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**E-File**

February 16, 2021

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street, 2<sup>nd</sup> Floor North  
P.O. Box 3265  
Harrisburg, PA 17120-3265

**Re:       Public Utility Service Termination Moratorium  
          Modification of March 13<sup>th</sup> Emergency Order  
          Docket No. M-2020-3019244**

Dear Secretary Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") please find PPL Electric's Comments in response to the Commission's October 13, 2020 Order in the above-captioned proceeding.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on February 16, 2021 which is the date it was filed electronically using the Commission's E-filing system.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Michael J. Shafer", is written over a light blue, semi-transparent rectangular background.

Michael J. Shafer

Enclosure

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Public Utility Service Termination	:	
Moratorium – Modification of March	:	Docket No. M-2020-3019244
13th Emergency Order	:	

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**COMMENTS OF  
PPL ELECTRIC UTILITIES CORPORATION**

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**I. INTRODUCTION**

On October 13, 2020, the Pennsylvania Public Utility Commission (“Commission”) issued an Order in *Public Utility Service Termination Moratorium – Modification of March 13<sup>th</sup> Emergency Order*, Docket No. M-2020-3019244 (the “*October 13 Order*”) that modified the Commission’s prior March 13, 2020 Emergency Order issued in the above-captioned docket. The *October 13 Order* recognized the need to move from an absolute moratorium on utility service terminations to a “less restrictive phase” and proposed to convene a stakeholder process to consider “whether longer term options may be needed” to address the impacts of the COVID-19 pandemic and where the modifications proposed in the *October 13 Order* are serving the public interest. *October 13 Order* at 3. In addition to the modifications to its March 13, 2020 Emergency Order, the *October 13 Order* requested interested parties file “comments and proposals ... regarding any revisions to the protections ... based upon the trajectory of the pandemic and the status of the economy at that time, so that both customer and utility interests continue to be considered.”

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) appreciates the opportunity to provide input on the issues identified by the *October 13 Order* and hereby files these Comments in response.

## **II. COMMENTS**

### **A. THE COMMISSION SHOULD NOT CONTINUE THE EXISTING MORATORIUM ON SERVICE TERMINATIONS**

The Commission should not continue the existing service termination moratorium, as modified by the *October 13 Order*, beyond March 31, 2021. While PPL Electric recognizes that the COVID-19 pandemic continues to affect residents of the Commonwealth of Pennsylvania, PPL Electric believes that allowing the moratorium to continue will compound the problems associated with nonpayment of customers' electric service bills. As explained below, PPL Electric's experience reveals that the *October 13 Order* has not effectively led to increased enrollment of at-risk customers into assistance programs or in reducing customers' arrearages.

Since the *October 13 Order*, customer participation in assistance programs such as PPL Electric's OnTrack Payment Plan and Operation HELP have increased at a modest rate. In December 2019, PPL Electric had a total enrollment of 64,906 customers in the Company's OnTrack Payment Plan as compared to a total enrollment of 66,107 customers enrolled by December 2020. PPL Electric actually saw a decrease in December OnTrack enrollments with 2,879 customers enrolling in December 2019, and only 2,051 customers enrolling in December 2020. PPL Electric's OnTrack enrollment statistics for the December period are particularly important because such enrollment occurred during the winter moratorium, when PPL Electric was not permitted to initiate termination procedures. *See* 52 Pa. Code § 56.100(b). Without termination notices being sent PPL Electric did not see an increase in OnTrack enrollment commensurate with the increase customer arrearage balances. Similarly, approximately \$1.01 million in funds (including matching credits) were issued to 2,175 customers participating in Operation HELP in 2019, as compared to \$1.45 million in being issued to 2,418 customers in 2020.

The level of overall arrearages, however, has ballooned over the same time frame at a drastic rate. As shown in the most recent data provided to the Commission, PPL Electric's residential customers have \$160,758,795 of arrearage balances, a 58.7% increase from January 2019 levels. Despite the 58.7% increase in past due balances, the number of customers who are behind on payments has only increased 13.2%. This data demonstrates that although there has been a moderate increase in the number of customers in arrears, the amount owed has drastically increased.

Importantly, although PPL Electric's arrearages have ballooned during the service termination moratorium, PPL Electric customer enrollment in assistance programs has not increased by a similar level. PPL Electric believes that the lack of termination notices being sent to customers under the moratorium is contributing to this disparity. In the Company's experience, many customers in arrears will not enroll in the available assistance programs until they receive termination notices. However, the pre-termination letter and protections required under the *October 13 Order* are unnecessary. Customers are most likely to contact the Company when they receive a termination notice, and the customers that do contact the Company are likely to receive the assistance necessary to avoid termination. It is the customers who ignore notices from the Company that are at the greatest risk of termination, which is not something that the *October 13 Order* will fix. As such, the indefinite continuation of the *October 13 Order* will only add unnecessary cost and effort for the Company while likely exacerbating the problem of nonpayment and continue to lead to increased arrearages.

**B. IF THE COMMISSION ORDERS THE CONTINUATION OF THE MORATORIUM ON SERVICE TERMINATIONS, IT SHOULD ADOPT FURTHER MODIFICATIONS TO THE *OCTOBER 13 ORDER* TO MITIGATE THE PROBLEMS ASSOCIATED WITH NONPAYMENT**

Alternatively, if the Commission orders the service termination moratorium to continue

beyond March 31, 2021, the Commission should make several modifications to the requirements established by the *October 13 Order*. These modifications are necessary to address the issues associated with enrolling at-risk customers in assistance programs while mitigating the substantial increase in arrearages already experienced by PPL Electric.

With respect to the pre-termination notice requirement established by the *October 13 Order*, PPL Electric believes this requirement should either be removed or that the utility be permitted the flexibility to send this communication to customers using the customer's preferred method of approach. *See October 13 Order* at 4. As explained above, this pre-termination notice has not effectively led more customers experiencing hardship due to the COVID-19 pandemic to enroll in the Company's assistance programs and, therefore, should be eliminated. If it is not eliminated, however, permitting the utility to use the method of outreach that a customer has already indicated they prefer (such as email or text message) will likely increase the chance that a customer responds to the communication.

Moreover, to the extent that the Commission continues to afford payment arrangements to small business customers (*October 13 Order* at 4-5), the Commission should permit flexibility in the length of the arrangements. As an example, there are small business customers with small arrearages who do not need an 18-month payment arrangement. However, the *October 13 Order* does not allow for payment arrangements with a term of less than 18-months. Allowing the Company discretion to work with its small business customers to determine an appropriate payment arrangement term is in everyone's best interest.

In addition, PPL Electric believes that any continued waiver of connection, reconnection, and security deposit fees required for protected customers should have an explicit end date. While PPL Electric recognizes that the waiver of these fees benefits at-risk customers, an end date is

necessary to provide the Company time to prepare internally and also alert its customers about any such changes in a timely manner.

With respect to late fees, PPL Electric recommends that late fees be permitted to resume and from that date the Company would forgive the then accrued late fees. The Company would be permitted to collect late fees for arrearages incurred by the customer after the moratorium has lifted and the one-time late fee forgiveness has been applied. Importantly, this proposed modification will not affect customers who have entered into a payment arrangement and are satisfying it, which provides an additional benefit to at-risk customers actively enrolling in the Company's assistance programs and complying with the terms of their enrollment.

The *October 13 Order* also required utilities to "accept at least two additional medical certificates for eligible customers who may have otherwise exhausted the three available in 52 Pa. Code §§ 56.111-56.118, 56.351-56.358." *October 13 Order* at 5. The Company proposes to eliminate this requirement. The additional medical certifications are only delaying the time when the customer contacts the Company to get into an appropriate assistance program to begin reducing the customer's arrearage. However, to the extent that the Commission orders this requirement to continue, the Commission should establish an explicit end date for this modification.

PPL Electric has provided and will continue to provide increased levels of customer outreach to attempt to provide customers with information regarding the numerous assistance programs that are available to them. The Company is committed to continuing to provide its customers with options to mitigate the impacts of the COVID-19 pandemic on customers' abilities to pay for utility service. However, if the service termination moratorium does remain in place, the moratorium should not continue indefinitely and without the modifications set forth above.

### **III. CONCLUSION**

PPL Electric recognizes that Pennsylvania electric service customers continue to be affected by the COVID-19 pandemic. However, several assistance programs implemented at the utility, state, and federal level have been funded and remain available to utility customers. As such, and for the reasons explained above, the Commission should adopt an Order that begins to restore the pre-March 13, 2020 Emergency Order collections and terminations processes for all customers, that are authorized under the Public Utility Code and the Commission's regulations effective April 1, 2021.

PPL Electric appreciates the opportunity to provide these Comments and respectfully requests that the Commission take these Comments into consideration in developing its next steps.

Respectfully submitted,



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Date: February 16, 2021

Counsel for PPL Electric Utilities Corporation