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File #: 158811

August 5, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Approval to Use the Remote Service Switch in its Meters for Involuntary Service Termination
Docket No. P-2016-2524581**

Dear Secretary Chiavetta:

Enclosed for filing is the Joint Petition for Approval of Settlement in the above-referenced proceeding. Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,


Anthony D. Kanagy

ADK/jl
Enclosures

cc: Honorable Dennis J. Buckley
Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA E-MAIL & FIRST CLASS MAIL

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Date: August 5, 2016


Anthony D. Kanagy

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities :
Corporation for Approval To Use The : Docket No. P-2016-2524581
Remote Service Switch In Its Meters For :
Involuntary Service Terminations :

**JOINT PETITION FOR
APPROVAL OF SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE DENNIS J. BUCKLEY:

I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”), the Office of Consumer Advocate (“OCA”), and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania (“CAUSE-PA”), parties to the above-captioned proceeding (hereinafter, collectively the “Joint Petitioners”), hereby file this Joint Petition for Approval of Settlement (“Settlement”) and respectfully request that the Pennsylvania Public Utility Commission (“Commission”) approve the proposals set forth in PPL Electric’s Petition to Use the Remote Service Switch in Its Meters for Involuntary Service Termination subject to the terms and conditions of the Settlement. The Office of Small Business Advocate (“OSBA”), the other party in this proceeding, has indicated that it does not oppose this Settlement.

This Settlement resolves all of the issues raised by all of the parties to the instant proceeding. In support of the Settlement, the Joint Petitioners state the following:

II. BACKGROUND

1. On June 30, 2014, PPL Electric filed its Smart Meter Plan (“SMP”) with the Commission at Docket No. M-2014-2430781 in compliance with Act 129 of 2008 (“Act 129”)

and Commission orders. In the SMP, the Company proposed to deploy Radio Frequency (“RF”) Mesh meters throughout its service territory by 2019.

2. In its Order entered September 3, 2015, the Commission approved PPL Electric’s SMP. *See Petition of PPL Electric Utilities Corporation for Approval of Its Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2014-2430781 (Order Entered Sept. 3, 2015) (“*2015 Smart Meter Order*”). Therein, the Commission also required the Company to seek stakeholder input and file for Commission approval before implementing remote involuntary service termination. *2015 Smart Meter Order*, p. 69.

3. PPL Electric held a stakeholder meeting on October 28, 2015 with interested parties to discuss its proposed involuntary service termination plan, along with its communications plan and privacy plan. Representatives from the Commission, the OCA, the OSBA, PP&L Industrial Customer Alliance (“PPLICA”), and CAUSE-PA participated in the stakeholder meeting.

4. Prior to the stakeholder meeting, PPL Electric distributed white papers describing its proposed Communications Plan, Privacy Plan and Use of the Remote Switch for Involuntary Service Terminations. Moreover, the Company provided a presentation regarding its proposals at the stakeholder meeting and answered questions from participants.

5. On January 15, 2016, PPL Electric filed the above-captioned Petition with the Commission. In its Petition, PPL Electric requested Commission approval of PPL Electric’s proposal to use the remote service switch for involuntary service terminations.

6. On February 4, 2016, OCA filed an Answer, Notice of Intervention, and Public Statement.

7. On February 11, 2016, CAUSE-PA filed a Petition to Intervene.

8. On March 7, 2016, OSBA filed a Public Statement, Verification, and Notice of Intervention.

9. As a result of settlement negotiations, the Joint Petitioners have agreed to a settlement that provides a reasonable resolution of the issues among them. The Joint Petitioners are in full agreement that the Settlement is in the public interest, is a reasonable resolution of their respective interests, and should be approved. The Settlement agreed to by the Joint Petitioners is set forth in the following Section III.

III. SETTLEMENT

10. The Joint Petitioners agree that PPL Electric's Petition to Use the Remote Service Switch in Its Meters for Involuntary Service Termination is approved except as modified below.

11. As a preliminary matter, the Joint Petitioners stipulate to the intervention of CAUSE-PA in this proceeding.

12. PPL Electric shall comply with all provisions of Chapter 14 of the Pennsylvania Public Utility Code (66 Pa. C.S. Chp. 14) and Chapter 56 of the Commission's regulations (52 Pa. Code Chp. 56) with respect to the application of remote connect and disconnect for involuntary service terminations.

13. PPL Electric will send an appropriately trained field representative to the customer's premises on the day that termination is scheduled to occur. The field representative will use reasonable efforts to make personal contact with a responsible adult occupant of the premises prior to the termination.

14. Appropriate training of the field representative will include at least: medical certificate procedures; relevant complaint procedures; general familiarity with Protection from Abuse ("PFA") Orders; and how to refer customers to PPL Electric's universal service programs.

In addition, the field representative will be trained to call PPL Electric staff for further guidance if presented with a PFA Order.

15. Where the field representative is not able to make personal contact prior to termination, the field representative shall leave a notice at the residence informing the customer that utility service is being disconnected and how the customer can effect reconnection. The notice shall include a contact number to PPL Electric staff where low-income and vulnerable customers can receive information on PPL Electric's Universal Service and Energy Conservation programs and related payment information.

16. Service shall not be terminated if the field representative becomes aware of a personal safety condition that warrants delay in service termination, including if the field representative is informed that the occupant is seriously ill or affected with a medical condition which will be aggravated by cessation of service and that a medical certificate will be procured pursuant to 52 Pa. Code § 56.112. The field representative shall be fully trained to direct low-income and vulnerable customers to the line to reach PPL Electric staff where the customer can receive information on all PPL Electric's Universal Service and Energy Conservation programs and related payment information.

17. Upon confirmation in PPL Electric's system that payment has been made, PPL Electric will reconnect the customer's service using the remote switch as quickly as possible.

18. PPL Electric's hours for disconnection and reconnection will be consistent with the Public Utility Code, the Commission's regulations and Commission directives. PPL Electric will reconnect service using the RF mesh remote switch from 7:00 a.m. to 10:00 p.m. seven days per week beginning when the Company uses the remote switch for involuntary service termination.

19. PPL Electric proposes a reduced restoration fee of \$14.00 for residential and small commercial & industrial customers with an RF meter with a remote switch to reflect the decreased costs of reconnecting service. The reduced reconnection fee will be approved as part of this Settlement and as part of the Company's tariff compliance filing in this proceeding. A pro forma tariff is provided as **Appendix A**, and support for the \$14.00 reconnection fee is provided as **Appendix B**.

20. Within 12 months of implementing remote disconnect for involuntary service termination, PPL Electric will provide information annually at its smart meter stakeholder meetings regarding remote connect/disconnect metrics that includes:

- a. The number of remote disconnects for all customers;
- b. The number of remote reconnects for all customers; and
- c. The average time it took to process a reconnection using the remote switch for all customers from the time that the customer met all requirements for reconnection (when the Company's IT system is able to automatically determine this metric, which is currently estimated to be in July 2017).

21. Total costs associated with customer service terminations and reconnections are allocated to each customer class using the Company's cost of service study reflected in its most recent base rate proceeding. Cost savings, net of cost savings reflected in the reduced reconnection fee set forth in paragraph 19, from the use of the remote service connection/disconnection functionality of the smart meters will be tracked and flowed through the Company's smart meter surcharge by customer class pursuant to the requirements of the Commission's September 3, 2015 Order at Docket No. M-2014-2430781.

IV. SETTLEMENT CONDITIONS

22. The Settlement is conditioned upon the Commission's approval of the terms and conditions contained in this Settlement without modification. If the Commission modifies the Settlement, any Joint Petitioner may elect to withdraw from the Settlement and may proceed with litigation and, in such event, the Settlement shall be void and of no effect. Such election to withdraw must be made in writing, filed with the Secretary of the Commission and served upon all Joint Petitioners within five business days after the entry of an Order modifying the Settlement.

23. This Settlement is proposed by the Joint Petitioners to settle all of the issues in the instant proceeding. If the Commission does not approve the Settlement and the proceedings continue, the Joint Petitioners reserve their respective procedural rights to evidentiary hearings, submission of testimony and exhibits, cross-examination of witnesses, briefing, and argument of their respective positions. The Settlement is made without any admission against, or prejudice to, any position that any Joint Petitioner may adopt in the event of any subsequent litigation of these proceedings, or in any other proceeding.

24. The Joint Petitioners acknowledge that the Settlement reflects a compromise of competing positions and does not necessarily reflect any Joint Petitioner's position with respect to any issues raised in this proceeding. The terms and conditions of the Settlement are limited to the facts of this specific case and are the product of compromise for the sole purpose of settling this case. This Settlement is presented without prejudice to any position which any of the Joint Petitioners may have advanced and without prejudice to the position any of the parties may advance on the merits of the issues in future proceedings. This Settlement does not preclude the Joint Petitioners from taking other positions in other proceedings.

25. If the Commission adopts the Settlement without modification, the Joint Petitioners agree that they: (1) will not initiate or join in any challenge to the Settlement; (2) will not assert any positions in derogation to the Settlement; and (3) waive their right to appeal or to seek reconsideration, rehearing, reargument, or clarification of the Commission's order approving the Settlement.

V. **THE SETTLEMENT IS IN THE PUBLIC INTEREST**

26. Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense the parties must expend litigating a case and, at the same time, conserve administrative resources. The Commission has indicated that settlement results are often preferable to those achieved at the conclusion of a fully litigated proceeding. *See id.* § 69.401. In order to accept a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. York Water Co.*, Docket No. R-00049165 (Order Entered Oct. 4, 2004); *Pa. PUC v. C.S. Water and Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991).

27. This Settlement was achieved by the Joint Petitioners after an investigation of PPL Electric's filing, including informal discovery.

28. Approval of the Settlement will reduce the time and expenses that the active parties and the Commission must expend on the proceedings.

29. The Joint Petitioners will further explain the reasons that the Settlement is in the public interest in their Statements in Support, which are being separately filed by the Joint Petitioners.¹ In their respective Statements in Support, each Joint Petitioner explains why, in its

¹ OSBA has advised that it is separately filing a letter of non-opposition to the Settlement.

view, the Settlement is fair, just, and reasonable and reflects a reasonable compromise of the disputed issues in this proceeding.

VI. CONCLUSION

WHEREFORE, PPL Electric Utilities Corporation, the Office of Consumer Advocate, and the Coalition for Affordable Utility Services and Energy Efficiency in Pennsylvania respectfully request that the Pennsylvania Public Utility Commission approve this Joint Petition for Approval of Settlement and allow PPL Electric to file the tariff supplement attached hereto as **Appendix A** on not less than one-day's notice when PPL Electric is ready to implement the remote switch for involuntary service termination, which is estimated to be April 2017.

Respectfully submitted,



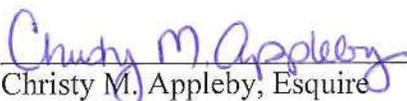
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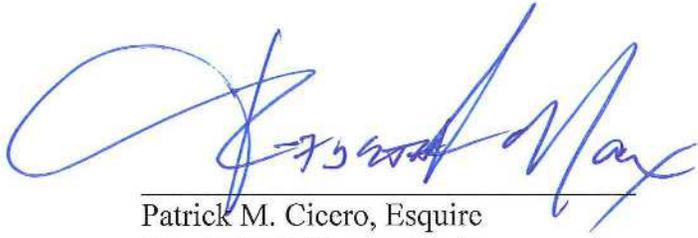


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Date

APPENDIX “A”

PPL Electric Utilities Corporation

RULE 10 - DISCONNECTION AND RECONNECTION OF SERVICE (CONTINUED) (C)

B. TERMINATION (Continued)

- (g) The Company's authorized representatives cannot gain admittance or are refused admittance to the premises for the purpose of reading meters, making repairs, making inspections, or removing Company property, or the customer interferes with Company representatives in the performance of their duties, or the meters or other equipment of the Company are not accessible during reasonable hours. (C)
- (h) The customer neglects or refuses to reimburse Company for repairs to or loss of Company's property used to supply service when such repairs are necessitated, or loss occasioned, by negligence on the part of customer.
- (i) Failure to post a deposit, provide a guarantee, or establish credit associated with service provided by the Company.
- (j) Failure to comply with the material terms of a settlement or amortization agreement.
- (k) Fraud or material misrepresentation of identity for the purpose of obtaining utility service.
- (l) Unauthorized use of the utility service delivered on or about the affected dwelling or other service location.

(3) The Company shall not terminate, or refuse to restore service to any premises when any occupant residing therein is certified by a physician, physician's assistant or nurse practitioner to be seriously ill or affected with a medical condition which will be aggravated by a cessation of service or failure to restore service.

(4) Except in emergencies, service to residential customers will not be terminated: on Saturday or Sunday; on a bank holiday or the day preceding a bank holiday; on a day, or a day preceding a day, when the Company's business offices are closed, excluding Saturdays; or on a holiday or the day preceding a holiday observed by the Pennsylvania Public Utility Commission.

(5) The customer may avoid termination under the above conditions by eliminating the cause for termination and fulfilling the appropriate conditions for reconnection under Rule 10C hereof prior to termination.

C. RECONNECTION

Whenever a service has been terminated under any of the above provisions, Company will require payment of a ~~\$30-14 (\$50 if done during other than the normal working hours of the physical forces reconnecting the service)~~ disconnection and reconnection charge and will, before reconnection, require customer to eliminate the cause of disconnection and fulfill any of the following conditions associated with service provided by the Company that are reasonably applicable:

(1) Establish credit, make a security deposit, or provide a written guarantee acceptable to Company.

(2) Correct any unsafe or nonstandard conditions in customer's service entrance facilities.

(3) Make full payment of, or arrange time payments for the charges for energy used but not metered and, all costs of Company's investigation and property damage associated therewith, plus the cost of measures considered necessary by the Company to prevent recurrence. These include but are not limited to: cost of tampering investigations, inspections, billing, and corrective action on unsafe equipment.

(4) Make payment of, or arrange for the payment of, all amounts currently due for services provided by the Company according to a settlement or amortization agreement.

(C) Indicates Change (I) Indicates Increase

Issued:

Effective:

APPENDIX “B

BUSINESS ACTIVITY	COST or MULTIPLIER	CALCULATION DETAILS	ASSUMPTIONS
Cost related to Customer Call Center (handling customer reconnect phone calls, etc.)	\$ 8.88	Financial model	Data from PPL-EU Customer Service Data Analytics Group
Expected average # of phone calls to resolve customer reconnect concerns	1.5		By 2019 Call Center will be able to resolve customer issues in less than 2 calls per customer (on average)
Cost of handling phone calls (1.5 per occurrence)	\$ 13.31	(\$8.88 * 1.5)	
Cost of truck roll at deployment completion - blended rate for remote switch customers only (blended rate = combined standard & after hours charges)	\$ 19.66	Financial model	Calculations extracted from PPL-EU financial model
Expected # of remote meter service terminations	48,174	(50,000 * 0.035)	Based on assumed # of cuts to be 50K in 2019 with ~3.5% non-remote switch capable meters
Expected # of reconnects	33,722	(48,174 * 0.703)	Assume 70.3% of cuts to be reconnected (based on 2015 data)
Expected # of failures at 5% (network issues + meter/remote switch issues)	1,686	(33,722 * 0.05)	By 2019 new RF Mesh system will be operating at 95% efficiency
Expected # of truck rolls required - meter only (3.5%)	1,180	(1,686 * 0.70)	Assume 30% of failures are not meter related (network, etc.)
Cost of truck rolls (using rates from PPL-EU financial model)	\$ 23,198.80	(1,180 * \$19.66)	Expected # of truck rolls multiplied by the cost of truck roll
Cost of truck rolls averaged out for all reconnects	\$ 0.69	(\$23,198.90 / 33,722)	Spread cost of truck rolls from remote switch failures over all reconnects for year
Cost of doing business for remote switch reconnects at time of deployment completion (2019+)	\$ 14.00	(\$13.31 + \$0.69)	Combination of call center cost plus truck roll cost for remote switch failures