

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Michael and Stacey Hildebrand	:	
	:	
v.	:	C-2023-3044136
	:	
Metropolitan Edison Company	:	

INITIAL DECISION

Before
Administrative Law Judge
John M. Coogan

INTRODUCTION

This Initial Decision dismisses a Formal Complaint that Michael and Stacey Hildebrand filed with the Pennsylvania Public Utility Commission (Commission) requesting a Commission-ordered payment arrangement with Metropolitan Edison Company. The Complainants have not met their burden of proving they are entitled to a second or subsequent Commission-ordered payment arrangement or an extension of a prior Commission-ordered payment arrangement.

HISTORY OF THE PROCEEDING

On November 6, 2023, Michael and Stacey Hildebrand (Complainants or Hildebrands) filed a Formal Complaint with the Commission against Metropolitan Edison Company (Met-Ed, Respondent, or Company). The Formal Complaint was served on Met-Ed on November 8, 2023. In the Formal Complaint, the Hildebrands allege that the utility is threatening to shut off their service or has already shut off their service, and they would like a

payment arrangement. As relief, Complainants state that they would like a payment arrangement now that they have a change of income.

On November 28, 2023, Met-Ed filed an answer and new matter to the Hildebrands' Formal Complaint. In its answer, Met-Ed admitted or denied the various averments in the Formal Complaint. In particular, Met-Ed admitted that it issued a 10-day termination notice, but denied that a subsequent Commission payment arrangement is permitted for the Hildebrands' arrears. Met-Ed asserts that the customer defaulted on three Company payment arrangements and defaulted on a 2018 Commission payment arrangement. In its new matter, Met-Ed states that Complainants are not entitled to a subsequent Commission payment arrangement because there has been no documentation of a decrease in income or significant change in circumstances. Complainants did not file a response to Met-Ed's new matter.

On December 6, 2023, the Commission issued an initial telephonic hearing notice setting a formal call-in telephonic hearing for this matter for February 16, 2024 at 10:00 a.m. and assigned me as the presiding officer. In anticipation of that hearing, I issued a prehearing order on December 6, 2023, setting forth various rules that would govern that proceeding.

The initial hearing convened on February 16, 2024 as scheduled. Michael Hildebrand appeared on behalf of himself. Stacey Hildebrand did not appear. Mr. Hildebrand did not offer any exhibits into the record at the hearing.

Margaret A. Morris, Esquire appeared at the hearing on behalf of Met-Ed, along with one witness for Met-Ed, Charles Howlett, a Senior Compliance Specialist with First Energy Service Company. The following thirteen exhibits offered by Met-Ed were admitted into the record:

1. Met-Ed Exhibit 1 – Customer Contact History for the Hildebrands' Met-Ed account
2. Met-Ed Exhibit 2 – Detailed Statement of Account for the Hildebrands' Met-Ed account

3. Met-Ed Exhibit 3 – Payment History from 1/1/19 to 1/29/24 for the Hildebrands’ Met-Ed Account
4. Met-Ed Exhibit 4 – Medical Certificate History for the Hildebrands’ Met-Ed Account
5. Met-Ed Exhibit 5 – Summary of Payment Arrangements for the Hildebrands’ Met-Ed Account
6. Met-Ed Exhibit 6 - Commission’s Bureau of Consumer Service (BCS) Decision No. 3598936 regarding an informal complaint opened by Mr. Hildebrand on April 6, 2018
7. Met-Ed Exhibit 7 - BCS Decision No. 3741818 regarding an informal complaint opened by Mrs. Hildebrand on October 16, 2019
8. Met-Ed Exhibit 8 - BCS Decision No. 3809837 regarding an informal complaint opened by Mrs. Hildebrand on October 22, 2021
9. Met-Ed Exhibit 9 – Initial Decision and Commission Final Order issued at Docket No. C-2022-3030665
10. Met-Ed Exhibit 10 - BCS Decision No. 3852347 regarding an informal complaint opened by Mr. Hildebrand on July 22, 2022.
11. Met-Ed Exhibit 11 - BCS Decision No. 3874213 regarding an informal complaint opened by Mrs. Hildebrand on October 26, 2022.
12. Met-Ed Exhibit 12 - BCS Decision No. 3936389 regarding an informal complaint opened by Mrs. Hildebrand on August 22, 2023.
13. Met-Ed Exhibit 13 – Collection History for the Hildebrands’ Met-Ed Account

On March 14, 2024, I issued an order admitting Mr. Hildebrand’s late filed exhibit, Hildebrand Exhibit 1, which was documentation of Mr. Hildebrand’s Social Security income, and closing the record. The record in this case consists of the above-referenced exhibits and a transcript of 44 pages. For the reasons discussed below, the Formal Complaint will be denied.

FINDINGS OF FACT

1. Complainants are Michael and Stacey Hildebrand.
2. Respondent is Metropolitan Edison Company.
3. Complainants' household currently includes Mr. and Mrs. Hildebrand only. Tr. 9.
4. Mrs. Hildebrand does not have any income. Tr. 10.
5. Mr. Hildebrand is a seasonal worker for Nemo Pools and Spas (Nemo). Tr. 12.
6. When working for Nemo, Mr. Hildebrand works 40 hours a week making \$18 an hour, equaling \$3,120 per month. Tr. 12.
7. Mr. Hildebrand also receives a five percent commission for selling swimming pools for Nemo. Tr. 10.
8. The average pool Mr. Hildebrand sells is \$60,000, and he sells approximately five to six pools a year. Tr. 10-11.
9. When Mr. Hildebrand is not working for Nemo, he receives unemployment benefits. Tr. 12.
10. Mr. Hildebrand receives \$605 a week in unemployment benefits when he is not working for Nemo, equaling \$2,621.67 per month. Tr. 17.
11. Mr. Hildebrand receives \$2,783.70 per month before deductions in Social Security benefits. Hildebrand Exhibit 1.

12. In 2018, BCS directed a Level 2 payment arrangement for the Hildebrands on their Met-Ed account. Tr. 29; Met-Ed Exhibit 6.

13. At the time BCS directed a payment arrangement in 2018, the Hildebrands' gross monthly income was \$6,500 for a household of six. Met-Ed Exhibit 6.

14. The Hildebrands defaulted on the 2018 BCS directed payment arrangement due to nonpayment. Tr. 29.

DISCUSSION

The Complainants in this proceeding have the burden of proof to show that the Respondent is responsible or accountable for the problem described in the complaint. *Patterson v. Bell Tel. Co. of Pa.*, 72 Pa.P.U.C. 196 (1990), *Feinstein v. Phila. Suburban Water Co.*, 50 Pa.P.U.C. 300 (1976). The Complainants must establish their case by a preponderance of the evidence. *Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm'n*, 578 A.2d 600 (Pa. Cmwlth. 1990). To meet their burden of proof, the Complainants must present evidence more convincing, by even the smallest amount, than that presented by the Respondent. *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950). In this case, the Complainants requested a payment arrangement.

The Responsible Utility Customer Protection Act, 66 Pa.C.S. §§1401-19 (Chapter 14), applies to this proceeding. The Commission has the authority to establish a payment arrangement pursuant to 66 Pa.C.S. § 1405(a), within the strict guidelines set forth in 66 Pa.C.S. § 1405(b) based on where the household's gross income falls in relation to the federal poverty level guidelines. Specifically, Sections 1405(c), (d), (e), and (f) of Chapter 14 address limitations on payment arrangements as follows:

(c) Customer assistance programs. – Customer assistance program rates shall be timely paid and shall not be the subject of payment arrangements negotiated or approved by the commission.

(d) Number of payment arrangements.—Absent a change in income, the Commission shall not establish or order a public utility to establish a second or subsequent payment arrangement if a customer has defaulted on a previous payment arrangement established by a commission order or decision. A public utility may, at its discretion, enter into a second or subsequent payment arrangement with a customer.

(e) Extension of payment arrangements.—If the customer defaults on a payment arrangement established under subsections (a) and (b) as a result of a significant change in circumstance, the commission may reinstate the payment arrangement and extend the remaining term for an initial period of six months. The initial extension period may be extended for an additional six months for good cause shown.

(f) Failure to comply with payment arrangement. – Failure of a customer to comply with the terms of a payment arrangement shall be grounds for a public utility to terminate the customer’s service. Pending the outcome of a complaint filed with the commission, a customer shall be obligated to pay that portion of the bill which is not in dispute and subsequent bills which are not in dispute.

66 Pa.C.S. § 1405(c)-(f).

The Hildebrands were granted a Commission-ordered payment arrangement in 2018 when their gross monthly income was reported as \$6,500 for a household of six. Tr. 29; Met-Ed Exhibit 6.¹ The Hildebrands defaulted on their Commission-ordered payment arrangement due to nonpayment. Tr. 29. Although a public utility has discretion to allow multiple payment arrangements, absent a change in income, the Hildebrands are not eligible for another Commission-ordered payment arrangement. 66 Pa.C.S. § 1405(d). Chapter 14 defines “change in income” as:

¹ Met-Ed Exhibits 7 through 12 reflect five informal complaints and one formal complaint filed by the Hildebrands subsequent to receiving the Commission-ordered payment arrangement in 2018. Although these exhibits were admitted into the record, none of the proceedings resulted in a second or subsequent Commission-ordered payment arrangement or an extension of a prior Commission-ordered payment arrangement. Therefore, this Initial Decision only considers whether the Hildebrands are eligible for a second or subsequent Commission-ordered payment arrangement or an extension of a prior Commission-ordered payment arrangement in relation to the Commission-ordered payment arrangement reflected at Met-Ed Exhibit 6.

A decrease in household income of 20% or more if the customer's household income level exceeds 200% of the Federal poverty level or a decrease in household income of 10% or more if the customer's household income level is 200% or less of the Federal poverty level.

66 Pa.C.S. § 1403.

At the time of the evidentiary hearing, the Hildebrands' income included \$2,621.67 a month in unemployment benefits² and \$2,783.70 in social security benefits, which is a total of \$5,405.37 a month in gross household income for a household of two. Tr. 9, 17; Hildebrand Exhibit 1. This is a 16.8% decrease in gross monthly income compared to the \$6,500 in household income reported when the Commission ordered a payment arrangement in 2018.³ Additionally, the Hildebrands' gross monthly income and household size place them between 300% and 325% of the Federal poverty level (FPL).⁴ Given these facts, I find that the Hildebrands have not experienced a change in income as defined by Chapter 14 that would make them eligible for another Commission-ordered payment arrangement. Specifically, the Hildebrands' household income is greater than 200% of the FPL and they did not experience a 20% or more decrease in household income since they were provided a Commission-ordered payment arrangement in 2018. 66 Pa.C.S. §§ 1403, 1405(d).

During the evidentiary hearing, Mr. Hildebrand also explained that he is a seasonal worker and, when he is not receiving unemployment, he works 40 hours a week making \$18 an hour. Tr. 12. Even after taking Mr. Hildebrand's seasonal employment into account, the Hildebrands still would not be eligible for a new Commission-ordered payment arrangement under Chapter 14. Specifically, when Mr. Hildebrand is working for Nemo, the Hildebrands'

² Mr. Hildebrand testified that he receives \$605 a week in unemployment benefits, which equates to \$2,621.67 a month in unemployment benefits ($\$605 \times 52 \text{ weeks} / 12 \text{ months} = \$2,621.67$).

³ $((\$6,500 - \$5,405.37 / \$6,500) \times 100) = 16.8\%$.

⁴ See Federal poverty guidelines, 89 Fed. Reg. 2961 (Jan. 17, 2024); <https://aspe.hhs.gov/sites/default/files/documents/7240229f28375f54435c5b83a3764cd1/detailed-guidelines-2024.pdf>.

household income includes \$3,120 a month in wages⁵ and \$2,783.70 in social security benefits, which is a total of \$5,903.70 a month in gross household income for a household of two adults. This is a 9.2% decrease in gross monthly income compared to the \$6,500 in household income reported when the Commission ordered a payment arrangement in 2018.⁶

Chapter 14 also allows for the extension of a Commission-ordered payment arrangement if a customer defaults because of a significant change in circumstances. 66 Pa.C.S. § 1405(e). Chapter 14 defines “significant change in circumstances” as:

Any of the following criteria when verified by the public utility and experienced by customers with household income less than 300% of the Federal poverty level:

- (1) The onset of a chronic or acute illness resulting in a significant loss in the customer's household income.
- (2) Catastrophic damage to the customer's residence resulting in a significant net cost to the customer's household.
- (3) Loss of the customer's residence.
- (4) Increase in the customer's number of dependents in the household.

66 Pa.C.S. § 1403.

There is no evidence in the record that the default on the Hildebrands’ Commission-established payment arrangement in 2018 was due to a “significant change in circumstances” as defined by Chapter 14. The most recent BCS decision dismissing the Hildebrands’ request for a payment arrangement noted that claimed significant change in circumstances was due to the cost of car repairs. Met-Ed Exhibit 12. There is no evidence to show that the cost of car repairs was the cause of the Hildebrands’ default on the payment

⁵ $((\$18 \times 40 \text{ hours}) \times 52 \text{ weeks}) / 12 \text{ months}) = \$3,120$. This amount does not include any possible earnings from commissions.

⁶ $((\$6,500 - \$5,903.70 / \$6,500) \times 100) = 9.2\%$.

arrangement ordered by the Commission in 2018. Additionally, as illustrated above, costs related to car repairs is not a significant change in circumstances as defined by Chapter 14. Therefore, there is no basis to find that the Hildebrands' default on the 2018 Commission-ordered payment arrangement was caused by a significant change in circumstances warranting extension of a Commission-ordered payment arrangement.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties and the subject matter of this proceeding. 66 Pa.C.S. § 701.

2. Complainant has the burden of proof. 66 Pa.C.S. § 332(a).

3. The Responsible Utility Customer Protection Act, 66 Pa.C.S. §§ 1401-1419, applies to this proceeding.

4. The Commission is authorized to establish a payment arrangement between a public utility and a customer. 66 Pa.C.S. § 1405(a).

5. Absent a change in income, the Commission shall not establish or order a public utility to establish a second or subsequent payment arrangement if a customer has defaulted on a previous payment arrangement established by Commission order or decision. 66 Pa.C.S. § 1405(d).

6. If a customer defaults on a payment arrangement established by the Commission under subsections 1405(a) and (b) as a result of a significant change in circumstance, the Commission may reinstate the payment arrangement and extend the remaining term for an initial period of six months. The initial extension period may be extended for an additional six months for good cause shown. 66 Pa.C.S. § 1405(e).

