

**PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120**

Public Meeting held August 14, 2025

Commissioners Present:

Stephen M. DeFrank, Chairman
Kimberly Barrow, Vice Chair, Conflict Statement
Kathryn L. Zerfuss
John F. Coleman, Jr.
Ralph V. Yanora

Pennsylvania Public Utility Commission,
Bureau of Investigation and Enforcement

M-2025-3041757

v.

PPL Electric Utilities Corporation

OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the proposed Joint Petition for Approval of Settlement (Settlement Agreement or Joint Petition), filed on April 23, 2025, by the Commission's Bureau of Investigation and Enforcement (I&E) and PPL Electric Utilities Corporation (PPL or the Company) (collectively the Parties), with respect to an informal investigation conducted by I&E. The Joint Petition contains terms and conditions representing a comprehensive settlement, along with Statements in Support of the Settlement Agreement (Statements in Support). Both Parties submit that the proposed

Settlement Agreement is in the public interest and is consistent with our Policy Statement at 52 Pa. Code § 69.1201, *Factors and standards for evaluating litigated and settled proceedings involving violations of the Public Utility Code and Commission regulations—statement of policy* (Policy Statement). Settlement Agreement at ¶ 36.

For the reasons set forth herein, we shall grant the Joint Petition and, thereby, approve the proposed Settlement Agreement, consistent with this Opinion and Order.

I. History of the Proceeding

This matter concerns an informal investigation initiated by I&E based on a referral from I&E's Electric Safety Division (Electric Safety) regarding an incident that occurred on December 9, 2022. The incident involved a hot leg wire burning open on the secondary side of the transformer and falling onto a communications line beneath it on the pole, causing a fire at a service address in Carbondale, Pennsylvania (Carbondale Incident). As a result of the Carbondale Incident, approximately 2,538 PPL customers in Carbondale, Lackawanna County, lost electric service for several hours. Settlement Agreement at ¶ 12, 14.

After the Carbondale Incident occurred, I&E initiated an informal investigation of PPL based upon Electric Safety's referral. Through its informal investigation, I&E gathered information and concluded that sufficient data had been gathered to substantiate PPL's alleged violation of the Commission's Regulations at

52 Pa. Code § 57.28(a)(1)¹ and 52 Pa. Code § 57.28(b),² *Electric safety standards*. Settlement Agreement at ¶ 27.

The Parties entered into negotiations and agreed to resolve these matters in accordance with the Commission’s policy to promote settlements at 52 Pa. Code § 5.231. Settlement Agreement at ¶ 13. The Parties filed the instant Settlement Agreement on April 23, 2025.

In order to provide the opportunity for public input on the merits of the Settlement, and consistent with the requirement of 52 Pa. Code § 3.113(b)(3), by Opinion and Order entered June 5, 2025 (*June 2025 Order*), at this docket, we provided interested parties with the opportunity to file comments regarding the proposed Settlement Agreement. More specifically, the Commission directed that the *June 2025 Order*, which included the Settlement Agreement as an Attachment, be published in the *Pennsylvania Bulletin* to allow for the filing of comments. In order to be considered timely, comments were due within twenty-five (25) days of the publication date of the *June 2025 Order* in the *Pennsylvania Bulletin*.

¹ 52 Pa. Code § 57.28(a)(1) provides, in pertinent part, as follows:

[a]n electric utility shall use reasonable effort to properly warn and protect the public from danger, and shall exercise reasonable care to reduce the hazards to which employees, customers, the public and others may be subjected to by reason of its provision of electric utility service and its associated equipment and facilities.

52 Pa. Code § 57.28(a)(1).

² 52 Pa. Code § 57.28(b), provides, in pertinent part, as follows: “[a]n electric utility shall comply with the minimum safety standards established by the National Electric Safety Code pursuant to its terms of applicability.” 52 Pa. Code § 57.28(b).

On June 21, 2025, the *June 2025 Order*, along with the Settlement Agreement and Statements in Support, were published in the *Pennsylvania Bulletin* at 55 Pa.B. 4308. In accordance with the *June 2025 Order*, comments on the proposed Joint Settlement were due on or before July 16, 2025 (*i.e.*, twenty-five (25) days after the *June 2025 Order* was published). No comments were filed.

II. Background

A. I&E's Informal Investigation

As indicated above, the basis for the instant Settlement Agreement stemmed from Electric Safety's referral following the Carbondale Incident. As a result of Electric Safety's referral, I&E opened an informal investigation of PPL regarding the Carbondale Incident. As part of its investigation, on December 15, 2022, I&E served PPL with a Data Request. On December 22, 2022, PPL provided its response to the Data Request. PPL also conducted a root cause analysis that revealed the timeline and series of events that culminated in the Carbondale Incident. As part of its root cause analysis, PPL determined, *inter alia*, that the open wire secondary failure was due to improper cleaning of the conductor between the transformer lead and the open wire secondary. Settlement Agreement at ¶¶ 14-25.

I&E's investigation included a careful review of PPL's response to the Data Request, including the information contained in PPL's root cause analysis, as well as a review of the Commission's relevant regulations and statues. Settlement Agreement at ¶ 26. Thereafter, following its informal investigation, I&E was prepared to contend that PPL violated the Commission's Regulations regarding electric safety standards at 52 Pa. Code § 57.28(a)(1) and 52 Pa. Code § 57.28 (b). *Id.* at ¶¶ 26-27.

B. Alleged Violations

I&E was prepared to contend, through filing a formal complaint, that PPL violated the Commission's Regulations regarding electric safety standards at 52 Pa. Code § 57.28(a)(1) and 52 Pa. Code § 57.28 (b) because "PPL failed to properly clean the improper cleaning of the conductor between the transformer lead and the open wire secondary." Settlement Agreement at ¶¶ 26-27. More specifically, I&E alleged that, if proven, PPL's failure would constitute: (1) a violation of 52 Pa. Code § 57.28(a)(1), which provides that "[a]n electric utility ... shall exercise reasonable care to reduce the hazards to which employees, customers, the public and others may be subjected to by reason of its provision of electric utility service and its associated equipment and facilities"; and (2) a violation of 52 Pa. Code § 57.28(b), which provides that "[a]n electric utility shall comply with the minimum safety standards established by the National Electric Safety Code (NESC) pursuant to its terms of applicability." *Id.* at ¶ 27.

With respect to the PPL's alleged violation of 52 Pa. Code § 57.28(b), I&E was prepared to contend that PPL violated the following two NESC provisions: (1) NESC 421.A.2, which provides that "a first-level supervisor or person in charge...shall...[s]ee that the safety rules and operating procedures are observed by the employees under the direction of that individual; and (2) NESC 214.A.5, which provides that "[l]ines and equipment with recorded conditions or defects that would reasonably be expected to endanger human life or property shall be promptly corrected, disconnected, or isolated." Settlement Agreement at ¶ 27.

If this matter had been litigated, PPL would have denied the alleged violations, raised defenses and/or mitigating factors in support of its defense, and defended against the same at a hearing. Settlement Agreement at ¶ 28.

As a result of negotiations, the Parties entered into the proposed Settlement Agreement to resolve their differences. The Parties assert that the proposed Settlement Agreement is in the public interest and should, therefore, be approved by the Commission. Settlement Agreement at ¶¶ 32, 36.

III. Terms of the Settlement³

The Parties state that the purpose of the Settlement is to terminate I&E's informal investigation and settle this matter completely without litigation. Both Parties jointly acknowledge that approval of the Settlement Agreement is in the public interest and is fully consistent with the Commission's Policy Statement. Moreover, the Parties agree that the Settlement Agreement is in the public interest because it effectively addresses I&E's allegations that are the subject of I&E's informal investigation, it avoids the inherent unpredictability of the outcome of a contested proceeding, and it recognizes the need to prevent the reoccurrence of misconduct. Settlement Agreement at ¶¶ 30-32. Additionally, the Settlement Agreement emphasizes the importance of compliance with the Commission's Regulations by imposing a civil penalty to deter further incidents. *Id.* at ¶¶ 34.

The essential terms of the Settlement are set forth in Paragraph Nos. 33 and 34 of the Joint Petition, which are recited in full, below, as they appear in the Joint Petition:

33. I&E and PPL, intending to be legally bound and for consideration given, desire to fully and finally conclude this informal investigation and agree to stipulate as to the

³ Pages 7 through 11 of the Settlement Agreement set forth the full Settlement Terms and Conditions.

following terms solely for the purposes of this Settlement Agreement:

- A. PPL Electric Utilities shall provide I&E-Electric Safety Division a list of 50 examples of previously completed work involving conductors between the transformer primary lead and secondary (crimped) connections over the past five years in Lackawanna and Luzerne Counties including, but not limited to, the Wilkes Barre/Scranton/Carbondale areas or, if extending beyond Lackawanna and Luzerne Counties, the service territory of the crew assigned to service the Carbondale area.
 - (i) Upon review of this list, the Electric Safety Division shall choose up to 30 percent of the previously completed work, which PPL shall then conduct a thorough overhead line inspection and thermal imaging inspection.
 - (ii) During the inspection process, PPL shall record and analyze any defects or otherwise unsatisfactory work and devise remedial measures or changes to its procedures to avoid work quality related failures and incidents going forward.
 - (iii) At the conclusion of the inspections, PPL shall share the findings of these inspections with Electric Safety.
 - (iv) Should there be more than two (2) crimped connections that are defective or otherwise show signs of unsatisfactory work, Electric

Safety shall reserve the right to request further inspections of previously completed work involving conductors between the transformer primary lead and secondary (crimped) connections completed over the past five years in Lackawanna and Luzerne Counties or the service territory of the crew assigned to service the Carbondale area if it extends beyond those two counties.

- B. PPL Electric Utilities shall review its overhead transformer installation procedures and create a provision for proper conductor cleaning and crimping procedures. A provision for performing a polarity check and verification prior to re-connecting the secondary lines shall be added to the procedure if this provision is not already in place.

34. Additionally, PPL shall pay a civil penalty of \$4,500 within thirty (30) days of the Commission's Final Order approving the Settlement.

Settlement Agreement at ¶¶ 33-34

The Parties further represent that, through the Joint Petition, PPL acknowledges the seriousness of I&E's allegations and recognizes the need to prevent the reoccurrence of misconduct which was the subject of I&E's investigation. Settlement Agreement at ¶ 31. In consideration of PPL's agreement to the terms of the Joint Petition, and upon the Commission's approval of the Joint Petition without modification, I&E agrees that it will not file any complaints or initiate other action against PPL at the Commission with respect to the allegations which were the subject of I&E's investigation. *Id.* at ¶¶ 31, 35.

Additionally, the Parties indicate that the Joint Petition represents the Settlement Agreement in its entirety. The proposed Settlement Agreement is conditioned on the Commission's approval without modification of any of its terms or conditions. If the Commission rejects the proposed Settlement Agreement, or makes any change or modification thereto, either Party may elect to withdraw from the Settlement Agreement. Moreover, the Settlement Agreement represents a compromise of positions and does not constitute a finding of culpability or an admission concerning the alleged violations. Finally, the Parties present the Settlement Agreement without prejudice to any position that I&E or PPL may advance in the future on the merits of the issues in any future proceeding, except to the extent necessary to effectuate the terms and conditions of the Settlement Agreement. Settlement Agreement at ¶¶ 37-42.

IV. Discussion

The focus of inquiry for determining whether a proposed uncontested settlement should be recommended for approval is not a "burden of proof" standard, as is utilized for contested matters. *Pa. PUC, et al. v. City of Lancaster - Bureau of Water*, Docket Nos. R-2010-2179103, *et al.* (Order entered July 14, 2011). Rather, the benchmark for determining the acceptability of the proposed Settlement is whether the proposed terms and conditions are in the public interest. *Id.* (citing *Warner v. GTE North, Inc.*, Docket No. C-00902815 (Order entered April 1, 1996); *Pa. PUC v. C.S. Water and Sewer Associates*, 74 Pa. P.U.C. 767 (1991)).

Pursuant to our Regulations at 52 Pa. Code § 5.231, it is the Commission's policy to promote settlements. The Commission must review proposed settlements to determine whether the terms are in the public interest. *Pa. PUC v. Philadelphia Gas Works*, Docket No. M-00031768 (Order entered January 7, 2004). Based on our review of the terms of the Settlement Agreement, we find that it is in the public interest.

Furthermore, consistent with the Commission’s policy to promote settlements, we have promulgated a Policy Statement at 52 Pa. Code § 69.1201, which sets forth ten (10) factors that we may consider in evaluating whether a civil penalty for violating a Commission Order, Regulation, or Statute is appropriate, as well as if a proposed settlement for a violation is reasonable and approval of the settlement agreement is in the public interest. The Policy Statement sets forth the guidelines we use when determining whether, and to what extent, a civil penalty is warranted. The Commission will not apply the factors as strictly in settled cases as in litigated cases. 52 Pa. Code § 69.1201(b). While many of the same factors may still be considered, in settled cases, the parties “will be afforded flexibility in reaching amicable resolutions to complaints and other matters so long as the settlement is in the public interest.” *Id.* In the instant case, we find that application of these guidelines supports approval of the Settlement Agreement.

The first factor we may consider is whether the conduct at issue is of a serious nature. 52 Pa. Code § 69.1201(c)(1). “When conduct of a serious nature is involved, such as willful fraud or misrepresentation, the conduct may warrant a higher penalty. When the conduct is less egregious, such as administrative filing or technical errors, it may warrant a lower penalty.” *Id.*

This proceeding involves allegations that PPL failed to properly clean the conductor between a transformer lead and the open wire secondary. If the allegations were proven, PPL’s conduct would violate the Commission’s regulations requiring PPL to exercise reasonable care to reduce hazards and to comply with minimum safety standards established by the NESC. Settlement Agreement at ¶¶ 26-27 (citing 52 Pa. Code § 57.28(a)(1) and 52 Pa. Code § 57.28(b)). I&E asserts that the conduct at issue was a technical or mechanical error stemming from a failure to correctly apply grease at the crimp, and was not intentional, willful, or reckless. I&E Statement in Support at 5. Similarly, PPL maintains that it did not engage in willful fraud or

misrepresentation to warrant a higher civil penalty. PPL Statement in Support at 6. We find PPL's lack of willful misconduct to be a mitigating factor.

The second factor we may consider is whether the resulting consequences of the conduct at issue were of a serious nature. 52 Pa. Code § 69.1201(c)(2). "When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty." *Id.* I&E asserts that the consequences of PPL's conduct were serious because 2,538 customers were without electric service for several hours. Additionally, I&E points out that PPL's conduct also resulted in a "small fire on the property nearest the line failure." While I&E indicates that the extent of the fire is unknown, I&E also states that the impacted structure was safe and that no injuries were reported. Finally, I&E concludes by recognizing that "the Commission takes seriously any downed line incident." I&E Statement in Support at 5. Like I&E, PPL acknowledges the Carbondale Incident's impact on the affected customers; however, PPL contends that its conduct did not result in personal injury or consequence of a similar nature that may warrant a higher penalty. PPL Statement in Support at 6.

We find that PPL's conduct was of a serious nature. While it is certainly fortuitous that no personal injuries or property damage resulted from the Carbondale Incident, circumstances could have been different. As I&E noted, the Carbondale Incident resulted in a fire on the property nearest the line failure, and a downed line, which demonstrate the dangerous conditions created by PPL's conduct. Aside from physical danger, the Carbondale Incident impacted the lives of 2,538 customers who were forced to be without power for several hours due to a preventable outage. We find these facts to be aggravating factors.

The third factor we may consider is whether the conduct at issue was deemed intentional or negligent. 52 Pa. Code § 69.1201(c)(3). "When conduct has been

deemed intentional, the conduct may result in a higher penalty.” *Id.* The third factor pertains to litigated cases only. *Id.* Because this proceeding was settled, this factor is not applicable to this Settlement Agreement and we need not consider it in assessing the appropriate civil penalty for PPL.

The fourth factor we may consider is whether the regulated entity made efforts to modify internal practices and procedures to address the conduct at issue and prevent similar conduct in the future. These modifications may include activities such as training and improving company techniques and supervision. The amount of time it took the utility to correct the conduct once it was discovered and the involvement of top-level management in correcting the conduct may also be considered. 52 Pa. Code § 69.1201(c)(4).

In this case, the Settlement Agreement indicates that PPL has committed to undertaking an extensive review of its prior work involving conductors between the transformer primary lead and secondary (crimped) connections over the past five years in Lackawanna and Luzerne Counties. Moreover, PPL has agreed to afford I&E’s Electric Safety Division with an opportunity to choose and review portions of PPL’s completed work for further inspections targeted to avoiding identifying, analyzing and remediating defects to avoid further incidents. Settlement Agreement at ¶ 33; I&E Statement in Support at 6; PPL Statement in Support at 6. I&E avers that PPL’s commitments will enable Electric Safety to determine if the events underlying the Carbondale Incident are the result of an isolated issue or are more widespread. I&E Statement in Support at 5. Finally, PPL points out that it responded quickly to restore power to impacted customers. PPL Statement in Support at 6.

We find PPL’s commitment to undertake the extensive review of its prior work involving conductors between the transformer primary lead and secondary (crimped) connections to be significant because it represents an important step in

identifying and preventing further occurrences like the Carbondale Incident. We note that PPL has agreed to provide Electric Safety with an opportunity to review its prior work and to audit completed work in order to target and remediate defects. Because identifying and addressing defects is paramount to protecting public safety and to better ensuring future compliance with applicable standards and Commission Regulations, we find PPL's commitment to undertake remedial action to be a significant mitigating factor. We also find PPL's quick response to be a mitigating factor. We further conclude that this factor supports a finding that the Settlement is in the public interest.

The fifth factor we may consider is the number of customers affected by the Company's actions and the duration of the violation. 52 Pa. Code § 69.1201(c)(5). In this case, I&E states that the Carbondale Incident resulted in 2,538 PPL customers losing power. At the same time, I&E also asserts that the duration of the outage was fairly short and that PPL quickly made the appropriate repairs to restore power. I&E Statement in Support at 6. PPL also avers that the Company quickly responded to the Carbondale incident and that it restored power to all customers within several hours. PPL Statement in Support at 6.

Our analysis of the Settlement Agreement must be informed by the fact that the Carbondale Incident resulted in a significant number of customers being without power for several hours, demonstrating a substantial impact upon homes, businesses, and communities who were without electric service. While the impact is not diminished by PPL's ability to restore power within several hours, we do recognize PPL's efforts to respond quickly to mitigate the duration of the service interruption. While we find the impact of 2,538 PPL customers losing electric service due to a preventable outage to be an aggravating factor, we find PPL's quick response time to limit the duration of the impact to be a mitigating factor.

The sixth factor we may consider is the compliance history of the regulated entity that committed the violation. 52 Pa. Code § 69.1201(c)(6). “An isolated incident from an otherwise compliant utility may result in a lower penalty, whereas frequent, recurrent violations by a utility may result in a higher penalty.” *Id.* I&E states that PPL has been the subject of two enforcement actions by I&E in the past three years. First, I&E indicates that in *Pa. P.U.C., Bureau of Investigation and Enforcement v. PPL Electric Utilities Corp.*, Docket No. M-2023-3038060, PPL settled allegations that it violated multiple Commission regulations relating to its billing practices, paying \$1,000,000 into its hardship fund in lieu of a civil penalty. Next, I&E explains that the case of *Pa. P.U.C., Bureau of Investigation and Enforcement v. PPL Electric Utilities Corp.*, Docket No. C-2023-3044727, is pending to address PPL’s alleged failure to properly mark an underground line, resulting in an injury to the worker of a contractor. I&E Statement in Support at 6-7.

In addition to the enforcement actions, I&E indicates that the Commission has imposed civil penalties upon PPL related to improper billing. The prior matters that I&E identified include the following: (1) *Judith Taptich v. PPL Electric Utilities Corp.*, Docket No. C-2023-3042726 (Final Order issued September 20, 2024), whereby the Commission imposed a \$500 civil penalty upon PPL for failing to render the customer’s bill for two billing periods; and (2) *Judith Wallace v. PPL Electric Utilities Corp.*, Docket No. F-2023-3042297 (Final Order issued March 29, 2024), whereby the Commission imposed a \$200 civil penalty upon PPL for incorrectly calculating the customer’s bill. I&E Statement in Support at 7.

For PPL’s part, PPL does not identify prior incident of non-compliance. Instead, PPL asserts a belief that the Company’s compliance history weighs in favor of the agreed-upon civil penalty and that the Carbondale Incident is an isolated incident from an otherwise compliant utility. PPL Statement in Support at 6.

In evaluating PPL's compliance history, we recognize I&E's assertion that PPL has been the subject of two enforcement actions in the past three years, and at least two sustained customer billing complaints. While we recognize that the incident involving PPL's alleged failure to properly mark an underground line is still pending at Docket No. C-2023-3044727, we find PPL's compliance history to be significant. At the same time, we acknowledge that aside from the pending matter, the compliance history that I&E identified related to billing issues that are unrelated to PPL's alleged misconduct underlying the Carbondale Incident. PPL's conduct at issue in this matter, *i.e.* PPL's alleged failure to create and provide for proper conductor cleaning and crimping procedures, has not previously been the subject of an I&E complaint nor the basis for any prior determination of non-compliance with the Commission's Regulations. Therefore, in totality, we do not find PPL's compliance history to be an aggravating factor as it relates to the circumstances in this case.

The seventh factor we may consider is whether the regulated entity cooperated with the Commission's investigation. Facts establishing bad faith, active concealment of violations, or attempts to interfere with Commission investigations may result in a higher penalty. 52 Pa. Code § 69.1201(c)(7). Our analysis of this factor is guided by the Settlement Agreement's terms outlining PPL's voluntary compliance with I&E's investigation. Specifically, the Settlement Agreement demonstrates PPL's compliance by citing the fact that PPL submitted a timely response to I&E's Data Request and by explaining that PPL engaged in a root cause analysis to determine the cause of the conductor failure. Settlement Agreement at ¶¶ 18-19. Overall, I&E represents that PPL fully cooperated with its investigation. I&E Statement in Support at ¶ 7.

PPL also indicates that it fully cooperated with I&E's investigation. PPL also averred that the Company never engaged in bad faith, active concealment of violations, or attempts to interfere with I&E's investigation. PPL Statement in Support

at 6. The facts identified in the Settlement Agreement are consistent with PPL's representations. *See* Settlement Agreement at ¶¶ 15-24. Accordingly, after evaluating PPL's level of cooperation with I&E's investigation, we find it to be a mitigating factor. In addition, we find that this factor supports a finding that the Settlement is in the public interest.

The eighth factor to be considered is the appropriate civil penalty or fine necessary to deter future violations. 52 Pa. Code § 69.1201(c)(8). "The size of the company may be considered to determine an appropriate penalty amount." *Id.*

From its standpoint, I&E views a civil penalty of \$4,500 to be sufficient to deter future violations of the applicable Commission regulations by PPL. I&E Statement in Support at 7. PPL also agrees that a civil penalty of \$4,500 provides sufficient deterrence. Specifically, PPL indicates that it "takes any civil penalty very seriously and strives to implement procedures to avoid civil penalties." PPL Statement in Support at 7.

Overall, we agree with I&E and PPL that a civil penalty of \$4,500 will provide sufficient deterrence against future violations. As part of our consideration, we acknowledge PPL's significant size, as it is a large electric distribution company, which serves approximately 1.4 million customers in all, or portions of, 29 counties in eastern and central Pennsylvania. *See* PPL Statement in Support at 1. While PPL's size is a factor that weighs in favor of a higher level of civil penalty to deter future violations, we also recognize that PPL has committed to undertaking significant remedial measures intended to prevent future violations of the Commission's Regulations, which demonstrates that PPL is actively seeking to avoid further non-compliance. *See* Settlement Agreement at ¶ 33. Moreover, we will consider the fact that PPL's alleged misconduct in failing to appropriately clean the conductor between a transformer lead and the open wire secondary comes before us for the first time. In considering PPL's size, PPL's agreement to undertake remedial measures to prevent further

occurrences like the Carbondale Incident, and that this is the first type of incident involving the alleged misconduct, we concur with the Parties that the agreed-upon civil penalty of \$4,500 is sufficient to deter future violations and supports a finding that the Settlement Agreement is in the public interest. Notwithstanding our determination in this matter, we caution PPL to fully commit to undertaking the remedial measures identified in the Settlement Agreement, as any further incidents stemming from the conduct at issue will prove to warrant a higher level of civil penalty.

The ninth factor we may consider relates to past Commission decisions in similar situations. 52 Pa. Code § 69.1201(c)(9). We note that neither I&E nor PPL have identified past decisions to aid our consideration of this factor.

While it appears from our review that no prior cases directly align with the facts and circumstances of this matter, we are guided by a prior case involving a jurisdictional utility's failure to comply with NESC standards, which is a violation alleged by I&E in the instant proceeding. *See* Settlement Agreement at ¶ 27; *Gerald G. Johnson and Jean H. Johnson et al. v. Metropolitan Edison Company*, Docket Nos. C-20077995 et al. (Order entered May 7, 2009) (*Johnson v. Met-Ed*). In *Johnson v. Met-Ed*, the Commission sustained the Johnsons' Formal Complaint against Met-Ed alleging that Met-Ed was creating a safety hazard by failing to remove twenty-year old, unenergized lines from their property. Met-Ed refused to remove the lines, arguing that no safety risks existed. *Johnson v. Met-Ed* at 2. In sustaining the Johnsons' Formal Complaint, the Commission found, *inter alia*, that Met-Ed incorrectly interpreted the requirements of the NESC as to its transmission lines and that it failed to achieve compliance and to provide adequate service. *Id.* at 12-13. As a consequence, the Commission imposed a \$25,000 civil penalty on Met-Ed. In the course of considering the penalty, the Commission considered, as aggravating factors, that Met-Ed's unwillingness to remove its facilities was intentional, and that its top-level management

was not forthcoming in taking remedial actions, heightening the level of penalty necessary to deter further conduct. *Id.* at 12-13.

While, like *Johnson v. Met-Ed*, this matter involves allegations that PPL violated NESC standards, PPL's conduct does not warrant the level of deterrence contemplated in a \$25,000 penalty. Here, PPL quickly complied with I&E's investigation following the Carbondale Incident. While PPL may not have agreed with I&E's allegations regarding violations of the NESC, unlike Met-Ed, PPL did not delay in addressing the concerns underlying I&E's allegations. On the contrary, PPL worked cooperatively with I&E to develop a comprehensive framework intended to identify and remediate safety issues. Accordingly, we find that, in light of the differences between Met-Ed's prior violations of the NESC and PPL's conduct in this matter, a significantly lower civil penalty is warranted in this case.

Specifically, we find that the \$4,500 civil penalty is appropriate under the combined facts and terms underlying the Settlement Agreement. As discussed, *supra*, our consideration of the civil penalty amount is also informed by the fact that PPL has undertaken additional non-monetary corrective actions designed to prevent similar misconduct from occurring in the future. *See* Settlement Agreement at ¶ 33. When viewed in combination with the civil penalty amount, we find that PPL's commitment to adopting remedial measures that will be subject to further review by Electric Safety lends further support for a determination that the agreed-upon civil penalty is appropriate and that the Settlement Agreement is in the public interest.

The tenth factor that the Commission may consider is "other relevant factors." 52 Pa. Code § 69.1201(c)(10). In this proceeding, neither party identifies additional relevant factors for our consideration. Regardless, we find that the Parties cooperation in resolving this matter through the proposed Settlement Agreement in lieu of litigation to be a relevant factor. A settlement conserves the time and expense that

parties must expend in litigating a case, while at the same time conserving administrative resources. *See, e.g.*, I&E Statement in Support at 7-8. Aside from conserving time and resources, settlements often afford parties with the opportunity to pursue results that may be more preferable to those achieved by full litigation. In this case, in particular, we acknowledge that the Settlement Agreement resulted in the Parties developing a comprehensive framework intended to ensure that PPL audits its prior work in order to facilitate a more targeted and meaningful review inspection by Electric Safety. We find this factor to be significant because prevention of future violations is necessary to protect public safety; therefore, the Parties' commitments are of paramount importance.

For the reasons set forth above, after reviewing the terms of the Settlement Agreement, we find that approval of the Settlement Agreement is in the public interest and is consistent with the terms of our *Policy Statement* and our past decisions. When considering the appropriateness of a financial penalty, we are cognizant of the fact that the primary purpose of a penalty is to influence future behavior and to ensure that similar events are avoided in the future. Given the nature of the allegations in this case, as well as consideration of all of the above factors taken collectively, we are of the opinion that a civil penalty of \$4,500 is appropriate. In our view, this amount will be sufficient to deter future violations and it is consistent with our prior decisions in other proceedings as well as the Code. Importantly, the non-financial terms of the proposed Settlement Agreement appropriately ensure that PPL's procedures are revised in order to safeguard against incidents of non-compliance with the Commission's Regulations. Accordingly, in the ordering paragraphs below, we shall direct that, as agreed upon in the Settlement Agreement, PPL shall remit a civil penalty in the amount of \$4,500 within thirty (30) days of the entry date of this Opinion and Order.

For the reasons set forth above, we find that approval of the Settlement is in the public interest and is consistent with the terms of our Policy Statement and our past decisions. Therefore, we shall approve the Settlement Agreement, without modification.

V. Conclusion

It is the Commission's policy to promote settlements. 52 Pa. Code § 5.231(a). The Parties herein have provided the Commission with sufficient information upon which to thoroughly consider the terms of the proposed Settlement Agreement. Based on our review of the record in this case, the Commission's Regulations and policy statements, as well as the forgoing discussion, we find that the proposed Settlement Agreement between I&E and PPL is in the public interest and merits approval. We will therefore approve the Settlement Agreement, without modification, consistent with this Opinion and Order; **THEREFORE,**

IT IS ORDERED:

1. That the Joint Petition for Approval of Settlement filed on April 23, 2025, by the Commission's Bureau of Investigation and Enforcement and PPL Electric Utilities Corporation, at Docket No. M-2025-3041757, is in the public interest and is hereby approved, without modification.
2. That, in accordance with Section 3301 of the Public Utility Code, 66 Pa.C.S. § 3301, within thirty (30) days of the date of entry of this Opinion and Order, PPL Electric Utilities Corporation, shall pay a civil penalty of Four Thousand Five Hundred Dollars (\$4,500). Said payment shall be made by certified check or money order payable to "the Commonwealth of Pennsylvania." The docket number of this

proceeding shall be indicated on the certified check or money order and the payment shall be sent to:

Matthew L. Homsher, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17120

3. That a copy of this Opinion and Order shall be served upon the Financial and Assessment Chief, Bureau of Administration.

4. That the Bureau of Administrative Services Assessment Section shall monitor this matter for compliance.

5. That, if PPL Electric Utilities Corporation fails to make the civil penalty payment required above within thirty (30) days of the entry of the final Commission Order in this proceeding, the Bureau of Administrative Services Assessment Section shall refer this matter to the Pennsylvania Office of Attorney General for collection of the total amount set forth above and any other appropriate action.

6. That the above-captioned matter shall be marked closed upon receipt of the civil penalty of \$4,500.

BY THE COMMISSION,

A handwritten signature in black ink, appearing to read "Matthew L. Homsher". The signature is written in a cursive style with a large initial "M".

Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: August 14, 2025

ORDER ENTERED: August 14, 2025