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August 5, 2016

VIA ELECTRONIC FILING

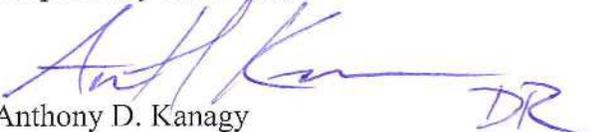
Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

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 PPL Electric Utilities Corporation's Statement in Support of 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 :

**PPL ELECTRIC UTILITIES CORPORATION
STATEMENT IN SUPPORT OF
JOINT PETITION FOR APPROVAL OF SETTLEMENT**

TO ADMINISTRATIVE LAW JUDGE DENNIS J. BUCKLEY:

I. INTRODUCTION

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) hereby submits this Statement in Support of the Joint Petition for Approval of Settlement (“Settlement”) entered into by PPL Electric, 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”).¹ The Settlement represents a full resolution of all issues and concerns raised in the instant proceeding.

The Joint Petitioners agree that PPL Electric’s Petition to Use the Remote Service Switch in Its Meters for Involuntary Service Termination (“Petition”) should be granted, subject to the terms and conditions of the Settlement.

The Settlement reflects a carefully balanced compromise of the interests of all of the Joint Petitioners. PPL Electric submits that the Settlement should be approved without modification

¹ The Office of Small Business Advocate (“OSBA”), the other party in this proceeding, has indicated that it does not oppose the Settlement. OSBA also has advised that it is separately filing a letter of non-opposition to the Settlement.

because it is in the public interest, just and reasonable, and supported by substantial evidence. For the reasons explained below, PPL Electric respectfully requests that Administrative Law Judge Dennis J. Buckley (the “ALJ”) and the Pennsylvania Public Utility Commission (“Commission”) grant the Company’s Petition, subject to the terms and conditions of the Settlement.

II. COMMISSION POLICY FAVORS SETTLEMENT

Commission policy promotes settlements. *See* 52 Pa. Code § 5.231. Settlements reduce the time and expense that 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* 52 Pa. Code § 69.401. The Commission has explained that parties to settled cases are afforded flexibility in reaching amicable resolutions, so long as the settlement is in the public interest. *Pa. PUC v. MXenergy Electric Inc.*, Docket No. M-2012-2201861, 2013 Pa. PUC LEXIS 789, 310 P.U.R.4th 58 (Order Entered Dec. 5, 2013). To approve a settlement, the Commission must first determine that the proposed terms and conditions are in the public interest. *Pa. PUC v. Windstream Pennsylvania, LLC*, Docket No. M-2012-2227108, 2012 Pa. PUC LEXIS 1535 (Order Entered Sept. 27, 2012); *Pa. PUC v. C.S. Water and Sewer Assoc.*, Docket No. R-881147, 74 Pa. PUC 767 (Order Entered July 22, 1991). As explained in the next section of this Statement in Support, PPL Electric believes that the Settlement should be approved without modification because it is in the public interest, just and reasonable, and supported by substantial evidence.

III. THE SETTLEMENT IS IN THE PUBLIC INTEREST

A. PPL ELECTRIC WILL CONTINUE TO COMPLY WITH THE PENNSYLVANIA PUBLIC UTILITY CODE AND ALL APPLICABLE REGULATIONS WHEN PERFORMING REMOTE SERVICE TERMINATIONS

PPL Electric's involuntary service termination procedures will continue to comply with the Pennsylvania Public Utility Code and the Commission's regulations. (Petition ¶ 12) Customers will receive all notices that are currently provided, and the Company will continue to attempt to make personal contact before involuntarily terminating service. (Petition ¶ 12) Specifically, PPL Electric will continue to send written notice of the termination to a customer at least 10 days before the proposed shut-off date in compliance with 52 Pa. Code § 56.91. (Petition ¶¶ 13-14) Moreover, in compliance with 52 Pa. Code § 56.93, the Company will attempt to contact a responsible adult occupant at least 3 days before the scheduled termination. (Petition ¶¶ 13-14) The Company also will continue to send a qualified representative to attempt to make personal contact prior to terminating service. (Petition ¶ 15) In sum, none of the proposed changes to PPL Electric's termination procedures will impact the customer or affect the Company's compliance with the Commission's regulations. (Petition ¶ 16) Rather, instead of physically removing the meter to terminate service, the Company simply will terminate service through an electric system. (Petition ¶ 16)

Under the Settlement, PPL Electric has committed to complying with all provisions of Chapter 14 of the Public Utility Code and Chapter 56 of the Commission's regulations pertaining to the application of remote connect and disconnect for involuntary service terminations. (Settlement ¶ 12) This settlement provision confirms the Company will continue to abide by the Public Utility Code and the Commission's regulations regarding the disconnection and

reconnection of service using the remote switch technology. Thus, this settlement provision is just and reasonable and should be adopted without modification.

B. IMPROVED SAFETY

In the Petition, PPL Electric explained that using the remote switch for service disconnects and reconnects will improve the safety of employees and customers. (Petition ¶¶ 20-21) Specifically, PPL Electric employees will no longer need to physically remove the meter and install boots to disconnect service. (Petition ¶ 20) This improves safety because it avoids potential electrical flashes that can occur when meters are physically removed from the socket. (Petition ¶ 20) Furthermore, when the Company has to use “boots” to disconnect service, customers sometimes attempt to remove the boots to restore service. (Petition ¶ 21) By using remote switch, customers will not be able to tamper with the remote switch to restore service. (Petition ¶ 21) Therefore, PPL Electric’s remote switch proposal will help improve the safety of employees and customers. Thus, because it will facilitate the implementation of these safety improvements, the Settlement is in the public interest and should be approved without modification.

C. FIELD REPRESENTATIVE CONDITIONS

As stated in the Petition, PPL Electric proposed to continue its current practice of having a qualified Company representative attempt to make contact with the customer and leave a termination notice as part of its involuntary service termination procedure. (See Petition ¶¶ 13-15)

The Settlement outlines several requirements concerning the training and conduct of field representatives as part of the remote service disconnection. PPL Electric will send a trained field representative to the customer’s premises on the scheduled service termination day. (Settlement ¶ 13) This field representative must be appropriately trained, and the Settlement details

minimum training requirements. (Settlement ¶¶ 14, 16) Prior to termination, the trained field representative will use reasonable efforts to make personal contact with a responsible adult occupant of the premises. (Settlement ¶ 13) If the field representative is unable to make personal contact prior to termination, he or she shall leave a notice at the residence that informs the customer of the disconnection and provides information on how to reinitiate service. (Settlement ¶ 15) The notice also will include contact information by which customers can obtain information about PPL Electric's Universal Service and Energy Conservation programs. (Settlement ¶ 15) Further, the Settlement provides that service shall not be terminated if the field representative becomes aware of a personal safety condition that warrants delaying the service termination, such as if the field representative is informed that an occupant is seriously ill or has a medical condition that will be aggravated by cessation of service and that a medical certificate will be procured pursuant to the Commission's regulations. (Settlement ¶ 16)

Collectively, these settlement provisions will help protect customers if terminating service would pose a threat to personal safety, ensure that customers receive notice prior to service termination, and provide low-income and vulnerable customers with useful information about available programs that may reduce their electric bills. Thus, these provisions are just and reasonable and should be adopted without modification.

D. TIME FOR DISCONNECTION AND RECONNECTION OF SERVICE

PPL Electric explained in its Petition that the Company will be able to expand the hours of operation for reconnecting service by using the remote switch technology. (Petition ¶ 24) Currently, PPL Electric reconnects service between 8:00 a.m. and 7:00 p.m. (Petition ¶ 24) In its Petition, the Company proposed to expand the hours of operation for reconnecting service in accordance with the expansion of PPL Electric's call center hours. (Petition ¶ 24)

Under the Settlement, PPL Electric will reconnect service using the remote switch as quickly as possible upon conformation in the Company's system that a payment has been made. (Settlement ¶ 17) Furthermore, the Settlement confirms that the Company's hours for disconnection and reconnection will be consistent with the Public Utility Code, the Commission's regulations, and Commission directives. (Settlement ¶ 18) The Settlement then expands the hours for reconnecting service. Currently, PPL Electric reconnects service between the hours of 8:00 a.m. and 7:00 p.m. (Petition ¶ 24) Under the Settlement, 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. (Settlement ¶ 18) Therefore, these settlement provisions will both expedite the reconnection of service and expand the hours for reconnecting service using the remote switching technology. As a result, these provisions are just and reasonable and should be adopted without modification.

E. RESTORATION FEE

As explained in the Petition, PPL Electric will be able to reduce costs by reconnecting service using the remote switch because the Company will no longer be required to send a service technician to the premises to restore service. (Petition ¶ 25) In compliance with the *2015 Smart Meter Order*, PPL Electric stated that it intended to reflect these costs savings to customers, such as through a reduction of the current service restoration fee. (Petition ¶ 26); *see also Petition of PPL Electric Utilities Corporation for Approval of Its Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2014-2430781, at pp. 46-47 (Order Entered Sept. 3, 2015) ("*2015 Smart Meter Order*").

Under the Settlement, the Joint Petitioners have agreed to a reduced restoration fee of \$14.00 for residential and small commercial & industrial customers with an RF meter with a remote switch. (Settlement ¶ 19; Appendix A to Settlement) This reduced reconnection fee is

meant to reflect the decreased costs of reconnecting service by using the remote service switch. (Settlement ¶ 19; Appendix B to Settlement) The reduced restoration fee reasonably reflects the costs associated with using the remote service switch to reconnect service and will make it less expensive for customers to restart service. Thus, this settlement provision is just and reasonable and should be adopted without modification.

F. STAKEHOLDER MEETINGS

Prior to filing the Petition, PPL Electric sought stakeholder input regarding its proposals for using remote switch for involuntary service terminations, as directed by the Commission in the *2015 Smart Meter Order*. (Petition ¶¶ 9-11); *2015 Smart Meter Order*, p. 64.

The Settlement further commits to stakeholder involvement in the review of the Company's use of remote switch for involuntary service termination. Specifically, the Settlement provides that within 12 months of implementing remote disconnect for involuntary service termination, PPL Electric will annually provide several details regarding remote connect/disconnect metrics at its smart meter stakeholder meetings. (Settlement ¶ 20) These details include the number of remote disconnects, the number of remote reconnects, and the average time to process a reconnection using the remote switch. (Settlement ¶ 20) By providing this information, stakeholders will be able to monitor the performance of the remote switch functionality and its effect on customers. As a result, this settlement provision is just and reasonable and should be adopted without modification.

G. COST ALLOCATION AND RECOVERY

In its Petition, PPL Electric stated that it intended to reflect cost savings from the remote switch technology to customers in compliance with the *2015 Smart Meter Order*. (Petition ¶ 26)

Under the Settlement, total costs associated with customer service terminations and reconnections will be allocated to each customer class using the Company's cost of service study

reflected in its most recent base rate proceeding. (Settlement ¶ 21) Moreover, the cost savings, net of cost savings reflected in the reduced reconnection fee, 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 *2015 Smart Meter Order*. (Settlement ¶ 21); *see 2015 Smart Meter Order*, pp. 46-47. These settlement provisions help ensure that costs will be appropriately and accurately allocated to and recovered from the customers classes. Therefore, the provisions are just and reasonable and should be adopted without modification.

H. GENERAL

The Settlement reflects a carefully balanced compromise of the competing interests of all of the active parties in this proceeding. The Joint Petitioners agree that the Settlement is in the public interest. (Settlement ¶ 9) The fact that the Settlement is unopposed in this proceeding, in and of itself, provides strong evidence that the Settlement is reasonable and in the public interest, particularly given the diverse interests of these parties.

Moreover, the Settlement was achieved only after the parties investigated the merits of PPL Electric's Petition. The parties engaged in informal discovery and participated in numerous settlement discussions and formal negotiations that ultimately led to the Settlement.

Finally, the parties in this proceeding and their counsel have considerable experience in Commission proceedings, including those involving Act 129 of 2008 ("Act 129") and electric distribution companies' smart meter plans. Their knowledge, experience, and ability to evaluate the strengths and weaknesses of their litigation positions provided a strong base upon which to build a consensus in this proceeding.

For these reasons and the more specific reasons set forth above, the Settlement is just and reasonable and in the public interest. Therefore, PPL Electric's Petition should be granted, subject to the terms and conditions of the Settlement.

IV. CONCLUSION

The Settlement is the result of an examination of PPL Electric’s Petition and negotiations by the parties. PPL Electric believes that fair and reasonable compromises have been achieved on the issues in this case, particularly given the fact that the parties have such diverse and competing interests in this proceeding and have reached an agreement on all issues. PPL Electric fully supports this Settlement and respectfully requests that the Pennsylvania Public Utility Commission:

- (i) Approve the Joint Petition for Approval of Settlement without modification;
- (ii) Grant 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 Joint Petition for Approval of Settlement; and
- (iii) Allow PPL Electric to file the tariff supplement attached to the Settlement 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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Date: August 5, 2016

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