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March 4, 2015

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

RE: Beatriz Mallory v PPL Electric Utilities Corporation
Docket No: C-2014-2442906

Dear Ms. Chiavetta:

Enclosed for eFiling in the above-captioned matter are the Replies of PPL Electric Utilities Corporation to Complainant's Exceptions.

Pursuant to 52 Pa. Code §1.11, the enclosed Replies is deemed to be eFiled on the date as indicated above.

Very truly yours,

GRAIG M. SCHULTZ

GMS/cl
Enclosure

cc: Beatriz Mallory (w/encl.)
Amy M. Bellizia (w encl.) via email only
Kimberly R. Safford (w/encl.) via email only

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BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

BEATRIZ MALLORY,

Complainant,

vs.

PPL ELECTRIC UTILITIES CORPORATION,

Respondent.

COMPLAINT DOCKET

NO. C-2014-2442906

**REPLIES OF PPL ELECTRIC UTILITIES CORPORATION
TO EXCEPTIONS FILED BY BEATRIZ MALLORY**

AND NOW comes the Respondent, PPL Electric Utilities Corporation (“Respondent” and/or “PPL”), by and through its attorneys of record, Gross McGinley, LLP, and files the within Replies to Exceptions, alleging in support thereof as follows:

Introduction

The Pennsylvania Administrative Code (the “Code”) provides that exceptions may be filed by a party and served within 20 days after the initial, tentative or recommended decision is issued. 52 Pa. Code § 5.533(a). Exceptions must be “concise.” 52 Pa. Code § 5.533(c). Additionally, the Code provides that each exception must be numbered and identify the finding of fact or conclusion of law to which exception is taken and cite relevant pages of the decision. 52 Pa. Code § 5.533(b). Further, supporting reasons for the exceptions shall follow each specific exception. *Id.*

As it pertains to the instant case, the Exceptions filed by Beatriz Mallory (“Complainant” and/or “Ms. Mallory”) do not comply with the Code provisions cited above. Specifically, Complainant’s Exceptions are not concise; nor are Complainant’s Exceptions numbered. Given this, Respondent respectfully requests that Complainant’s Exceptions be

dismissed due to her lack of compliance with the Code. *See, e.g., Forward Twp. Mun. Auth. v. Western Pennsylvania Water Co.*, 74 Pa. P.U.C. 421 (Feb. 14, 1991) (“We note that the Complainant's Exception No. 3 constitutes a bald assertion. Consonant with [Section 5.533(b)], we shall deny this Exception of the Complainant.”). Notwithstanding the aforementioned request for dismissal, PPL will hereinafter reply to Complainant's Exceptions in a format similar to the manner in which the Exceptions were raised by Complainant in an effort to keep consistency of the pleadings.

REPLY TO PART I

Reply to “Page 1: HISTORY OF THE PROCEEDINGS”

1. Denied as a conclusion of law to which no response is required. To the extent, however, it is judicially determined that a response is necessary, PPL admits that Complainant filed a Complaint after BCS Case No. 3255117 was closed on July 21, 2014.

REPLY TO PART II

Reply to “Pages 2 & 3: FINDINGS OF FACT”

2. (With respect to Pt. #10) Denied that Pt. #10 incorrectly states the amount owed is \$5,136.74. To the contrary, the evidence submitted at the time of the Initial Hearing unequivocally demonstrated that Complainant's account had a balance of \$5,136.74. *See* PPL Exhibit No. 1 at p. 5.

3. (With respect to Pt. #11) Denied that Pt. #11 incorrectly states that Complainant only made four (4) payments to PPL during 2014. To the contrary, the evidence submitted at the time of the Initial Hearing unequivocally demonstrated that

Complainant made four (4) payments to PPL during 2014. Specifically, the evidence demonstrates that Complainant made payments of \$280.00, \$127.66, \$90.37 and \$91.61 to PPL on January 23, 2014, June 23, 2014, September 17, 2014, and October 29, 2014, respectively. *See* PPL Exhibit No. 1 at p. 5.

4. (With respect to Pt. #13) Denied that Pt. #13 contains incorrect statements of fact. The evidence established at the Initial Hearing unequivocally demonstrates that Complainant defaulted on a total of twenty-six (26) prior payment arrangements. *See generally*, PPL Exhibit No. 3. By way of further answer, the evidence clearly demonstrates, and the Administrative Law Judge (“ALJ”) corrected noted that one of these defaults was in response to a Public Utility Commission (“PUC” and/or “Commission”) issued payment arrangement. *See* PPL Exhibit No. 3 at p. 1.

5. (With respect to Pt. #14) Denied that PPL should accept, or that the PUC is authorized to issue a payment arrangement to a customer in the form of a “balloon” payment. To the contrary, the Pennsylvania Public Utility Code provides that the PUC is authorized to investigate complaints regarding payment disputes between a public utilities and customers, and is authorized to establish payment arrangements between a public utility and customers. *See* 66 Pa.C.S.A. § 1405(a). By way of further answer, the maximum amount of time to be afforded to a customer is five (5) years. *See* 66 Pa.C.S.A. § 1405(b). Additionally, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a “balloon” payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be

established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

REPLY TO PART – III

Reply to “Page 4: DISCUSSION”

Reply to “Burden of Proof”

6. (With respect to Subparagraph (a)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ’s Initial Decision favorable to PPL is supported by the competent evidence of record.

7. (With respect to Subparagraph (b)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ’s Initial Decision favorable to PPL is supported by the competent evidence of record. By way of further answer, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a “balloon” payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

8. (With respect to Subparagraph (c)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ's Initial Decision favorable to PPL is supported by the competent evidence of record. By way of further answer, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a "balloon" payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

9. (With respect to Subparagraph (d)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ's Initial Decision favorable to PPL is supported by the competent evidence of record. More specifically, the ALJ concluded that "Complainant has five years to pay off her arrearage." *See* Initial Decision at p. 6. Accordingly, Complainant has received the most advantageous payment arrangement to which any customer is entitled. This conclusion is directly supported by the Public Utility Code's provisions concerning payment arrangements. *See* 66 Pa.C.S.A. § 1405(b)(1). By way of further answer, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a "balloon" payment, or that the Commission is authorized to

establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

10. (With respect to Subparagraph (e)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ's Initial Decision favorable to PPL is supported by the competent evidence of record.

11. (With respect to Subparagraph (f)) Denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ's Initial Decision favorable to PPL is supported by the competent evidence of record. By way of further answer, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a "balloon" payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

Reply to “Ability to Pay”

12. Denied. To the contrary, the Initial Decision correctly summarizes the evidence which was elicited at the time of the Initial Hearing on December 4, 2014.

Reply to PART –IV

Reply to “Page 5: Legal Standards”

13. Denied as a conclusion of law to which no response is required. To the extent, however, that it is judicially determined that a response is necessary; it is specifically denied that Complainant demonstrated a change in income since the time of her PUC issued payment arrangement. More to the point, Complainant could not even provide the ALJ with an exact household income at the time of the Initial Hearing, let alone evidence of a change in Complainant’s household income. The best that Complainant could do was providing the ALJ with a range of income between \$10,000 and 16,000.¹ *See* Tr. at pp. 8 and 18. By way of further answer, it is specifically denied that Complainant did not default on her PUC ordered payment arrangement. The evidence of record clearly demonstrates a default on said payment arrangement. *See* PPL Exhibit No. 3 at p. 1.

Reply to Part –V

14. Denied that the evidence of record does not support the ALJ’s Findings of Fact and/or Conclusions of Law. It is further denied that the ALJ Initial Decision was colored by prejudice toward Complainant. Complainant’s allegation in this regard is nothing more than another baseless attempt to avoid paying for her electric service.

¹ It should be pointed out that the income provided by Complainant to the PUC during her BCS case was within the range of annual income provided by Complainant at the time of the Initial Hearing on December 4, 2014.

Reply to Part – VI

Reply to “Pages 6 & 7: Conclusion”

15. Denied as a conclusion of law to which no response is required. To the extent that it is judicially determined that a response is necessary, it is denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ’s Initial Decision favorable to PPL is supported by the competent evidence of record. By way of further answer, the Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a “balloon” payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

REPLY TO “CONCLUSIONS OF LAW”

16. Denied as a conclusion of law to which no response is required. To the extent that it is judicially determined that a response is necessary, it is denied that Complainant sustained her burden of proof at the time of the Initial Hearing on December 4, 2014. To the contrary, the evidence overwhelming demonstrated that the ALJ’s Initial Decision favorable to PPL is supported by the competent evidence of record. By way of further answer, the

Public Utility Code, and relevant case law, is devoid of any authority which states that a public utility is required to offer a payment arrangement to a customer which includes a “balloon” payment, or that the Commission is authorized to establish a payment arrangement which contains a payment arrangement. To the contrary, the Public Utility Code has consistently been interpreted to mean that payment arrangements shall be established in the form of equal monthly payments. *See, e.g., William Edney v. Philadelphia Gas Works*, 2014 WL 7339536 (Pa. P.U.C., Dec. 18, 2014) (the Commission imposed a forty-eight month payment arrangement to be paid in equal monthly installments).

REPLY TO “ORDER”

17. Denied as a conclusion of law to which no response is required. To the extent, however, that is judicially determined that a response is necessary; respondent specifically denied that the ALJ’s Initial Decision was wrongly concluded. To the contrary, the competent evidence of record supports the ALJ’s Findings of Fact and Conclusions of Law.

Reply to Part – VII

Reply to “EXCEPTION CONCLUSIONS”

18. Denied as a conclusion of law to which no response is required. To the extent, however, that is judicially determined that a response is necessary; respondent specifically denied that the ALJ’s Initial Decision was wrongly concluded. To the contrary, the competent evidence of record supports the ALJ’s Findings of Fact and Conclusions of Law. As such, Complainant is not entitled to the relief requested herein.

WHEREFORE, for the foregoing reasons, it is respectfully requested that the Commission deny Complainant's Exceptions.

Respectfully submitted,

GROSS MCGINLEY, LLP



By: _____

GRAIG M. SCHULTZ, ESQUIRE

I.D. # 207123

Attorney for Respondent

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Dated: March 4, 2015

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vs.

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COMPLAINT DOCKET

NO. C-2014-2442906

CERTIFICATE OF SERVICE

This is to certify that the REPLIES TO EXCEPTIONS of PPL ELECTRIC UTILITIES CORPORATION, was mailed to counsel/complainant of record on behalf of Respondent by first class United States mail, postage on this the 4th day of March, 2015.

BEATRIZ MALLORY
P.O. BOX 650
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GROSS MCGINLEY, LLP



By: _____

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