

COMMONWEALTH OF PENNSYLVANIA



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February 28, 2024

Rosemary Chiavetta, Secretary  
Pennsylvania Public Utility Commission  
Commonwealth Keystone Building  
400 North Street  
Harrisburg, PA 17120

Re: Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement  
v.  
PPL Electric Utilities Corporation  
Docket No. M-2023-3038060

Dear Secretary Chiavetta:

Attached for electronic filing please find the Office of Consumer Advocate's Comments in the above-referenced proceeding.

Copies have been served as indicated on the enclosed Certificate of Service.

Respectfully submitted,

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Certificate of Service

\*4864-7620-5737

CERTIFICATE OF SERVICE

Pennsylvania Public Utility Commission, :  
Bureau of Investigation and Enforcement : Docket No. M-2023-3038060  
v. :  
PPL Electric Utilities Corporation :

I hereby certify that I have this day served a true copy of the following document, the Office of Consumer Advocate's Comments, upon parties of record in this proceeding in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant), in the manner and upon the persons listed below:

Dated this 28<sup>th</sup> day of February 2024.

**SERVICE BY E-MAIL ONLY**

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Dated: February 28, 2024  
\*4879-7108-2153

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission,  
Bureau of Investigation and Enforcement

Docket No. M-2023-3038060

v.

PPL Electric Utilities Corporation

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COMMENTS  
OF THE  
OFFICE OF CONSUMER ADVOCATE

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## I. INTRODUCTION

On January 18, 2024, the Pennsylvania Public Utility Commission (Commission) issued its Opinion and Order (*Order*) regarding the proposed Joint Petition for Approval of Settlement, filed on November 21, 2023, by the Commission's Bureau of Investigation and Enforcement (I&E) and PPL Electric Utilities Corporation (PPL). *Pa. PUC, I&E v. PPL Electric Utilities Corporation*, Docket No. M-2023-3038060, Order (Jan. 18, 2024)(*Order*). Chairman Stephen M. DeFrank issued a Statement regarding the *Order*. The Statement provided that:

[m]y initial review of this case reveals a large public interest in this matter. It appears that this case involves significant issues that have affected many consumers. I write today to emphasize that now is the time for those interested to submit comments for the Commission to consider as it reviews the settlement. I strongly encourage the public to avail itself of this opportunity.

*Pa. PUC, I&E v. PPL Electric Utilities Corporation*, Docket No. M-2023-3038060, Statement of Chairman Stephen M. DeFrank (Jan. 18, 2024) (*Statement*). Approximately 50 customers have filed Comments on the Settlement about the impact of PPL's billing system malfunction. The Commission should heed the concerns of those affected by PPL's conduct.

The Settlement proposes to resolve the informal investigation conducted by I&E concerning possible violations of the Public Utility Code, Commission regulations, and consumer protection regulations due to PPL's billing system malfunctions that began in December 2022. Before issuing a final decision on the Settlement, the Commission requested that interested parties file Comments regarding the Settlement. The *Order* was published in the *Pennsylvania Bulletin* on February 3, 2024. Comments are to be filed within twenty-five (25) days of publication in the *Pennsylvania Bulletin*. For the reasons set forth below, the OCA opposes approval of the Settlement without modification. The Settlement does not sufficiently remedy the harms presented by the facts.

PPL's billing system malfunctions rendered customer meter data unavailable in the Company's system and resulted in the "promulgation of unusually high or low estimated bills." *Order* at 2; Settlement, ¶ 6. The billing system malfunctions impacted customer bills from December 2022 through early May 2023, and in some cases, the ramifications lasted until August 2023. The Settlement also acknowledges that the billing issues were exacerbated by PPL's lack of adequate customer support available via phone to discuss billing concerns with the customers. *Order* at 2; Settlement, ¶ 6.

The Settlement describes PPL's alleged violations of the Public Utility Code and the Commission's regulations "related to customer billing stemming from the failure of PPL's MDMS to transfer customer meter data to other software platforms, including PPL's CSS." Settlement, ¶ 18; *see also* 66 Pa. C.S. § 1501, 52 Pa. Code §§ 56.11 (issuance of monthly bills), 56.12 (3) (estimated billing). In particular, the Settlement identified that PPL failed to issue customer bills for tens of thousands of customers for up to five months; when bills were issued, the bills contained unreasonably inaccurate estimated bills; the bills also contained missing or inaccurate supplier charges; and customer service inadequacies compounded the problems. Settlement, ¶¶ 19-31.

The Settlement provides details regarding the scope of the billing system failure impact. As a result of the failure of the MDMS, 48,168 PPL accounts received no bill during one or more of the months of December, January, February, March, or April 2023 billing periods. Settlement, ¶ 19. By May 5, 2023, there remained 223 accounts that had not yet received a bill since the MDMS failure in December 2022. Settlement, ¶ 19. From December 2022 to April 2023, 91,676 unique accounts received no bills. Settlement, ¶ 19. Moreover, when the Company tried to resume billing customers based on actual data, there was an issue processing Billing Group 12 that caused 3,805 customers to be sent inaccurate bills. Settlement, ¶ 32. The Settlement also identifies that "PPL

made substantial progress in correcting the ‘No Bills’ issues cited above and that the Company rendered the vast majority of impacted customers billed to current by August 31, 2023.” Settlement, ¶ 22.

The Settlement also details the problems with estimated bills. PPL indicated that the Company issued estimated bills to 794,816 unique accounts from December 20, 2022 to January 9, 2023, and a total of 860,493 estimated bills from December 20, 2022 through May 5, 2023. Settlement, ¶ 23. As the Settlement provides, many of the estimated bills were unusually high or low or otherwise contained missing or incomplete supplier charges. Settlement, ¶ 23. The Settlement also identifies that “according to PPL, estimates are based on the customer’s ‘historical’ electric usage from the same month of the prior year.” Settlement, ¶ 26. The Settlement provides:

[u]nderstanding that energy supply costs can increase over time resulting in higher generation costs from the customer’s supplier or a higher Price to Compare for customers who receive default supply through PPL, customers complained that some amounts had double or tripled. Based on discovery responses provided by PPL, the Company analyzed 387,895 bills that were estimated in January 2023 as a result of the MDMS issue to determine whether or not the estimates were accurate. PPL’s analysis revealed that 67.31% (261,104 customers) of the bills had an estimate differing from the customers’ actual usage of 10% or greater. Of these bills, 34.36% indicated an estimate that varied from actual by more than 25%. Nearly 48,000 customer bills were based on an estimate differing from actual usage by more than 50%. Inaccurate usage estimates combined with increased or inaccurate supply charges (as will be discussed below) resulted in customer bills that were far-removed from customers’ bills from a historical perspective.

Settlement, ¶ 27.

In addition to the missing bills and estimated billing issues, the billing issues were compounded by missing or incomplete supplier charges. The estimated bills had “unreasonably inaccurate amounts due” as a result. Settlement, ¶ 29. The Settlement provides that:

[a]fter sending its first wave of estimated bills, PPL discovered that 82,784 of these estimated bills did not include any supplier charges or included, at most, only partial supplier charges, thereby resulting in severely inaccurate bills. As a result, in



February 2023, PPL began the process of cancelling the estimated bills and rebilling these accounts in order to correct the supplier charges portion of the bill.

Settlement, ¶ 29.

The impact on customers was significant and further compounded by the Company's response to the estimated bills. As the Settlement provides:

[i]n some instances, customers were asked to pay the estimated bills or, on their own volition, paid the estimated bills anticipating that any difference between the estimated bills and actual usage would be reconciled when the next bill was issued. Concurrently, the Company began the process of cancelling and rebilling some customers. Some estimated bills paid by customers were cancelled and rebilled before the payment was processed resulting in further inaccurate rebills. The events that ensued took months to unravel.

Settlement, ¶ 30.

The Settlement also identifies that PPL's customer service failed to be prepared to address customer questions about the billing system malfunctions. The Settlement identifies that according to discovery responses provided by PPL regarding abandoned calls, between January 2023 and April 2023, PPL received an average of 193,529 calls per month compared to the average of 165,153 calls per month in 2022. The Settlement states:

[i]n January alone, PPL received 217,539 calls per month, 89,315 (or 41%) of which were abandoned, compared to an abandoned rate of less than 20% on average in 2022. Furthermore, customers who called in January and February 2023 whose calls were handled by PPL personnel complained of long wait times.

Settlement, ¶ 36.

The Settlement identified that if I&E had filed a Complaint that I&E would have potentially raised violations of Sections 56.11, 12(3) of the Commission's regulations and 66 Pa. C.S. § 1501 of the Public Utility Code. 66 Pa. C.S. § 1501; 52 Pa. Code §§ 56.11, 56.12 (3). I&E argued that PPL violated Section 1501 of the Public Utility by its abandonment rates of 41% of calls in January 2023 and by not handling calls within a reasonable period of time. Settlement, ¶ 36.

Section 56.11 of the Commission’s regulations provides that “[a] public utility shall render a bill once every billing period to every residential customer in accordance with approved rate schedules.” 52 Pa. Code § 56.11(a). The Settlement states that “[i]t is I&E’s position that PPL violated Section 56.11 of the Commission’s regulations, cited above, when residential customers did not receive at least one of their monthly bills between December 2022 and April 2023.” Settlement, ¶ 21.

The Settlement identified that the allegations also potentially violate Section 56.12(3) which provides that estimated bills are permitted under exigent circumstances. In particular, “a utility may estimate the bill of a ratepayer if extreme weather conditions, emergencies, equipment failure, work stoppages or other circumstances prevent actual meter reading.” 52 Pa. Code § 56.12(3). The Settlement provides that “it is I&E’s position that when a utility resorts to sending estimated bills to customers, those estimates should be within an anticipated range of normalcy such that they are not wildly over or under-estimated.” Settlement, ¶ 25. In addition, PPL has a requirement to provide service under Section 1501 of the Public Utility Code. Section 1501 of the Public Utility Code provides that:

[e]very public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall make all such repairs, changes, alterations, substitutions, extensions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. Such service also shall be reasonably continuous and without unreasonable interruptions or delay. Such service and facilities shall be in conformity with the regulations and orders of the commission.

66 Pa. C.S. § 1501.

The OCA agrees with the averments in the Settlement that PPL violated the Commission’s regulations and Section 1501 of the Public Utility Code. PPL’s response to the billing malfunction is important and must be considered as a part of whether the Settlement is appropriate. The

Settlement also fails to ensure that “adequate, efficient, safe, and reasonable service” is being provided, and that the utility is making all necessary repairs as required by Section 1501 of the Public Utility Code. Moreover, the Settlement considers too much the impact of the billing system failure on PPL and does not provide remedies that are adequately tailored to address the harm caused to impacted customers. The OCA appreciates the opportunity to provide Comments on the Settlement. For the reasons set forth below, the OCA does not agree based on the facts publicly presented that the Settlement sufficiently addresses the harm to the public.

## II. COMMENTS

### A. Introduction

The Settlement principally requires that PPL shall pay a civil penalty of \$1,000,000. Petition, ¶ 38(a). The Settlement identifies PPL’s voluntary notification and corrective actions already taken by the Company including: providing information to BCS about the billing issues that it was experiencing; periodic updates to the Office of Consumer Advocate, Office of Small Business Advocate, and the Pennsylvania Utility Law Project; coordination with BCS regarding consumer contacts; and outreach to all affected customers. Settlement, ¶¶ 38(b)(1)-(2), (4)-(5). The Settlement also provides the steps that PPL has taken or plans to take in order to resolve the issues that occurred. Settlement, ¶ 38(b)(6). The Settlement identifies that PPL did not terminate customers from January 2023 through June 2023 and waived late fees for January through February 2023. Settlement, ¶¶ 38(b)(7)-(8).

The Settlement also details the costs incurred by PPL. The Settlement provides:

PPL incurred significant costs when responding to the billing issues to help mitigate customer impacts, including, but not limited to: (1) experiencing approximately \$2.3 million loss of revenue from voluntarily waiving late fees; (2) incurring approximately \$7.8 million of additional bad debt expense arising out of the voluntary service termination moratorium; (3) forgoing collection of approximately \$1.7 million from customers who were underbilled in the estimation true-up

process; (4) incurring an additional approximately \$3.7 million of unplanned costs in engaging external vendors; and (5) incurring approximately \$700,000 of unbudgeted employee overtime expense (totaling approximately \$16.2 million in mitigation costs). PPL agrees not to recover any of these mitigation costs from Pennsylvania by any future proceeding, device, or manner whatsoever.

Settlement, ¶ 38(c).

The OCA agrees with the Settlement's requirement that PPL bear the costs and not be able to obtain future recovery of the costs. The OCA notes that the Settlement provides that PPL may not recover the costs from Pennsylvania ratepayers. The Settlement should be clear that PPL should not be able to recover the costs of the billing system malfunction from any ratepayers. These are all costs that PPL should have borne because the problem resulted from PPL's billing system which it had an obligation to appropriately maintain and operate.

Overall, this Settlement focuses too heavily on the "costs" incurred by PPL. As a regulated utility they are legally held to the Section 1501 standard and must provide safe, reliable, and reasonable service to their customers. *See* 66 Pa. C.S. § 1501. PPL failed to do so. While the Settlement protects *all* customers from bearing the costs of PPL's failure to provide adequate and reasonable service to their customers in that it does not allow company to seek rate recovery for these costs, the Settlement does not address specific harm to the affected customers.

As a regulated utility, under the regulatory compact, PPL is granted a captive customer base for whom they are to provide this service in exchange for the provision of safe, reliable and adequate service and the opportunity to earn a reasonable rate of return. PPL failed in its obligations in this regard. Thus, while forgoing collection of its costs in future rates and payment of a penalty will hurt PPL's bottom-line and possible investor interest in the short run, these are costs that PPL arguably should not have been allowed to recover in any instance.

The Settlement does not, on its face, address the effects of PPL's mistakes on these captive customers and does little to ensure that customers were rightly compensated for PPL's failure. It also does little to nothing to protect these customers in the future. While the Settlement includes a \$1 million civil penalty and requires PPL to forego cost recovery, it is as or more critical that customers are protected from future incidents. In the Settlement, the Company identifies steps that PPL plans to take, but as discussed below, the Settlement does not ensure that the steps will be taken or will sufficiently ensure that the problems will not recur.

The Settlement also fails to acknowledge that these events happened to customers in December 2023-January 2023 at the worst possible time – particularly for electric heating customers. Affected customers received erroneous bills with estimates that were unreasonably inaccurate, a problem that was compounded by the increase in generation prices that went into effect on December 1, 2023. PPL's price on December 1 increased 18% from 12.366 cents/kwh to 14.612 cents/kwh. As can be noted from the Commission's, November 15, 2022 press release on the price increases, PPL's electric price was already the highest in the Commonwealth.<sup>1</sup> Shopping customers also experienced issues due to inaccurate or missing billing information.

For the reasons set forth below, the OCA does not believe that the Settlement sufficiently addresses the serious alleged violations of the Commission's regulations.

**B. A Portion of the Civil Penalty Should be Directed to PPL's Hardship Fund.**

The Settlement proposes a \$1 million civil penalty for PPL's actions. Settlement, ¶ 38(a). Given the scope of the billing system malfunction, PPL's response, and the impact on customers, the OCA does not challenge whether the \$1 million amount of the proposed civil penalty is

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<sup>1</sup> <https://www.puc.pa.gov/press-release/2022/puc-urges-consumers-to-prepare-for-rising-winter-energy-costs-explore-conservation-and-affordability-options-as-utilities-adjust-supply-prices> (Last accessed Feb. 24, 2023)

appropriate. The OCA, however, recommends that a portion of the civil penalty be directed towards the Company's Hardship Fund instead of being paid a penalty to the Commonwealth's General Fund.

The civil penalty penalizes PPL, but the civil penalty that goes to the General Fund does not provide a resolve for the financial impact to customers. Customers amassed large bills during the interim five months. Some customers did not know what their bills were during this period because they received no bills. Some customers did not know what their bills were during this period because they received inaccurate bills. While many customers paid something during this time, no customer knew what they should be paying or whether they would have a large credit or balance at the end. For all customers this was an inconvenience, for vulnerable customers this was very problematic as it impacted on their ability to receive a LIHEAP Crisis grant. While the OCA supported PPL's determination to not issue termination notices during this period because PPL could not reasonably terminate a customer's service without confidence that their bills were accurate, some customers who are LIHEAP-eligible and who were behind on their bills were likely deprived of their ability to apply for a LIHEAP Crisis grant because they were not facing termination of service and therefore incurred balances that could have been eliminated or reduced with the ability to receive LIHEAP. Furthermore, customers may have otherwise used the Company's Hardship Fund or amassed a large bill without financial relief. The OCA submits that given the financial impact that may still be felt by customers, it would be more reasonable to direct funds from the \$1 million to the hardship program rather than the General Fund. It makes sense to allow for a pool of resources for financially troubled customers. The \$1 million to the General Fund will not resolve the financial harm to customers, but allocation of a portion to the Hardship Fund will tie the penalty to the impact of PPL's actions. The OCA recommends that a portion of

the civil penalty be directed to the Hardship Fund. Specifically, the OCA recommends that between \$500,000 - \$750,000 of the penalty be directed to the Hardship Fund and that like the civil penalty, PPL be prohibited from claiming any charitable deduction for this contribution. The OCA is not recommending an increase in the total amount paid by PPL, thus the remainder of the \$1 million would be allocated as a civil penalty.

C. The Settlement does not Sufficiently Address the Issues Presented.

The OCA does not agree that the Settlement sufficiently addresses the issues raised by the billing system malfunction. The Settlement discusses the efforts that PPL took in response to the outage and the cost to PPL to correct its own errors, but the Settlement does not directly address the impacts and hardships created by the five-month long billing system problems on the customers. The Settlement provides a list of the actions that PPL has already taken which address the appropriateness and mitigation of the civil penalty assessed under the *Rosi* factors. *See, Joseph A. Rosi v. Bell-Atlantic Pennsylvania, Inc.*, Docket No. C-00992409, Order (March 16, 2000) (*Rosi*). Under the Settlement, PPL provided information updates to BCS, the OCA, OSBA and PULP. Settlement, 38(b)(1),(2). PPL also conducted outreach to impacted customers including: (1) talking points to customer service representatives; (2) a January 31, 2023 letter and email to customers from the then-President explaining the estimated bills and higher energy prices; (3) a website landing page with videos, information on higher energy costs, and direct access to assistance programs and bill support which was publicized through social media, media relations, emails and digital newsletters; (4) a February 10, 2023 letter “to the first group of customers who would have their bills canceled and rebilled because the original bill did not include or only included partial supplier charges” and subsequent letter on February 16, 2023, March 18, 2023, and April 10, 2023; and (5) a February 23, 2023 letter to customers who had not received a bill

since the beginning of the issue. Settlement, ¶38(b)(1)-(5). PPL also provided periodic updates to Electric Generation Suppliers through the Company's Supplier portal two customer workshops in conjunction with local legislators. Settlement, ¶38(b)(4)(e)-(f). The Settlement also discusses the costs to fix and address the system problems. Settlement, ¶38(b)(7)(c).

While the OCA agrees with some of the measures that the Company took, the measures were the minimum necessary in order to explain to customers and other interested stakeholders about what was happening as it was happening. PPL had an obligation under Section 1501 of the Public Utility Code to take any and all actions required to provide safe and adequate service. One of the points that the Settlement raises is that is that "PPL authorized significant overtime for employees to provide call center support in 2023", totaling approximately \$700,000. Settlement, ¶¶ 38(b)(12),(c). In particular, overtime, even unbudgeted overtime, should be considered a cost of doing a 24/7/365 business and should not be considered extraordinary when it relates to addressing and resolving customer concerns about PPL's billing system failures. The Settlement emphasizes what PPL did in response to its own billing system problems, but the Settlement does not fully address how customers were impacted by PPL's actions. PPL was required to provide safe, adequate and efficient service under Section 1501 of the Public Utility Code; monthly bills pursuant to 56.11, and reasonably accurate estimated bills under 56.12(3). The billing system malfunction impacted PPL's fulfillment of its requirements under the law. PPL failed to do so, and of course, customers called the Call Center to find out how to resolve the suddenly exorbitant bills.

In several aspects, PPL's response to the crisis was deficient, and the claimed overtime expenses may have been somewhat related to those deficiencies. First, PPL's communication to customers was delayed. PPL's response and communication to the Commission, governmental parties, and to customers took longer than it should have. According to the Settlement, customers



were sent their first notification as of January 31, 2023, but customer service representatives were provided talking points on December 18, 2023. PPL knew that its customers were going to be impacted in December but did not communicate anything until customers had already received their bills. Moreover, PPL should have anticipated that call volumes would increase significantly starting in December 2023, and PPL failed to be prepared to handle additional call volumes (41% of calls in January 2023 were abandoned due to long wait times). Settlement, ¶¶ 35-36.

A customer would have only received a communication notice that there was a problem with their December bill on January 31st. By this time, customers would have already received their December bill. Considering that calls increased to 217,539 calls in January, customers were receiving the bills and confused about the bills and understandably called the call center. Clearly, if the call center representatives were provided with talking points in December, then the Company was aware of the problem, and that information should have been more globally provided to customers. The Settlement discusses communications to customers, but it does not provide any specific details about how customers were contacted and what was communicated. The Settlement also does not discuss how, if at all, the Company's communications addressed language access issues. Moreover, the Settlement does not address how the Company should handle such a situation in the future.

The Settlement does not address fixes to the customer service deficiencies and how the Company will address those emergency deficiencies in the future. This modification to the Settlement should occur. PPL should be required to invest in its call center and to have external vendors available to handle call overflow in the future. The customer service centers should preferably be Pennsylvania-based so that they are better able to understand the impacts of any call

center needs on Pennsylvania customers. Moreover, the additional call center resources should have a defined timeline for implementation.

Other than the civil penalty, the only additional actions for PPL to take under the Settlement are outlined in Settlement Paragraph, ¶ 38(b)(6). The Settlement provides that the Company instituted or is in the process of developing a series of practices and protocols in order to “help prevent and insulate the technical issues with MDMS-CSS that caused these issues.” Settlement, ¶ 38(b)(6). The Settlement mentions a number of “procedures”, “formulas”, “reports”, and other “remedies” and fixes” that PPL will institute to prevent such an error in the future. The list includes the following:

- (a) Revising back-office processes to reduce the number of no-bill and multi-primary bills;<sup>2</sup>
- (b) Evaluating the formula to calculate estimates to determine if improvement can be made to the estimation process;
- (c) Creating internal daily control reports on estimated bills, multi-primary bills, and daily meter read rates and operational metrics;
- (d) Developing work arounds to process meter data outside of MDMS when needed; and
- (e) Enriching MDMS estimations for scenarios where meter data is missing to reduce the time period estimated.

Settlement, ¶ 38(b)(6)(footnotes omitted). The Settlement does not provide any actual details about these solutions or a timeline for which they will be implemented. The Settlement language is very aspirational and no concrete requirements are included. The OCA recommends that the Settlement should include a detailed timeline of implementation and requirements that the progress be reported to the Commission at a filing at this docket, served on the statutory advocates and PULP so that public accountability and transparency can occur. Specifically, the OCA recommends that

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<sup>2</sup> The Settlement describes a multi-primary bill as a “bill that contains charges for more than one billing period.” Settlement, ¶ 38(b)(6), fn. 4.

any and all proposed “procedures,” “formulas,” “reports,” and other “remedies” and “fixes” that PPL will institute to prevent such an error in the future must have statutory-mandated metrics consistent with Section 1501 of the Public Utility Code and timelines to meet. Along with BCS and the Commission, PPL should make quarterly reports to the OCA, other statutory advocates, and PULP regarding their progress.

In particular, the OCA believes that Settlement Paragraph 38(b)(4)(b) is deficient. PPL states that it will “evaluate” the formula for calculating estimates to determine *if* improvements can be made. The facts demand that PPL should commit to revising its estimation formula based upon the information presented in the Settlement. Paragraph 27 provides:

the Company analyzed 387,895 bills that were estimated in January 2023 as a result of the MDMS issue to determine whether or not the estimates were accurate. PPL’s analysis revealed that 67.31% (261,104 customers) of the bills had an estimate differing from the customers’ actual usage of 10% or greater. Of these bills, 34.36% indicated an estimate that varied from actual by more than 25%. Nearly 48,000 customer bills were based on an estimate differing from actual usage by more than 50%.

Settlement, ¶ 27. The estimates are not within the range of reasonableness, and PPL should commit to a timeline of fixing its formula to estimate bills. All the Settlement currently requires is that PPL “evaluate” the formulas and does not commit PPL to making any changes. The Settlement should include a defined commitment and timeline for correcting the estimating issues, or otherwise provide definitive information about why the estimating formulas are now operating correctly and within a zone of reasonableness.

The OCA also recommends that the Commission consider requiring the Bureau of Audits to investigate whether the fixes identified in the Settlement have been completed and whether additional fixes are necessary to ensure that the situation does not recur.

The Settlement focuses too heavily on the costs to PPL, but the Settlement does not address the cost to customers – how PPL’s error created a financial burden for customers. The Settlement does not provide for remedies and a defined timeline for completion of the remedies. The Settlement should be amended to include a defined timeline and reporting process for the completion of the actions identified in the Settlement. PPL should also be required to develop a plan to address the deficiencies provided in communications and customer service from the Call Center.

D. The Settlement does not Provide for Adequate Remedies for Impacted Customers.

The Settlement does not provide for any direct remedies for impacted customers. The Settlement does not require an analysis about whether customers were correctly compensated or whether further actions are needed. The Settlement focuses only on the actions already taken by PPL and does not require any additional actions.

In the Settlement, PPL identified additional actions that it took including not terminating customers for nonpayment from January 2023 through June 2023. Settlement, ¶ 38(b)(7). Customers missed bills for up to five months and the Company acknowledges that when bills were received, there were significant errors in estimation, incomplete or missing charges. The Settlement does not provide any detail regarding how the Company determined that the six-month termination halt window was appropriate.

In particular, after June 2023, low-income customers who were unable to catch up on the missed bills would not have had access to LIHEAP crisis grants or potentially hardship funds. The Settlement does not provide any detail regarding how PPL determined or calculated that this estimate would be enough time to help all customers who were put in a difficult economic position where they would be in threat of termination due to PPL’s mistake. The action assumes that

customers were able to catch up by June 2023, but the information provided does not indicate that any root cause analysis was completed to determine whether the timeframe was sufficient.

The Settlement provides that the Company voluntarily waived all late payment fees for January and February 2023, but pursuant to the facts presented, some customers did not receive a bill until April 2023. The Settlement does not address late fees charged to customers for an inability to pay a bill received after not having received a bill for five months. The Settlement does not provide any detail regarding how PPL calculated that this would be enough time for customers whose bills miscalculated to pay what could have been more than 50% more than their actual bill to pay this possibly incorrect bill. Moreover, the Settlement does not provide any information as to how many late bills occurred in March or later months due to the incorrectly calculated bills. The Settlement provides no information as to whether or how these customers were compensated.

The Settlement also provides that PPL did not collect approximately \$1.7 million owed but not collected from customers. Settlement, ¶ 38(b)(9). While the OCA supports the Company's approach, it is not clear from the Settlement whether the \$1.7 million is sufficient. The OCA submits that it should be expected that the Company will provide good will credits to affected customers when the error is on the Company's part and estimates for bills may have been more than 50 % off for approximately 48,000 customers. Settlement, ¶ 27. PPL should not be able to collect money from customers if the Company cannot accurately calculate the bills or ensure that the estimated and reconciled bills are accurate.

The Settlement also provides that PPL provided approximately \$1 million in refunds. Settlement, ¶ 38(b)(10). However, there is no information as to whether the dollars were sufficient to address customers' erroneous or missing bills. Moreover, there is no information about whether this amount accounts for the damage and distress created for customers.

The Company does not appear to have completed a root cause analysis to examine the full impact of the billing system malfunction on customers. The OCA recommends that the Commission require PPL to complete a root cause analysis to determine how customer balances and terminations were impacted by the billing system malfunctions; whether customers incurred late fees tied to the billing system malfunctions after February 2023; and whether the refunds and foregone bills sufficiently addressed customers who otherwise should have been credited. There does not appear to have been completed an analysis as to whether the remedies employed by PPL sufficiently addressed the financial harms to customers. The customer impact should be fully understood and addressed such that customers are compensated. The Settlement provides too much weight to the impact on PPL and its operations and not enough to the harms created for customers.

### III. CONCLUSION

The Office of Consumer Advocate appreciates the opportunity to provide Comments on the Settlement. The OCA respectfully requests that the Settlement be modified to address the issues raised above.

Respectfully Submitted,

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DATE: February 28, 2024