

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

HOPE CURRY

**PUBLIC MEETING OF MARCH 16, 2023
3032454- ALJ**

v.

DOCKET NO. C-2022-3032454

PENNSYLVANIA ELECTRIC COMPANY

STATEMENT OF VICE CHAIRMAN STEPHEN M. DeFRANK

On January 4, 2023, the Office of Administrative Law Judge (OALJ) issued the Initial Decision of Administrative Law Judge (ALJ) Emily I. DeVoe in this matter. The Initial Decision dismisses the complaint filed by Hope Curry against Pennsylvania Electric Company (Penelec or Company) because Ms. Curry failed to appear for the hearing and prove that the Commission should grant her a further payment arrangement. The decision also bars Ms. Curry from filing any further formal or informal complaints regarding her electric utility balance until she pays her balance in full. At the time the decision was issued, Ms. Curry's arrearage balance exceeded \$32,000.

The disposition in the instant proceeding is prudent. At the same time, however, this case represents an opportunity to highlight the delicate balance between terminating consumers and ensuring that arrearage balances do not become exorbitant. This is especially timely in light of the General Assembly's examination of Chapter 14 of the Public Utility Code, 66 Pa.C.S. §§ 1401-1419, before it needs to be reauthorized at the end of 2024.

The existing balance of \$32,000 is one of the highest outstanding balances owed by a residential customer this Commission has seen in recent years. As noted in the decision, a public utility is entitled to receive payment for service it provides. *Mill v. Pa. Pub. Util. Comm'n.*, 447 A.2d 1100 (Pa Cmwh 1982); *Scaccia v. West Penn Power Co.*, 55 Pa. PUC 637 (1982). Otherwise, a customer's unpaid bills are included in the utility's uncollectible expenses and ultimately paid for by other utility customers. *Deree Norman v. PECO Energy Company*, Docket No. C-2015-2472605 (Opinion entered December 7, 2017). Furthermore, Chapter 14 of the Public Utility Code reminds utilities that they have an affirmative responsibility to attempt to collect payment on an overdue account and must report to the Commission annually residential customer accounts which have accumulated \$10,000 or more in arrearages. 66 Pa.C.S. § 1410.1(3).

The arrearage at issue in this case is reportable pursuant to Section 1410 of the Public Utility Code. A recent report issued by the Commission's Bureau of Consumer Services details that the number of accounts exceeding \$10,000 in arrearages has nearly tripled for residential electric customers from 2019 to 2021.¹ Of course, during part of this time, utilities were prohibited from terminating customers due to the Covid-19 pandemic. As a result of the termination moratorium, more exorbitant balances may be coming and we must be prepared.

¹ See, *Universal Service Program & Collections Performance 2021 Report*, Bureau of Consumer Services (dated Dec. 2022) at 32-34 (in 2019 the total industry accounts over \$10,000 for electric customers was 550 and in 2021 the total industry accounts over \$10,000 for electric customers was 1,624).

The record in this proceeding demonstrates that Ms. Curry received her first Commission ordered payment arrangement in 2013 for a balance that already exceeded \$17,000. Tr. 37. Therefore, it was clear that Ms. Curry was payment troubled for at least ten years. Even the most accommodative payment arrangement the Commission can provide under Chapter 14 could be reasonably perceived as insurmountable. It is my sincere hope that we do not see any other cases with arrearages of this magnitude. Such a situation is untenable.

While the record in this case details the complexities associated with these types of situations – including multiple Company issued payment arrangements, multiple Commission issued payment arrangements, multiple medical certificates, multiple formal and informal complaints and multiple Commission hearings – it is clear that outstanding balances at levels as high as occurred in this case must be avoided. Nonetheless, it is difficult to balance the duty of utilities to ensure consumers' access to safe and reliable utility service at just and reasonable rates while avoiding such high outstanding balances.

I highlight this case for those currently looking at the reauthorization of Chapter 14 as an example of an area where more guidance could be provided.

March 16, 2023
Date



Stephen M. DeFrank
Vice Chairman