notations for these contacts with Mr. Eberly to PPL on May 24, 2011 at 5:01 PM and 5:08 PM note specific payment terms

and state "this is our final position." At the conclusion of the call, the CSR supervisor failed to inquire whether the customer was satisfied.

1. On May 25, 2011, Mr. Eberly's electric service was reconnected without the knowledge or authorization of PPL. Specifically, someone had tampered with the termination of service red seal and had removed the blocking boots from the meter base, reconnecting service. On June 20, 2011, the Company terminated Mr. Eberly's service again and placed a security lock on the meter.
2. Upon completing the initial review of this matter, the BCS determined that PPL representatives may have violated provisions of Chapters 14 and 56 concerning dispute and termination procedures, including, *inter alia,* failure to acknowledge providing the customer with an incorrect termination date and then exercising good faith and fair judgment in attempting to equitably resolve the matter, failure to reconnect erroneously terminated service within 24 hours, failure to fully investigate the customer's dispute regarding erroneous termination, and failure to provide reasonable and adequate service.
3. Based on these findings, the BCS requested that I&E initiate an informal investigation to determine whether the Company violated its tariff, the Public Utility Code and/or applicable statutes.
4. By letter to PPL dated October 21, 2011, I&E instituted an informal investigation and requested that PPL provide further background information related to the above-described telephone contacts, to which the Company complied.

**III. Prosecutory Staff's Investigation**

1. As a result of its investigation, Prosecutory Staff determined that during telephone contacts between the customer and PPL CSRs, the Company may have violated provisions of Chapters 14 and 56 concerning dispute and termination procedures. It was determined that during the course of these customer contacts made between Company CSRs and the customer of record, the customer was given an incorrect termination date. When the customer lodged his complaint on May 24, 2011 that PPL's termination of his electric service that day was over one week prior to the date he was given by a PPL CSR on May 20, 2011, the CSRs failed to restore the customer's service or to classify the customer's calls as a "dispute," as defined by the Commission's regulations at 52 Pa. Code § 56.2.
2. Had this matter been litigated, Prosecutory Staff would have alleged that PPL violated provisions of the Public Utility Code and of Title 52, Chapters 14 and 56 of the Pennsylvania Code.
3. Had this matter been litigated, PPL would have denied or answered and defended against the above-stated allegations.

**IV. Alleged Violations**

25. The Prosecutory Staff has reviewed the actions and business practices of

PPL with respect to this investigation. If this matter had been litigated, the Prosecutory

Staff would have alleged that PPL violated certain provisions of the Public Utility Code and Pennsylvania Code, in that:

1. On May 20, 2011, a PPL CSR communicated to Mr. Eberly that his electric service would not be terminated until June 3, 2011. Mr. Eberly relied on this information, which proved erroneous. When service was terminated on May 24, 2011, Mr. Eberly called PPL to dispute the termination. The Company failed to "exercise good faith and fair judgment in attempting to...equitably resolve the matter." If proven, this would have violated 52 Pa. Code § 56.97(b) and 66 Pa.C.S. § 1501.
2. When service was terminated on May 24, 2011 and Mr. Eberly called the Company and advised that a PPL CSR had communicated to him on May 20, 2011 that his electric service would not be terminated until June 3, 2011, the Company failed to restore service within 24 hours of the erroneous termination. If proven, this would have violated 66 Pa.C.S. § 1407(b)(1) and 66 Pa.C.S. § 1501.
3. The Company failed to determine satisfaction at the conclusion of some of the customer contacts made between May 20, 2011, prior to termination of electric service at the customer's residence, and May 24, 2011, subsequent to termination of electric service at the customer's residence. While the colloquies evidenced that the CSRs

treated the caller in a courteous manner, the Prosecutory Staff concluded that the CSRs nevertheless failed in some instances to determine whether the caller was satisfied at the conclusion of the contact with the resolution of the matter at hand. Such inaction renders difficult the task of determining whether a "dispute" exists as that term is defined at 52 Pa.Code § 56.2.4 If proven, this would have violated 66 Pa.C.S. § 1501.

d. Despite Mr. Eberly's repeated claim to PPL CSRs on May 24, 2011,

following the abrupt termination of the customer's electric service, that he was told his electric service would not be turned off until June 3, 2011, and although Mr. Eberly was told by multiple CSRs prior to being connected to a supervisor that it appeared he "should not have been terminated" or that there was "a possible error," Mr. Eberly's contention was never labeled by any PPL CSR or supervisor as a "dispute." The Company failed to fully investigate the customer's dispute or initiate utility company dispute procedures. If proven, this would have violated 52 Pa.Code §§ 56.141, 56.151 and 56.152.

4"Dispute" is defined as a grievance of an applicant, ratepayer or occupant about a utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If at the conclusion of an initial contact or, when applicable, a follow-up response, the applicant, ratepayer or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

e. On May 20, 2011, a PPL CSR communicated to Mr. Eberly that his

electric service would not be terminated until June 3, 2011. Mr. Eberly relied on this erroneous information and may have taken different action had he known that his electric service was going to actually be terminated on May 24, 2011. The Company failed to provide the customer with the information necessary for making an informed decision. If proven, this would have violated 52 Pa.Code §§ 56:151(4) and 66 Pa.C.S. § 1501.

26. If this matter had been litigated, PPL Electric would have disputed the

above-referenced allegations, responding, in part, as follows:

1. PPL did not erroneously terminate service to Mr. Eberly because another person that lived in the house called to put service in her name. Therefore, PPL would have argued that the grace extension was invalid;
2. PPL determined that the customers' electricity service was reconnected on May 25, 2011 without the knowledge or

authorization of PPL; and

1. PPL would have alleged that the customer had a history of postponing termination of service, including multiple claims of a medical condition, without subsequently producing the necessary medical certification.
2. Throughout the entire investigatory process, the Prosecutory Staff and PPL remained active in informal discovery and continued to explore the possibility of resolving this investigation, which ultimately culminated in this Settlement Agreement. During the process, PPL complied with Prosecutory Staff requests for information and documentation. Throughout the investigation, PPL and Prosecutory Staff maintained ongoing communications.
3. Prosecutory Staff acknowledges that PPL has fully cooperated with this investigation.
4. PPL does not admit to any allegations contained herein. Although PPL disputes some or all of the assertions and allegations above, PPL recognizes the seriousness of the allegations and acknowledges that the acts alleged, if committed, may constitute violations of certain legal requirements.
5. PPL notes that the above-referenced contentions are made without the benefit of a formal hearing and that Prosecutory Staff's contentions may or may not have been accepted by the Commission if the matter had been fully litigated.

**V. Settlement Terms**

1. PPL and Prosecutory Staff desire to settle this matter fully and completely without resorting to litigation in a formal proceeding.
2. Although PPL may dispute and/or disagree with some or all of the allegations above, the Company fully acknowledges the seriousness of such allegations.

PPL also recognizes the need to prevent violations of this Commission's regulations. Moreover, PPL recognizes the benefits of amicably resolving these issues.

33. PPL and Prosecutory Staff, intending to be legally bound and for

consideration given, desire to conclude this informal investigation and agree to stipulate as to the following terms solely for the purposes of this Settlement Agreement:

1. PPL will deliver targeted training to its call center personnel, including its CSRs, within one-hundred twenty (120) days of the date of the Order approving this settlement, to review its policy and procedure for customers with disputes, including identification of what qualifies as a dispute and the handling of a customer dispute concerning the erroneous termination of service. PPL will provide a copy of its training materials to Prosecutory Staff thirty (30) days prior to conducting the training.
2. PPL will provide written proof to BCS, within ten (10) days of the completion of said training, that the training of its Company representatives regarding the above—referenced matter has been conducted. The written proof provided to BCS shall contain, at minimum, the date(s) and time(s) of the training session(s), including the duration of the session(s), an agenda of topics covered, identification of the audience trained (i.e., the name(s) of group or

units trained, not names of individuals) and a general description or brief summary of the training provided.

1. Through its call monitoring efforts for compliance and customer
satisfaction, PPL has given additional attention to CSRs' responsibilities to assess customer satisfaction and to identify disputes. The Company now prepares a call monitoring report based on results that assess teams of CSRs. The Company's Quality Assurance group shares these reports with Customer Contact Center (CCC) management who then follow-up with individual CSRs as necessary.
2. PPL agrees to provide to BCS copies of its monthly call monitoring
reports, as revised, for a period of six consecutive months beginning with the first full month following the entry of the Commission's final Order in this matter. Should such reports indicate a deterioration of performance over time, or should BCS otherwise direct, the Company agrees to provide its monthly call monitoring reports for an additional six consecutive months. Moreover, for a CSR team that shows a downturn in performance from one month to the next (i.e., an average call monitoring score below 90) based on a particular month's call monitoring report, PPL will double the number of calls monitored for the responsible CSR(s) and maintain

that level of review until the downturn is corrected. PPL's monthly call monitoring reports will include the evaluation of no less than 60% of all CSR teams.

1. In addition to the above call monitoring initiatives, PPL will host Commission staff on dates and times of the Commission's choosing, for the purpose of directly monitoring incoming calls to PPL's call centers. This activity will occur within a period of three (3) months after completion of the training referenced in Paragraph 33(a) above. Commission staff agrees to provide at least one week's notice to PPL regarding the impending visits to the call centers. PPL agrees to make available to Commission staff the ability to monitor customer telephone calls on a randomly-selected basis to ensure adherence to internal procedures by CSRs, strengthen compliance with Commission regulations and improve customer satisfaction. Commission staff will provide informal feedback to PPL identifying any compliance concerns related to the issues that are the subject of this Settlement or any other customer-related issues that

Commission staff may wish to identify.

1. PPL agrees to conduct a series of "situational workshops" for CCC supervisors beginning within sixty (60) days of the date of the Order approving this Settlement. The purpose of the workshops is to

present and discuss the issue of dispute identification and handling, with emphasis on identifying and handling disputes regarding the erroneous termination of service, as well as to provide an opportunity to promote interaction and learning and offer coaching and guidance regarding dispute recognition and handling.

1. PPL will provide written proof to BCS within ten (10) days of the completion of said training that the training of its Company representatives regarding the above—referenced matter has been conducted. The written proof provided to BCS shall contain, at minimum, the date(s) and time(s) of the training session(s), including the duration of the session(s), an agenda of topics covered, identification of the audience trained (i.e., the name(s) of group or units trained, not names of individuals) and a general description or brief summary of the training provided.
2. PPL will file a report(s) with the Commission Secretary pursuant to 52 Pa. Code § 5.591 which specifies the Company's compliance with the terms of the Settlement Agreement.
3. PPL will pay a civil settlement amount of thirty thousand dollars ($30,000) and make a contribution of fifteen thousand dollars ($15,000) to Operation HELP to resolve the alleged violations uncovered by this informal investigation. Said payment shall be

made by certified check to "Commonwealth of Pennsylvania" and presented to the Commission within thirty (30) days of the date of the Order approving this Settlement.

1. In consideration of the Company's payment of a civil settlement amount and contribution, as specified herein, Prosecutory Staff agrees to forgo the institution of any formal complaint that relates to the Company's conduct as described in the Settlement Agreement. Nothing contained in this Settlement Agreement shall adversely affect the Commission's authority to receive and resolve any informal or formal complaints filed by any affected party with respect to the incident, except that no further sanctions may be imposed by the Commission for any actions identified herein.

**VI. Conclusion**

1. With the Commission's approval that the terms and conditions in this Settlement Agreement are in the public interest and cannot be used against PPL in any future proceeding relating to this matter, PPL agrees to, among other terms set fbrth above, pay a civil settlement amount of thirty thousand dollars ($30,000) and make a contribution of fifteen thousand dollars ($15,000) to Operation HELP within thirty (30) days of the date of the Order approving this Settlement in order to resolve through this Settlement Agreement the allegations raised by the Prosecutory Staff's investigation. Moreover, PPL agrees not to seek recovery of any portion of this payment or contribution in a future ratemaking proceeding.
2. This Settlement Agreement is a full and final resolution of the Commission investigation, related in any way to PPL's alleged actions described in this Settlement Agreement, up to and including the date this Settlement Agreement is signed by the parties.
3. PPL and Prosecutory Staff have agreed to this amicable settlement in the interest of avoiding formal litigation and moving forward in the conduct of business in Pennsylvania. The Prosecutory Staff agrees not to institute any formal complaint relating to PPL's alleged actions that are the subject of this Settlement.
4. PPL and Prosecutory Staff have entered into and seek the Commission's approval of the Settlement Agreement pursuant to 52 Pa Code § 3.113. This Settlement Agreement is subject to all applicable administrative and common law treatments of settlements, settlement offers, and/or negotiations. The validity of this Settlement Agreement is expressly conditioned upon the Commission's approval under applicable public interest standards without modification, addition, or deletion of any term or condition herein. Accordingly, this Settlement Agreement is made without any admission against or prejudice to any position which any party might adopt during litigation of this case if this Settlement is rejected by the Commission or withdrawn by any of the parties as provided below. This Settlement Agreement is, therefore, a compromise and is conditioned upon the Commission's approval of any of the terms and conditions contained herein without modification or amendment.
5. If the Commission fails to approve this Settlement Agreement by tentative or final order, or any of the terms or conditions set forth herein, without modification, addition or deletion, then either Party may elect to withdraw from this Settlement Agreement by filing a response to the tentative or final order within twenty (20) days of the date the tentative or final order is entered. None of the provisions of this Settlement Agreement shall be considered binding upon the Parties if such a response is filed.
6. This document represents the Settlement Agreement in its entirety. No changes to obligations set forth herein may be made unless they are in writing and are expressly accepted by the parties involved. This Settlement Agreement shall be construed and interpreted under Pennsylvania law.
7. None of the provisions of the Settlement Agreement or statements herein shall be considered an admission of any fact or culpability. The Prosecutory Staff acknowledges that this Settlement Agreement is entered into with the express purpose of settling the asserted claims regarding the specific alleged violations of the Public Utility Code, Pennsylvania Code and the regulations promulgated thereunder against, or prejudice to, any position which any Party may adopt during any subsequent proceeding of whatever nature.
8. This Settlement resolves with prejudice all issues related to the Informal Investigation. This Settlement is made without admission against, or prejudice to, any factual or legal positions which any of the Joint Petitioners may assert in subsequent litigation of this proceeding before the Commission in the event that the Commission

does not issue a final, non-appealable Order approving this Settlement without modification. This Settlement is determinative and conclusive of all the issues addressed herein and constitutes a final settlement of the matters thereof as among the parties to the Settlement and the Commission. Provided, however, that this Settlement makes no findings of fact or conclusions of law, and therefore, it is the intent of the parties that this document and the related Statements in Support not be admitted as evidence in any potential civil proceeding involving this matter. It is further understood that by entering into this Settlement and agreeing to pay a civil settlement amount and to contribute to Operation HELP, PPL has made no admission of fact or law and disputes all issues of fact and law for all purposes in all proceedings, including but not limited to any civil proceedings, that may arise as a result of the circumstances described in the Settlement documents.

**WHEREFORE,** PPL and the Commission's Bureau of Investigation and Enforcement respectfully request that the Commission adopt an order approving the terms and conditions of this Settlement Agreement as being in the public interest.

Respectfully submitted,

****

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

**Pennsylvania Public Utility Commission, :
Bureau of Investigation and Enforcement :**

**v. Docket No. M-2012-2264635**

**PPL Electric Utilities Corporation**

**STATEMENT IN SUPPORT OF SETTLEMENT AGREEMENT
OF BUREAU OF INVESTIGATION AND ENFORCEMENT**

The Pennsylvania Public Utility Commission's Bureau of Investigation and Enforcement (Prosecutory Staff) submits this Statement In Support Of Settlement Agreement (Agreement) at the above docket. The specific terms of the Agreement are found at Paragraphs 31 through 34 of the Agreement. Prosecutory Staff submits that the settlement as memorialized by the Agreement (Settlement) balances the duty of the Pennsylvania Public Utility Commission (Commission) to protect the public interest, the Company, and the Company's customers. The Agreement addresses the issues raised in Prosecutory Staffs informal investigation while avoiding the time and expense of litigation, including but not limited to, discovery, preparation of witness testimony, hearings, briefs, exceptions and appeals. The Agreement, as proposed, is in the public interest and should be approved by the Commission.

1. The proposed Agreement stipulates as to the following terms which make

up this Settlement:

1. PPL will deliver targeted training to its call center personnel, including its customer service representatives (CSRs), within one- hundred twenty (120) days of the date of the Order approving this settlement, to review its policy and procedure for customers with disputes, including identification of what qualifies as a dispute and the handling of a customer dispute concerning the erroneous termination of service. PPL will provide a copy of its training materials to Prosecutory Staff thirty (30) days prior to conducting the training.
2. PPL will provide written proof to the Commission's Bureau of Consumer Services (BCS), within ten (10) days of the completion of said training, that the training of its Company representatives regarding the above—referenced matter has been conducted. The written proof provided to BCS shall contain, at minimum, the date(s) and time(s) of the training session(s), including the duration of the session(s), an agenda of topics covered, identification of the audience trained (i.e., the name(s) of group or units trained, not names of individuals) and a general description or brief summary of the training provided.
3. Through its call monitoring efforts for compliance and customer satisfaction, PPL has given additional attention to CSRs' responsibilities to assess customer satisfaction and to identify disputes. The Company now prepares a call monitoring report based on results that assess teams of CSRs. The Company's Quality Assurance group shares these reports with Customer Contact Center (CCC) management who then follow-up with individual CSRs as necessary.
4. PPL agrees to provide to BCS copies of its monthly call monitoring reports, as revised, for a period of six consecutive months beginning with the first full month following the entry of the Commission's final Order in this matter. Should such reports indicate a deterioration of performance over time, or should BCS otherwise direct, the Company agrees to provide its monthly call monitoring reports for an additional six consecutive months. Moreover, for a CSR team that shows a downturn in performance from one month to the next (i.e., an average call monitoring score below 90) based on a particular month's call monitoring report, PPL will double the number of calls monitored for the responsible CSR(s) and maintain that level of review until the downturn is corrected. PPL's monthly call monitoring reports will include the evaluation of no less than 60% of all CSR teams.
5. In addition to the above call monitoring initiatives, PPL will host Commission staff on dates and times of the Commission's choosing, for the purpose of directly monitoring incoming calls to PPL's call centers. This activity will occur within a period of three (3) months

• after completion of the training referenced in subparagraph (a),

above. Commission staff agrees to provide at least one week's notice to PPL regarding the impending visits to the call centers. PPL agrees to make available to Commission staff the ability to monitor customer telephone calls on a randomly-selected basis to ensure adherence to internal procedures by CSRs, strengthen compliance with Commission regulations and improve customer satisfaction. Commission staff will provide informal feedback to PPL identifying any compliance concerns related to the issues that are the subject of this Settlement or any other customer-related issues that

Commission staff may wish to identify.

1. PPL agrees to conduct a series of "situational workshops" for CCC supervisors beginning within sixty (60) days of the date of the Order approving this Settlement. The purpose of the workshops is to present and discuss the issue of dispute identification and handling, with emphasis on identifying and handling disputes regarding the erroneous termination of service, as well as to provide an

opportunity to promote interaction and learning and offer coaching and guidance regarding dispute recognition and handling.

g. PPL will provide written proof to BCS within ten (10) days of the completion of said training that the training of its Company

representatives regarding the above—referenced matter has been conducted. The written proof provided to BCS shall contain, at minimum, the date(s) and time(s) of the training session(s), including the duration of the session(s), an agenda of topics covered, identification of the audience trained (i.e., the name(s) of group or units trained, not names of individuals) and a general description or brief summary of the training provided.

 h PPL will file a report(s) with the Commission Secretary pursuant to

52 Pa. Code § 5.591 which specifies the Company's compliance

with the terms of the Settlement Agreement.

i. PPL will pay a civil settlement amount of thirty thousand dollars

($30,000) and make a contribution of fifteen thousand dollars ($15,000) to Operation HELP to resolve the alleged violations uncovered by this informal investigation. Said payment shall be made by certified check to "Commonwealth of Pennsylvania" and presented to the Commission within thirty (30) days of the date of

the Order approving this Settlement. Said contribution shall be

made by PPL within thirty (30) days of the date of the Order approving this settlement.

1. PPL has, as stated above, agreed to pay a fair and equitable civil settlement amount and make a contribution to its Operation HELP hardship fund.
2. The agreement of Prosecutory Staff to settle this case is made without any admission or prejudice to any position that Prosecutory Staff might adopt during subsequent litigation in the event that this Settlement is rejected by the Commission or otherwise properly withdrawn by any of the parties.
3. Had this matter proceeded to hearing, Prosecutory Staff would have alleged that the Company committed numerous violations of the Public Utility Code and the Company would have contested these allegations. Specifically, Prosecutory Staff would have alleged in its case-in-chief as follows:
4. On May 20, 2011, a PPL CSR communicated to Mr. Eberly that his electric service would not be terminated until June 3, 2011. Mr. Eberly relied on this information, which proved erroneous. When service was terminated on May 24, 2011, Mr. Eberly called PPL to dispute the termination. The Company failed to "exercise good faith and fair judgment in attempting to...equitably resolve the matter." If proven, this would have violated 52 Pa. Code § 56.97(b) and 66 Pa.C.S. § 1501.
5. When service was terminated on May 24, 2011 and Mr. Eberly called the Company and advised that a PPL CSR had communicated

to him on May 20, 2011 that his electric service would not be terminated until June 3, 2011, the Company failed to restore service within 24 hours of the erroneous termination. If proven, this would have violated 66 Pa.C.S. § 1407(b)(1) and 66 Pa.C.S. § 1501.

1. The Company failed to determine satisfaction at the conclusion of some of the customer contacts made between May 20, 2011, prior to termination of electric service at the customer's residence, and May 24, 2011, subsequent to termination of electric service at the customer's residence. While the colloquies evidenced that the CSRs treated the caller in a courteous manner, the Prosecutory Staff concluded that the CSRs nevertheless failed in some instances to determine whether the caller was satisfied at the conclusion of the contact with the resolution of the matter at hand. Such inaction renders difficult the task of determining whether a "dispute" exists as that term is defined at 52 Pa.Code § 56.2.' If proven, this would have violated 66 Pa.C.S. § 1501.
2. Despite Mr. Eberly's repeated claim to PPL CSRs on May 24, 2011, following the abrupt termination of the customer's electric service, that he was told his electric service would not be turned off until

I "Dispute" is defined as a grievance of an applicant, ratepayer or occupant about a utility's application of a provision covered by this chapter, including subjects such as credit determinations, deposit requirements, the accuracy of meter readings or bill amounts or the proper party to be charged. If at the conclusion of an initial contact or, when applicable, a follow-up response, the applicant, ratepayer or occupant indicates satisfaction with the resulting resolution or explanation, the contact will not be considered a dispute.

June 3, 2011, and although Mr. Eberly was told by multiple CSRs prior to being connected to a supervisor that it appeared he "should not have been terminated" or that there was "a possible error,"

Mr. Eberly's contention was never labeled by any PPL CSR or supervisor as a "dispute." The Company failed to fully investigate the customer's dispute or initiate utility company dispute procedures. If proven, this would have violated 52 Pa.Code §§ 56.141, 56.151 and 56.152.

e. On May 20, 2011, a PPL CSR communicated to Mr. Eberly that his

electric service would not be terminated until June 3, 2011.

Mr. Eberly relied on this erroneous information and may have taken different action had he known that his electric service was going to actually be terminated on May 24, 2011. The Company failed to provide the customer with the information necessary for making an informed decision. If proven, this would have violated 52 Pa.Code §§ 56.151(4) and 66 Pa.C.S. § 1501.

5. In *Rosi v. Bell Atlantic Pennsylvania Inc., et al.,* 94 PA PUC 103, Docket

No. C-00992409 (Order entered March 16, 2000), as set forth in *Pennsylvania Public Utility Commission v. NCIC Operator Services,* Docket No. M-00001440 (December 20, 2000), the Commission adopted and utilized standards for determining whether a particular enforcement outcome is in the public interest. The standards set forth in *Rosi* were reviewed by Prosecutory Staff. Prosecutory Staff submits that this Settlement

Agreement does not violate the requirements for settlements found in *Rosi* and that the terms of this particular Settlement Agreement are in the public interest.

1. Prosecutory Staff further asserts that approval of this Settlement Agreement is consistent with the Commission's Policy Statement, *Factors and standards for evaluating litigated and settled proceedings involving violations of the Public Utility Code and Commission regulations — statement of policy,* at 52 Pa. Code § 69.1201 ("Policy Statement"). Under the POlicy Statement, while many of the *Rosi* standards may still be applied, the Commission specifically recognized that in settled cases the parties "will be afforded flexibility in reaching amicable resolutions to complaints and other matters so long as the settlement is in the public interest." 52 Pa. Code § 69.1201(b). The Commission's Policy Statement provides for ten (10) factors and standards to be considered by the Commission. The application of these standards and support for the instant settlement are set forth below.
2. The first standard addresses whether the conduct at issue was of a serious nature. 52 Pa. Code § 69.1.201(c)(1). While the conduct here does not appear to involve willful fraud or misrepresentation, the Commission deems any termination of essential utility service to be a serious concern. The failure of the CSRs to recognize and address the crux of the customer's complaint that his service was terminated prior to the date that he had been told it would be terminated for non-payment, and the Company's election to not recognize the customer's calls to complain as a legitimate dispute, which should have at least temporarily postponed termination of the customer's electric service, departed from the Company's duty to furnish and maintain adequate, efficient, safe and reasonable

service. However, Prosecutory Staff acknowledges that this customer did have a history of non-payment and engaged in other acts such as reactivating electric service from the Company's facilities by unauthorized means after PPL's termination of the service, which, the Company would argue, ultimately justifies termination action. Thus, the basis of the complaint and the focus of litigation had this matter proceeded to an evidentiary hearing, would not be that the customer's service should not have been terminated, but only that the service was terminated prematurely.

1. The second standard addresses whether the resulting consequences of the conduct in question were of a serious nature. 52 Pa. Code § 69.120I (c)(2). The Commission deems the ultimate termination of electric service to this residential customer to be a serious event, especially given the Company's action to tell the customer that termination would occur on June 3, 2011, but then disconnecting service much earlier than the customer expected, on May 24, 2011. However, it is true that the act of termination, in and of itself, was warranted due to the amount owed by the customer and his failure to follow through with providing a medical certificate to the Company and, but for what Prosecutory Staff deemed to be action which resulted in the premature termination of the customer's service in this matter, the customer's service would likely have been legitimately terminated shortly thereafter.
2. The third standard addresses whether the conduct was intentional or unintentional. This standard is to be applied to litigated matters. Although there is no indication that the Company intentionally violated Company procedure or Commission

regulations, this matter is being resolved by settlement of the parties and, as such, this standard is not relevant here.

1. The fourth standard addresses whether the Company made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. 52 Pa. Code § 69.1201(c)(4). This has been addressed in the affirmative in the terms of the Settlement. The Company intends to deliver targeted training to its call center personnel, including its CSRs, to review its policy and procedure for customers with disputes, including identification of what qualifies as a dispute and the handling of a customer dispute concerning the erroneous termination of service. In addition, through its call monitoring efforts for compliance and customer satisfaction, PPL has given additional attention to CSRs' responsibilities to assess customer satisfaction and to identify disputes and prepares a call monitoring report based on results that assess teams of CSRs that it shares with Customer Contact Center (CCC) management. In addition to the above call monitoring initiatives, PPL has agreed to conduct situational workshops with CCC supervisors and to host Commission staff on dates and times of the Commission's choosing, for the purpose of directly monitoring incoming calls to PPL's call centers for compliance with the initiatives set forth in this Settlement.
2. In the process of negotiating this Settlement Agreement, all of the other factors in the Policy Statement were considered. Specifically, Prosecutory Staff reviewed the number of customers affected, the compliance history of the Company, the Company's cooperation with the Commission, and the amount necessary not only to

deter future violations but to recognize possible violations in the past. This Settlement Agreement was amicably negotiated and recognizes PPL's good faith efforts to comply with the regulations.

1. Prosecutory Staff submits that a settlement avoids the necessity for the prosecuting agency to prove elements of each violation. In return, the opposing party in a settlement avoids the possibility of a greater fine or penalty. Both parties negotiate from their initial litigation positions. The fines and penalties in a litigated proceeding, such as *Rosi,* have always been different from those that result from a settlement. Prosecutory Staff submits that this is the reason that *Rosi* listed whether penalties arise from a settlement or a litigated proceeding as one of its tests.
2. Prosecutory Staff submits that the Settlement Agreement in this matter is in the public interest because it effectively addresses the issues identified by the BCS, avoids the time and expense of litigation which entails hearings, filings of briefs, exceptions, reply exceptions, and possible appeals. The Company has also agreed to pay a fair and equitable civil settlement amount, make a contribution to its Operation HELP hardship fund and to improve its customer call response procedures. In the opinion of Prosecutory Staff, the sum total achieved by this Settlement of the monetary amount to be paid by the Company and its contribution to Operation HELP is nearly equivalent to the amount of any fine or penalty that could reasonably be sought and obtained through litigation. Moreover the Settlement Agreement clearly meets the standards set forth in the Commission's Policy Statement at 52 Pa. Code § 69.1201.
3. Commission Rules and Regulations encourage the settlement of proceedings and, consequently, Prosecutory Staff and PPL convened frequent and extensive conferences and discussions during the course of this proceeding. These discussions ultimately resulted in the foregoing Agreement and the Agreement is a full and final resolution of the Commission's investigation. Prosecutory Staff asserts that approval of this Settlement is consistent with the Commission's Policy Statement at 52 Pa.Code § 69.1201, *Factors and standards for evaluating litigated and settled proceedings involving violations of the Public Utility Code and Commission regulations — statement of policy.*
4. In addition to the foregoing reasons, based upon Prosecutory Staffs analysis of these matters, acceptance of this Settlement is in the public interest because resolution of this case by settlement rather than litigation will avoid the substantial time and expense involved in continuing to formally pursue all issues in this proceeding. Moreover, acceptance of the Agreement at this time will ensure that the Company will immediately implement the important changes in their policies enumerated in the Agreement, including training staff and revising internal management procedures, instead of at the end of what could be protracted litigation. Prosecutory Staff is well aware of the Commission's determination to engage in a constructive review of each and every settlement in order to ensure that the settlement before it adequately remedies the situation at hand or deters potential future violations of the Code or the Commission's regulations. See, *Joint Motion of Chairman Robert F. Powelson and Commissioner Wayne E. Gardner,* MXEnergy Electric, Inc., Docket Number M-2012-2201861

(March 29, 2012). Prosecutory Staff avers that this Settlement Agreement attains the desired remedial and penal goals and, most importantly, is in the public interest.

**WHEREFORE,** the Bureau of Investigation and Enforcement represents that it supports the settlement of this matter as memorialized by the Agreement as being in the public interest and respectfully requests that the Commission approve the foregoing Settlement Agreement, including all terms and conditions contained therein.



April 23, 2012

****

**STATEMENT IN SUPPORT OF PPL ELECTRIC UTILITIES CORPORATION**

PPL Electric Utilities Corporation ("PPL Electric") hereby submits its Statement in Support of the Joint Petition for Settlement ("Settlement) of the above-referenced informal investigation of the Law Bureau Prosecutory Staff ("Prosecutory Staff') of the Pennsylvania Public Utility Commission ("Commission"). Initially, PPL Electric acknowledges the appropriateness of Prosecutory Staff conducting an informal investigation of this matter. PPL Electric has fully cooperated with the investigation and conducted its own internal investigation of this matter. In addition, PPL Electric would like to acknowledge the thoroughness and professionalism of Prosecutory Staff in its handling of this matter. For the reasons set forth below, PPL Electric believes that the Settlement is in the public interest and should be approved.

Based on the above-referenced investigation, PPL Electric believes that its conduct in this matter was lawful and appropriate and in compliance with the Public Utility Code, Commission regulations and applicable Commission orders. The Company recognizes, however, that all aspects of its operations, including customer service, are subject to potential and continued improvement. As a result of the investigation, PPL Electric, with the assistance of Prosecutory

Staff, has identified certain areas of its customer service operations and procedures that can be improved, and as part of this Settlement, PPL Electric has committed to undertake those improvements. These activities may improve PPL Electric's quality of customer service and, therefore, are in the public interest.

The Settlement provides that PPL Electric will make a $15,000 contribution to Operation Help and pay a civil settlement amount of $30,000, which will not be recovered in rates. Operation Help is a hardship fund supported by donations from PPL Electric, its employees, retirees and customers. The program targets low-income customers who have overdue balances and an inability to pay the full amount of their energy bills. The $15,000 in additional funding will increase PPL Electric's ability to help those customers in greatest need maintain access to electric service at a reasonable cost, and therefore is in the public interest.

The Settlement also clearly provides that it makes no factual findings or conclusions of law, nor does it make any finding that PPL Electric violated any provision of the Public Utility Code or Commission regulations. These provisions of the Settlement appropriately reflect the fact that this matter has been resolved amicably and without any final adjudication of the issues raised in this proceeding

Finally, the Settlement allows this investigation to be completed without the need for a formal proceeding and the associated time and cost of fully litigating this matter. This is in the public interest because it will conserve both PPL Electric and Commission resources to focus attention on their responsibilities of assuring safe, adequate and reliable electric service to the citizens of the Commonwealth.

PPL Electric therefore believes that the Joint Petition for Settlement is in the public interest and should be approved by the Commission.



**CERTIFICATE OF SERVICE**

I hereby certify that I am this day servicing the foregoing documents, Settlement Agreement and Statements in Support, upon the persons listed and in the manner indicated below:

**Notification by first-class mail addressed as follows:**

|  |  |
| --- | --- |
| Paul E. RussellAssociate General CounselPPL Electric Utilities Corporation Two North Ninth StreetAllentown, PA 18106 |  |



P.O. Box 3265

Harrisburg, PA 17105-3265

(717) 787-5000

Dated: April 23, 2012

1. This reporting requirement has since been incorporated into the Commission’s Regulations at 52 Pa. Code § 56.100(j) by an amendment, effective October 8, 2011. [↑](#footnote-ref-1)