

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PPL Electric Utilities	:	
Corporation for Approval To Use	:	P-2016-2524581
The Remote Service Switch In Its Meters	:	
For Involuntary Service Terminations	:	

RECOMMENDED DECISION

Before
Dennis J. Buckley
Administrative Law Judge

This decision recommends that the Commission adopt, without modification, a proposed Joint Settlement filed by the parties with respect to PPL Electric Utilities Corporation's (PPL) Petition to Use the Remote Service Switch in Its Meters for Involuntary Service Termination subject to the terms and conditions of the Settlement. PPL, 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), filed a Joint Petition for Approval of the Settlement and have requested that the Commission approve the proposals set forth in the Joint Settlement subject to the terms and conditions set forth therein, which are set forth, below. The Office of Small Business Advocate (OSBA) was a party in this proceeding and has indicated by letter that it does not oppose this Settlement.

HISTORY OF THE PROCEEDING

Act 129 of 2008 (Act 129) was signed into law on October 15, 2008 and took effect on November 14, 2008. The Act required that Electric Distribution Companies (EDCs)

with more than 100,000 customers file by August 14, 2009, a smart meter technology procurement and installation plan with the Commission for approval.¹

On June 18, 2009, the Commission adopted the *Implementation Order* in the proceeding captioned *Smart Meter Procurement and Installation*, at Docket No. M-2009-2092655, (Order entered on June 24, 2009) (*Implementation Order*), establishing the standards each plan must meet and providing guidance on the Commission's expectations for deployment of smart meters. The *Implementation Order* also established the smart meter capability requirements² and provided for a period of up to 30 months for each EDC to assess its needs, select technology, secure vendors, train personnel, install and test support equipment and establish a detailed meter deployment schedule.³

PPL submitted its Plan to the Commission on August 14, 2009, *Petition of PPL Electric Utilities Corporation for Approval of Smart Meter Technology Procurement and Installation Plan*, Docket No. M-2009-2123945. In its Plan, PPL proposed to use the 30-month grace period to conduct a series of pilot programs and technology evaluations to extend the capabilities of the Company's existing advanced meter system. On June 24, 2010, the Commission entered an order conditionally approving PPL's Plan.⁴

On June 30, 2014, PPL filed its Smart Meter Plan (SMP) with the Commission at Docket No. M-2014-2430781, in compliance with Act 129 and relevant Commission orders. In the SMP, the Company proposed to deploy Radio Frequency (RF) Mesh meters throughout its service territory by 2019.

In its Order entered September 3, 2015, the Commission approved PPL'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)

¹ See 66 Pa.C.S. § 2807(f)(1) and (6).

² *Implementation Order* at 15-23.

³ *Id.* at 7-9.

⁴ See *Petition of PPL Electric Utilities Corporation for Approval of Smart Meter Technology Procurement and Installation Plan*, Opinion and Order, at Docket No. M-2009-2123945 (*Smart Meter Order*).

(*2015 Smart Meter Order*). The Commission also required the Company to seek stakeholder input and to file for Commission approval before implementing remote involuntary service termination. *2015 Smart Meter Order*, at 69.

PPL held a stakeholder meeting on October 28, 2015, with interested parties to discuss its proposed involuntary service termination plan, along with its related 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.

Prior to the stakeholder meeting, PPL 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.

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

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

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

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

No formal Complaint was filed by any party.

As a result of settlement negotiations, the Joint Petitioners filed a Joint Petition for Approval of Settlement on August 5, 2016. 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 record closed on August 19, 2016, two weeks after the submission of the Joint Petition. The Joint Settlement is now ready for review and recommendation.

THE PROPOSED SETTLEMENT

The terms of the proposed Settlement are set forth, below. For the sake of clarity, the actual proposed Settlement is set forth verbatim, in pertinent part, with paragraph numbering as in the original document. I note that the parties refer to Petition paragraphs and Settlement paragraphs interchangeably, as these are the same.

* * *

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.

* * *

Along with the substantive terms of the proposed Settlement, the parties have included the customary settlement conditions given that both a Recommended Decision and Commission review of the Settlement must take place. Those conditions are set forth, verbatim, below:

* * *

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.

The 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.

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. The Settlement does not preclude the Joint Petitioners from taking other positions in other proceedings.

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.

* * *

Again, for the reasons set forth, below, it is recommended that the Commission adopt the proposed Settlement without modification.

DISCUSSION

A. Legal Standards

The proponent of a rule or order has the burden of proof to establish that it is entitled to the relief it is seeking. 66 Pa. C.S. § 332(a). The moving party must establish its case by a preponderance of the evidence. *Samuel J. Lansberry, Inc. v. Pennsylvania Pub. Util. Comm'n.*, 578 A.2d 600 (Pa. Cmwlth. 1990), *alloc. den.*, 602 A.2d 863 (Pa. 1992) To meet its burden of proof, the party seeking relief must present evidence more convincing, by even the smallest amount, than that presented by any opposing party. *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

This case is, however, somewhat anomalous as there were no evidentiary hearings, and in fact, no evidence was introduced at all. No formal Complaint was filed by any party. This case is focused on implementing a proposal first raised in the *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). To the extent that evidence with respect to the PPL Smart Meter Plan is needed, it may be found in that proceeding. As PPL correctly states, the *2015 Smart Meter Order* required the Company to seek stakeholder input and to file for Commission approval before implementing remote involuntary service termination. This was due, in part, to the concerns raised by the OCA in that proceeding. Those concerns were deferred until the Company's filing of its Petition at this docket, but those concerns have now been resolved by this proposed 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).

B. PPL's Statement in Support

PPL argues that the Settlement should be approved without modification because it is in the public interest, is just and reasonable, and is supported by substantial evidence. PPL bases its argument on the contention that the proposed involuntary service termination

procedures will continue to comply with the Pennsylvania Public Utility Code and the Commission's regulations. Petition at Paragraph 12. Customers will receive all of the notices that are currently provided, and the Company will continue to attempt to make personal contact before involuntarily terminating service. Petition at Paragraph 12. Specifically, PPL 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 at Paragraphs 13-14. In compliance with 52 Pa. Code § 56.93, the Company will attempt to contact a responsible adult occupant at least three days before the scheduled termination. Petition at Paragraphs 13-14. The Company also will continue to send a qualified representative to attempt to make personal contact prior to terminating service. Petition at Paragraph 15. PPL contends that none of the proposed changes to PPL's termination procedures will impact the customer or affect the Company's compliance with the Commission's regulations. Petition at Paragraph 16. Rather, instead of physically removing the meter to terminate service, the Company will terminate service through an electric system. Petition at Paragraph 16.

Under the terms of the proposed Settlement, PPL 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. 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.

PPL argues that that using the remote switch for service disconnections and reconnections will improve the safety of employees and customers. Petition at Paragraphs 20-21. Specifically, PPL employees will no longer need to physically remove the meter and install "boots" to disconnect service. This improves safety because it avoids potential electrical flashes that can occur when meters are physically removed from the socket. Petition at Paragraph 20. Furthermore, when the Company has to use "boots" to disconnect service, customers sometimes attempt to remove the "boots" to restore service. By using a remote switch, customers will not be able to tamper with the remote switch to restore service. Petition at Paragraph 21. Therefore, PPL's remote termination proposal will help improve the safety of employees and customers.

Thus, because it will facilitate the implementation of these safety improvements, PPL contends that the Settlement is in the public interest and should be approved without modification.

PPL will 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. Petition at Paragraphs 13-15. The Settlement outlines several requirements concerning the training and conduct of field representatives as part of the remote service disconnection. PPL will send a trained field representative to the customer's premises on the scheduled service termination day. Settlement at Paragraph 13. The field representative will be appropriately trained, and the Settlement details minimum training requirements. Settlement at Paragraphs 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 at Paragraph 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 at Paragraph 15. The notice will include contact information by which customers can obtain information about PPL's Universal Service and Energy Conservation programs. Settlement at Paragraph 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 at Paragraph 16. PPL contends that 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.

PPL states that it will be able to expand the hours of operation for reconnecting service by using the remote switch technology. Currently, PPL reconnects service between 8:00 a.m. and 7:00 p.m. In its Petition, the Company has proposed to extend the hours of operation

from 7:00 a.m. to 10:00 p.m. for reconnecting service in accordance with the expansion of PPL's call center hours. Petition at Paragraph 24.

Under the Settlement, PPL will reconnect service using the remote switch as quickly as possible upon confirmation in the Company's system that a payment has been made. Settlement at Paragraph 17. 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 at Paragraph 18. The Settlement expands the hours for reconnecting service. Currently, PPL reconnects service between the hours of 8:00 a.m. and 7:00 p.m. Under the Settlement, PPL 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 at Paragraph 18. PPL contends that these settlement provisions will both expedite the reconnection of service and expand the hours for reconnecting service using the remote switching technology.

PPL states that it 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 at Paragraph 25. In compliance with the *2015 Smart Meter Order*, PPL stated that it intended to reflect these costs savings to customers, such as through a reduction of the current service restoration fee. Petition at Paragraph 26; see also *2015 Smart Meter Order* at 46-47.

Under the Settlement, the Joint Petitioners have agreed to a reduced restoration fee of \$14.00 for residential and small commercial and industrial customers with an RF meter with a remote switch.⁵ Settlement at Paragraph 19; Appendix A. This reduced reconnection fee is meant to reflect the decreased costs of reconnecting service by using the remote service switch. Settlement at Paragraph 19; Appendix B. The reduced restoration fee reflects the costs

⁵ The Company's tariff provides that the reconnection fee is \$30, or \$50 if "done during other than the normal working hours of the physical forces reconnecting the service." *PPL Electric Utilities Corporation Tariff*, Supplement No. 194, Electric Pa. P.U.C. No. 201, Thirteenth Revised Page No. 14A (Effective January 1, 2016). See, OCA Supporting Statement at 6; *fn.* 2.

associated with using the remote service switch to reconnect service and will make it less expensive for customers to restart service.

Prior to filing the Petition, PPL 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* at 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 will annually provide several details regarding remote connect/disconnect metrics at its smart meter stakeholder meetings. Settlement at Paragraph 20. These details will include the number of remote disconnects, the number of remote reconnects, and the average time to process a reconnection using the remote switch. Settlement at Paragraph 20. By providing this information, stakeholders will be able to monitor the performance of the remote switch functionality and its effect on customers.

In its Petition, PPL stated that it intended to reflect cost savings from the remote switch technology to customers in compliance with the *2015 Smart Meter Order*. Petition at Paragraph 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 at Paragraph 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 at Paragraph 21; *2015 Smart Meter Order*, at 46-47. These settlement provisions will help ensure that costs will be appropriately and accurately allocated to and recovered from the appropriate customer classes.

PPL contends that 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 at Paragraph 9. PPL states that the fact that the Settlement is unopposed in this proceeding provides strong evidence that the Settlement is

reasonable and in the public interest, particularly given the diverse interests of the parties. PPL states that the Settlement was achieved only after the parties investigated the merits of PPL's Petition. The parties engaged in informal discovery and participated in numerous settlement discussions and formal negotiations that ultimately led to the Settlement.

Finally, PPL maintains that the parties in this proceeding and their counsel have considerable experience in Commission proceedings, including those involving Act 129 and electric distribution companies' smart meter plans. This means that 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 all of the foregoing reasons, PPL argues that the Settlement is just and reasonable and in the public interest, and that the Petition for Approval To Use The Remote Service Switch In Its Meters For Involuntary Service Terminations should be granted, subject to the terms and conditions of the Settlement.

C. The OCA's Statement in Support

The OCA actively participated in settlement discussions with the Company and the parties, and now contends that the proposed Settlement addresses the issues identified in the OCA's Answer in this proceeding including: a specific requirement to adhere to Chapter 14 and Chapter 56 when the new remote termination functionality is used; additional consumer protections on the day of termination; reduced reconnection fees; and the flow-through of any net cost savings and net benefits in the Company's smart meter surcharge. The OCA submits that the Settlement is in the public interest and the interest of residential consumers.

The OCA articulated specific concerns when the remote disconnection proposal was first raised in the original PPL Smart Meter case. In its Answer filed on February 4, 2016, in this proceeding, the OCA reiterated its concerns with the Company's proposal to begin utilizing

the remote switch for involuntary service termination on April 1, 2017.⁶ OCA Answer at 3-9. The OCA stated that the use of the remote service disconnection functionality has the potential to present health and safety risks to consumers, in particular to elderly infirm, or low-income customers, due to ease of termination from off-site locations. The OCA recommended that any approval of the involuntary remote service termination functionality should specifically require that the Company adhere to the requirements of Chapters 14 and 56 of the Public Utility Code. Moreover, the OCA recommended specific consumer protections that should be implemented prior to use of the remote service termination functionality. Finally, the OCA recommended that any cost savings and benefits be quantified and be passed on to ratepayers through the smart meter surcharge and lower reconnection fees immediately upon implementation of the remote functionality.

One of the OCA's primary concerns was that the ease and speed with which remote disconnects can occur raises the potential for substantially different outcomes. With that faster and easier process for termination, the OCA submits that there is also increased risk for customers, in particular elderly, vulnerable or low-income customers. However, under the Settlement, the Company 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 termination. Settlement at Paragraph 13.

The OCA specifically refers to clarification of the term "qualified representative" in the Settlement which provides that the field representative will have training to include "medical certificate procedures; relevant complaint procedures; general familiarity with Protection from Abuse (PFA) Orders; and how to refer customers to PPL's universal service programs." Settlement at Paragraph 14. The OCA also highlights that the field service representative will also be trained to refrain from terminating service:

[I]f the field representative becomes aware of a personal safety condition that warrants delay in service termination, including if the field

⁶ There has been no date-certain set for implementation, so the reference to April, 2017, while earlier than the July, 2017 date stated elsewhere by the Company, is not an error or a misunderstanding.

representative is informed that he 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.

Settlement at Paragraph 16.

The OCA submits that these clarifications will ensure that the field representative is appropriately trained to understand situations where termination should not occur and to direct customers to appropriate Company resources regarding universal service programs and related payment information.

The OCA recommended that if the field representative is unable to make personal contact prior to termination, the field representative should leave a notice informing the customer that service has been terminated; how service can be reconnected; and include a number where low-income and vulnerable customers can receive information about PPL's universal service programs and related payment information. The Settlement includes this language, and PPL will also provide customers with information about the universal service programs and related payment information. Settlement at Paragraph 15. The OCA submits that this will ensure that disconnected eligible customers have better access to potential resources that would allow them to restore service as quickly as possible.

The OCA argued that the remote service functionality should also make the reconnection process easier to access, including expanded hours for service reconnection, and lower cost for reconnection. The Settlement provides that customers who have been terminated will be restored "as quickly as possible" and will pay reduced reconnection fees. Settlement at Paragraphs 17-18. Upon confirmation that the payment has been made, PPL agrees that it will reconnect the customer using the remote switch "as quickly as possible." Settlement at Paragraph 17. PPL will also ensure that its hours for disconnection and reconnection are consistent with the Public Utility Code, the Commission's regulations and Commission directives and will provide expanded hours for reconnection of service from 7:00 a.m. to 10:00 p.m. seven days a week. Settlement at Paragraph 18. The reconnection fee will be a reduced

restoration fee of \$14.00 for residential, small commercial and industrial customers with an RF meter with remote switch. Settlement at Paragraph 19, App. A, B.

Under the Settlement, the Company will track the impact of remote service termination on customers. The Company will provide at its annual smart meter stakeholder meetings the following information:

- 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).

Settlement at Paragraph 20.

The OCA submits that this information will provide valuable information regarding the impact of the remote service termination function on customers and the speed with which customers are able to restore service.

In its Petition, the Company stated that the remote service termination and reconnection function would provide substantial savings and benefits for the Company and its customers. Petition at Paragraph 19. Under the Settlement, the Company will track and flow through the Company's customer meter surcharge, the net cost savings from the use of the remote service connection/disconnection functionality pursuant to the requirements of the Commission's *2015 Smart Meter Order*. Settlement at Paragraph 21. The OCA submits that the tracking mechanism will ensure that any cost savings and benefits are quantified and flowed through to ratepayers through the smart meter surcharge.

The OCA submits that the Settlement provides a reasonable resolution to this matter. The OCA submits that the Settlement is in the public interest.

D. CAUSE-PA's Statement in Support

CAUSE-PA states that it intervened in this proceeding because it was concerned about the potential impact of involuntary service termination by remote switch on moderate and low income residential customers, as this population is at the highest risk of involuntary termination. CAUSE-PA Statement at 1. CAUSE-PA points out that Pennsylvania has periods of very cold and very hot weather which can cause health and safety concerns, especially for at-risk customers. CAUSE-PA argues that the use of remote disconnection of essential utility service requires the protections outlined in the Settlement to avoid potentially disastrous consequences. This is particularly essential for customers who are victims of domestic violence or have a medical condition which would be aggravated by the termination of service. Both customer groups are entitled to additional protections under applicable law, and PPL's commitment to ensure that its employees are appropriately trained to recognize and ensure compliance with these protections was essential to obtaining CAUSE-PA's support for the settlement and is in the public interest. CAUSE-PA Statement at 4-5.

CAUSE-PA reflects many of the points made by the OCA in its Supporting Statement. CAUSE-PA stresses that PPL has agreed that it will comply with all provisions of Chapter 14 of the Pennsylvania Public Utility Code, 66 Pa. C.S. § 1401 *et seq.*, and Chapter 56 of the PUC's regulations, 52 Pa. Code § 56.1 *et seq.* with respect to the application of remote connect and disconnect for voluntary service termination. Settlement at Paragraph 12.

CAUSE-PA states that essential details about the operation of PPL's remote disconnection procedures were carefully negotiated by the parties. Specifically, through these provisions, PPL has committed to:

Send an appropriately trained field representative to the customer's premises on the day that termination is scheduled to occur who will use reasonable efforts to make personal contact with a responsible adult occupant of the premises prior to the termination. Settlement at Paragraph 13.

Train field representatives on 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 representatives will be trained to call PPL Electric staff for further guidance if presented with a PFA Order. Settlement at Paragraph 14.

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

Not terminate service 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 has 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. Settlement at Paragraph 16.

Train field representatives 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. Settlement at Paragraph 16.

CAUSE-PA contends that each of these protections are designed to ensure that PPL's remote disconnection procedures comply with the statute and regulations, but also that the Company is committed to specifically train its field representatives to recognize and meet the needs of PPL's low-income and vulnerable customers.

CAUSE-PA maintains that under the terms of the Settlement, customers, not just PPL, will benefit from the use of remote disconnection. Specifically, PPL will expand its reconnection hours from 7:00 a.m. to 10:00 p.m. seven days per week, and will reduce its reconnection fee to \$14 for residential and small commercial and industrial customers. CAUSE-PA maintains that both the expansion of reconnection hours and the reduction in reconnection fees are essential components of this Settlement. Low-income households often have working hours that are neither consistent nor within the bounds of a traditional work day. The ability to reconnect earlier in the morning or later in the evening is an essential component of the promised convenience of smart meters with remote connection/disconnection functionality. The same is true of a reduced reconnection fee. Since PPL will be avoiding costs associated with the use of

remote reconnection, it is within the public interest that this reduction of costs be passed onto consumers through a reduction in the reconnection fee. Settlement at Paragraphs 17-19.

CAUSE-PA points out that PPL has committed to providing annual updates at its smart meter stakeholder meeting regarding the frequency and effectiveness of the use of its remote disconnection/reconnection technology. The information PPL proposes to share includes the number of remote disconnections and reconnections, as well as the average time that it took to process a reconnection for a customer. This information will allow the parties to this proceeding, the public generally, and the Commission to assess whether additional changes are needed. Settlement at Paragraph 20.

CAUSE-PA asks that the Settlement be approved without modification for several reasons. First, the Joint Petitioners arrived at the Settlement terms after conducting informal discovery and engaging in discussions over several months. Second, the terms and conditions contained in the Joint Petition constitute a carefully crafted package representing a reasonably negotiated compromise on the issues of concern to each party in this proceeding. Thus, the Settlement is consistent with the Commission's rules and practices encouraging negotiated settlements (see 52 Pa. Code §§ 5.231, 69.391 and 69.401). Finally, acceptance of the settlement avoids the necessity of administrative proceedings that would have come at a substantial cost of time and resources.

E. Analysis and Recommendation

Whether the Commission should approve the proposed Settlement and its terms depends upon whether approval is 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).

The OCA, CAUSE-PA, and the OSBA were active parties in the SMP proceedings that pre-dated this Petition and proposed Settlement. The OCA in particular had

concerns with respect to remote disconnection which it raised in the SMP proceeding. That led to the consideration of remote disconnection being deferred under the *2015 Smart Meter Order*. That is certainly understandable. Even in a nation where technical innovation has become the norm, the approval of “remote termination” concededly raises immediate concerns. I am sure that is why the Commission in its *2015 Smart Meter Order* required PPL to take this proposal up in a separate proceeding. That sound judgment is reflected in the proposed Settlement which implements desirable efficiency (with related though as yet unquantified savings) but which safeguards the existing rights of the customer under the law.

Both the OCA and CAUSE-PA have done commendable work in this Settlement as has PPL. I agree with the parties in their supporting Statements that what has been achieved is a balance between operational innovation and advantage and complying with the Public Utility Code and the regulations of the Commission. This is not simply a matter of PPL “flipping a switch,” and terminating a non-paying customer. As has been explained in detail by the parties, a careful protocol has been established with respect to the remote termination procedure.

I offer the following summary of the essential points of the proposed Settlement. Collectively, these establish that the proposed Settlement is in the public interest:

Under the terms of the proposed Settlement, PPL will comply 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.

Customers will still receive all of the notices that are currently provided with respect to termination/disconnection, and PPL will continue to attempt to make personal contact before involuntarily terminating service consistent with the Commission’s regulations.

None of the proposed changes to PPL’s termination procedures will adversely impact the customer or affect the Company’s compliance with the Commission’s regulations

Remote switch for service disconnections and reconnections will improve the safety of employees and customers as is explained in detail in PPL’s supporting statement.

PPL will expand the hours of operation for reconnecting service by using the remote switch technology from 7:00 a.m. to 10:00 p.m. seven days per week beginning when the PPL uses the remote switch for involuntary service termination.

PPL 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. PPL states that it intends to reflect these costs savings to customers, such as through a reduction of the current service restoration fee.

Under the Settlement, the Joint Petitioners have agreed to a reduced restoration fee of \$14.00 for residential and small commercial and industrial customers with an RF meter with a remote switch.

PPL 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 twelve months of implementing remote disconnect for involuntary service termination, PPL will annually provide details regarding remote connect/disconnect metrics at its smart meter stakeholder meetings. These details will include the number of remote disconnects, the number of remote reconnects, and the average time to process a reconnection using the remote switch. By providing this information, stakeholders will be able to monitor the performance of the remote switch functionality and its effect on customers.

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*. This will help ensure that costs will be appropriately and accurately allocated to and recovered from the appropriate customer classes.

Acceptance of the Settlement will end the need for litigation and possible appeals. Avoiding further expense by settlement of this proceeding serves the interest of the Company and its customers. Acceptance of this proposed Settlement is in the public interest because resolution of this case by settlement rather than litigation will avoid substantial time and expense involved in pursuing this case.

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.

While all of the safeguards discussed in the proposed Settlement are important, it is my thought that the core of the proposal is PPL's commitment to comply 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. Specifically, PPL will send an appropriately trained field representative to the customer's premises on the day that termination is scheduled to occur to use reasonable efforts to make personal contact with a responsible adult occupant of the premises prior to the termination, as well as the follow-on requirements if personal contact is not made. The only factor completely changed by this Settlement is how disconnection and reconnection are accomplished physically. What is proposed through the Settlement is a termination procedure that is appropriate in its compliance with the law while bringing about desirable efficiencies. The proposed Settlement is in the public interest and should be adopted by the Commission without modification.

CONCLUSIONS OF LAW

1. The Pennsylvania Public Utility Commission has jurisdiction over the Parties to and subject matter of this proceeding. 66 Pa.C.S. §§ 501; 2807.

2. Act 129 of 2008 required that electric distribution companies (EDCs) with more than 100,000 customers file by August 14, 2009, a smart meter technology procurement and installation plan with the Commission for approval. *See* 66 Pa.C.S. § 2807(f)(1) and (6).

3. Commission standards for deployment and capability requirements for smart meters appear in *Implementation Order* in the proceeding captioned *Smart Meter Procurement and Installation*, at Docket No. M-2009-2092655, (Order entered on June 24, 2009) (*Implementation Order*).

4. The *Implementation Order* directs, in pertinent part, that an Electric Distribution Company's smart meter technology support the capabilities to remotely disconnect and reconnect service. 66 Pa.C.S. § 2807(g).

