PENNSYLVANIA
PUBLIC UTILITY COMMISSION
Harrisburg, PA 17120

Public Meeting held August 14, 2025

Commissioners Present:

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

Douglas Smith C-2024-3046013

v.

PPL Electric Utilities Corporation

OPINION AND ORDER

BY THE COMMISSION:

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition are the Exceptions filed by PPL Electric Utilities Corporation (PPL or the Company) on October 16, 2024, in response to the Initial Decision (Initial Decision or I.D.) of Administrative Law Judge (ALJ) Gail M. Chiodo, which was issued on September 26, 2024, in the above-captioned proceeding. No Replies to Exceptions were filed. In the Initial Decision, ALJ Chiodo granted, in part, and denied, in part, the Formal Complaint (Complaint) filed by

Douglas Smith (Mr. Smith or the Complainant) on February 5, 2024.[1] For the reasons discussed below, we shall deny the Company's Exceptions and adopt the ALJ's Initial Decision, consistent with this Opinion and Order.

I. Background

This case involves a Complaint filed by Mr. Smith, a PPL customer, alleging that: (1) PPL incorrectly billed the Complainant at the small general service rate (Rate GS-1 or commercial rate) for service to his detached garage instead of the residential rate (Rate RS or residential rate); and (2) PPL provided the Complainant with unreasonable service by failing to inform the Complainant that it would apply the GS-1 rate, including application of a demand charge, for electric service to his detached garage.

The Complainant contacted PPL in May of 2022, prior to electrifying the detached garage at his single-family residence for purposes of charging a plug-in hybrid electric vehicle (EV) and for the eventual use of charging a fully electric vehicle.[2] After speaking with multiple PPL representatives over the course of several months, and having the detached garage evaluated by a PPL representative, the Complainant hired a

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[1] The Complainant initially filed an Informal Complaint with the Commission's Bureau of Consumer Service (BCS) at BCS Case No. 3961812 on January 17, 2024. BCS issued its Informal Decision on the Complainant's Informal Complaint on January 25, 2024, in which it closed the Complainant's Informal Complaint filed against PPL for a lack of jurisdiction. Complaint at 4; PPL Exh. 5 at 1-6. The Complainant indicates that his Formal Complainant is an appeal of the BCS decision. *See* Complaint at 4. In the present case, we recognize that the Complainant did not follow the procedure for a request for review of a BCS decision as provided for in the Commission's Regulations at 52 Pa. Code § 56.172, therefore we will consider it as a formal complaint.

[2] The Complainant received residential electric service from PPL at his townhouse for over 20 years at the time he contacted PPL in May of 2022. *See* Tr. at 17; I.D. at 5, FOF No. 7.

contractor to electrify the garage. PPL installed a meter at the Complainant's garage[3] and also established a service account for the garage in approximately August of 2022. Although the Complainant was not aware of it until after contacting PPL regarding a high bill on January 10, 2024, PPL established the service account for the Complainant's garage as a small general service account subject to the GS-1 rate, rather than the residential rate, *i.e.*, Rate RS. On January 10, 2024, approximately one year and eight months after Mr. Smith initially contacted PPL about electrifying his garage for purposes of charging an EV, a PPL customer service representative (CSR) informed Mr. Smith that "all garages are billed on a commercial rate" unless they are designed as a living space.[4] Tr. at 19; PPL Exh. 2. Tr. at 12-21; PPL Exh. No. 2. This was the first time a representative of PPL advised Mr. Smith that the garage was being billed at a commercial rate, as opposed to residential rate. Thus, instead of a residential rate, Mr. Smith's garage usage was subject to the GS-1 commercial rate.

PPL's tariffed Rate Schedule GS-1 is for single phase, nonresidential service at secondary voltage and other applications. The net monthly rate under GS-1 is determined by a distribution charge consisting of a customer charge of $22 per month in addition to a demand charge of $4.361 per billing kilowatt (kW). PPL Exh. 8 at 6; Tr. at 36. Demand is measured in fifteen-minute increments and the maximum usage during that billing period is multiplied by $4.36, and that is what the customer is charged for that month. Residential accounts are not billed a demand charge. Tr. at 38.

After learning that the garage was being billed at the commercial rate, the Complainant determined that charging his hybrid EV at the commercial rate was

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[3] The Complainant's garage was served through a second meter and not the same meter that served his residence. I.D. at 10, FOF No. 38; Tr. at 28, 36.

[4] We note that the information provided by the CSR was inaccurate. A detached garage served by the same meter that serves a single family dwelling would be subject to the residential rate. *See* PPL Exh. No. 8 at 3, PPL Rate Schedule RS, Application Provisions, (1)(a).

uneconomical and canceled the electric service for his garage as of January 13, 2024. Tr. at 20-23; PPL Exh. 2 at 2; Complaint at 3, 4. After cancelling the service to the garage, Mr. Smith filed a Complaint. As relief, Mr. Smith requested that a reasonable rate for service be established for his garage in the form of either a residential rate or an EV rate. In the alternative, the Complainant requested that PPL be required to reimburse him for the cost of electrifying the garage. Complaint at 5.

II. History of Proceeding

On February 5, 2024, Mr. Smith filed the Complaint against PPL and checked the box "other" as the reason for his Complaint. Mr. Smith averred that he receives residential electric service from PPL. Mr. Smith further averred that in May 2022, he contacted PPL to inquire about starting the process of having his detached garage, which is located 136 feet from his residence, electrified and having service connected to it so that he could charge his plug-in hybrid electric vehicle and a future full electric vehicle which he intended to purchase. I.D. at 2.

Mr. Smith further averred that after his discussions with several PPL customer service representatives, and a meeting at his garage with a PPL technician, Mr. Smith hired and paid an electrician approximately $4,000 to have his garage electrified, following which PPL connected service to his garage by installing a second meter at the garage. However, Mr. Smith alleged that he cannot afford to charge his vehicle because PPL bills him at a commercial rate –which may include a demand charge of $4.36125 per kW, for service to his garage, which is a much higher rate than the residential rate PPL charges him for service to his home. Mr. Smith alleged that PPL never informed him that he would be charged a commercial rate, and that had he known that he would be subject to the higher commercial rate, he would not have had his garage electrified or requested connection to his garage. Mr. Smith also averred that PPL provided misleading information on its webpage regarding a customer's installation of

EV charging stations, the possible installation of a second meter, and PPL's corresponding provision of electric service associated with the installation. I.D. at 2 (citing Complaint ¶ 5); Tr. at 19.

As relief, the Complainant stated that he would pay a "reasonable rate" for service to his garage, requesting that he be billed at either the residential rate, or an EV rate, but not the commercial rate. Alternatively, the Complainant requested reimbursement by PPL for the monies he paid to the electrician to have his garage electrified. I.D. at 2 (citing Complaint ¶ 5).

On February 26, 2024, PPL timely filed an Answer as well as a Preliminary Objection. In its Answer, PPL denied the material factual allegations and conclusions of law in the Complaint. In its Preliminary Objection, the Company requested that the portion of the Complaint pertaining to a request for monetary damages be summarily dismissed since the Commission does not have the authority to award such damages. I.D. at 3.

On March 1, 2024, in response to PPL's Preliminary Objection, the Complainant filed a Reply. In his Reply, Mr. Smith provided more details as to the number, dates, and substance of his contacts with PPL over the approximately four-to five-month period concerning his request for electric service to his garage. He also made several arguments claiming that the garage should be eligible for the residential rate. I.D. at 3.

By Order dated April 29, 2024, ALJ Chiodo granted the Company's Preliminary Objection to the extent that Mr. Smith sought compensatory damages of $4,000 for reimbursement to have his garage electrified, explaining that the Commission does not have the authority to award monetary damages. That Order also directed that a hearing would be scheduled by a separate Hearing Notice on the claims raised in the

Complaint—namely, the Complainant's allegations of incorrect billing and unreasonable service, and over which remedies the Commission does have the authority to grant. I.D. at 3.

On June 10, 2024, the evidentiary hearing was held. Mr. Smith represented himself and testified on his own behalf. Mr. Smith offered seven exhibits, five of which were admitted into the record.[5] They are, as follows:

Exhibit C-1 – Screenshot PPL website (new/upgraded residential service)
Exhibit C-2 – Screenshot PPL Rule 1 (electric meter & service installation)
Exhibit C-4 – Screenshot of two bills (one residential, one commercial)
Exhibit C-5 – PPL Electric Tariff, Rule 4
Exhibit C-7 – Email from PPL technician to Complainant dated 5/11/2022

I.D. at 4.

The Company was represented at the hearing by Peter J. Kramer, Esquire. The Company presented the testimony of one witness, Ms. Dana Brunner, a PPL senior customer service representative. Ms. Brunner sponsored the following six exhibits which were admitted into the record:

PPL Exhibit 1 – Account Activity Statement (for garage)
PPL Exhibit 2 – Customer Contact History (for garage)
PPL Exhibit 5 – Summary of BCS No. 3961812 (closed 1/25/2024)
PPL Exhibit 6 – Screenshot PPL website (how to calculate EV charges)
PPL Exhibit 7 – PPL Electric Tariff, Rules 1 – 11
PPL Exhibit 8 – PPL Electric Tariff, Rate Schedules

I.D. at 4.

[5] Mr. Smith withdrew proposed Exhibit C-3. Tr. at 71. The Company objected, on the basis of relevancy, to the admission of proposed Exhibit C-[6], which was a one-page summary of Section 5 of the Federal Trade Act (relating to unfair or deceptive acts or practices). The ALJ sustained the objection and proposed Exhibit C-6 was not admitted into the record. Tr. at 73-74. I.D. at 4, n. 2.

On June 28, 2024, an eighty-four-page hearing transcript and the exhibits identified, *supra*, were filed with the Commission. The record closed on this same date. I.D. at 4.

On September 26, 2024, the Commission issued the Initial Decision of ALJ Chiodo, wherein she granted the Complaint, in part, denied the Complaint, in part, and directed PPL to pay a civil penalty of $1,000.

As noted above, on October 16, 2024, PPL filed Exceptions. No Reply Exceptions were filed.

III. Discussion

A. Legal Standards

1. General Burden of Proof for Complaint Proceeding

As the party seeking affirmative relief from the Commission, the complainant in this case has the burden of proof. 66 Pa.C.S. § 332(a). The evidence necessary to meet that burden must be substantial. 2 Pa.C.S. § 704. "Substantial evidence" is such relevant evidence that a reasonable mind might accept as adequate to support a conclusion. *Consolidated Edison Company of New York v. National Labor Relations Board*, 305 U.S. 197, 229, 59 S.Ct. 206, 217. More is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established. *Norfolk & Western Ry. Co. v. Pa. PUC*, 413 A.2d 1037 (Pa. 1980).

To establish a sufficient case and satisfy the burden of proof, the complainant must show that the respondent utility is responsible or accountable for the problem described in the Complaint. *Patterson* v. *The Bell Telephone Company of*

Pennsylvania, 72 Pa. P.U.C. 196 (1990). The offense must be a violation of the Public Utility Code (Code), a Commission Regulation or Order or a violation of a Commission-approved tariff. 66 Pa.C.S. § 701. Such a showing must be by a "preponderance of the evidence." *Samuel J. Lansberry, Inc. v. Pa. PUC*, 578 A.2d 600 (Pa. Cmwlth. 1990), *alloc. denied*, 602 A.2d 863 (Pa. 1992). That is, the Complainant's evidence must be more convincing, by even the smallest amount, than that presented by the respondent. *Se-Ling Hosiery, Inc. v. Margulies*, 70 A.2d 854 (Pa. 1950).

The burden of proof is comprised of two distinct burdens: (1) the burden of production; and (2) the burden of persuasion. *Hurley v. Hurley*, 2000 Pa. Super. 178, 754 A.2d 1283 (2000). The burden of production, also called the burden of going forward with the evidence, determines which party must come forward with evidence to support a particular claim or defense. *Scott and Linda Moore v. National Fuel Gas Distribution*, Docket No. C-2014-2458555 (Final Order entered August 15, 2015) (*Moore*). The burden of production goes to the legal sufficiency of a party's claim or affirmative defense. *See Id*. The burden of production may shift between the parties during a hearing. A complainant may establish a *prima facie* case with circumstantial evidence. *See Milkie v. Pa. PUC*, 768 A.2d 1217, 1220 (Pa. Cmwlth. 2001) (*Milkie*). If a complainant introduces sufficient evidence to establish legal sufficiency of the claim, also called a *prima facie* case, the burden of production shifts to the utility to rebut the complainant's evidence. *See Moore*.

If the utility introduces evidence sufficient to balance the evidence introduced by the complainant, that is, evidence of co-equal value or weight, the complainant's burden of proof has not been satisfied and the burden of going forward with the evidence shifts back to the complainant, who must provide some additional evidence favorable to the complainant's claim. *See Milkie*, 768 A.2d at 1220; *see also Burleson v. Pa. PUC*, 443 A.2d 1373 (Pa. Cmwlth. 1982), *aff'd*, 461 A.2d 1234 (Pa. 1983).

Having produced sufficient evidence to establish legal sufficiency of a claim, the party with the burden of proof must also carry the burden of persuasion to be entitled to a favorable ruling. *See Moore*. While the burden of production may shift back and forth during a proceeding, the burden of persuasion never shifts; it always remains on a complainant as the party seeking affirmative relief from the Commission. *See Milkie*, 768 A.2d at 1220; *see also Riedel v. County of Allegheny*, 633 A.2d 1325, 1328, n.11 (Pa. Cmwlth. 1993); *see also Burleson*, 443 A.2d at 1375. It is entirely possible for a party to carry the burden of production but not be entitled to a favorable ruling because the party did not carry the burden of persuasion. *See Moore.* In determining whether a complainant has met the burden of persuasion, the fact-finder[6] may engage in determinations of credibility, may accept or reject testimony of any witness in whole or in part, and may accept or reject inferences from the evidence. *See Moore*, citing *Suber v. Pennsylvania Com'n on Crime and Delinquency*, 885 A.2d 678, 682 (Pa. Cmwlth. 2005) (*Suber*).

2. Commission-Approved Tariffs

It is well accepted that a tariff is a set of operating rules imposed by the Commission that each public utility must follow in order to provide service to its customers. *PPL Electric Utilities Corporation v. Pa. PUC*, 912 A.2d 386 (Pa. Cmwlth. 2006). Each public utility must file a copy of its tariff with the Commission setting forth its rates, services, rules, regulations, and practices so that the public may inspect its contents. 66 Pa.C.S. § 1302; 52 Pa. Code § 53.25; *Philadelphia Suburban Water Company v. Pa. PUC*, 808 A.2d 1044 (Pa. Cmwlth. 2002)

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[6] In formal complaint proceedings, the Commission, not the ALJ, is the ultimate fact-finder; it weighs the evidence and resolves conflicts in testimony. When reviewing the initial decision of an ALJ, the Commission has all the powers that it would have had in making the initial decision except as to any limits that it may impose by notice or by rule. *Milkie*, 768 A.2d at 1220, n. 7 (citing, *inter alia*, 66 Pa.C.S. § 335(a)).

(*Phila. Suburban Water*). Public utility tariffs must be applied consistent with their language. Public utility tariffs have the force and effect of law and are binding on the public utility and its customers. *Pennsylvania Electric Company v. Pa. PUC*, 663 A.2d 281 (Pa. Cmwlth. 1995).

It is well-settled that the Commission is not empowered to grant tariff exceptions other than where the tariff provisions in question are in some way discriminatory on their face or in application. *See PPL Elec. Utils. Corp. v. Pa. PUC*, 912 A.2d 387, 402 (Pa. Cmwlth. 2006); *Pa Elec. Co. v. Pa. PUC*, 663 A.2d 281, 284 (Pa. Cmwlth. 1994); *Brockway Glass Co. v. Pa. PUC*, 437 A.2d 1067, 1070 (Pa. Cmwlth. 1981). *See also* 66 Pa.C.S. § 1304. Additionally, precedent establishes that when a tariff is plain on its face, the Commission need not and cannot look beyond the tariff's four corners to determine its meaning. *PPL Elec. Utilities Corp. v. Pa. PUC*, 912 A.2d 386, 403 (Pa. Cmwlth. 2006).

3. Reasonable Service

Pursuant to Section 1501 of the Code, all public utilities have a duty to maintain "adequate, efficient, safe, and reasonable service[7] and facilities" and to make repairs, changes, and improvements that are necessary or proper for the accommodation, convenience, and safety of its patrons, employees, and the public. *See* 66 Pa.C.S. § 1501. Section 1501 of the Code, provides, in pertinent part, as follows:

> Every public utility shall furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and shall

[7] The term "service" is defined broadly under Section 102 of the Code to include any and all acts done or rendered or performed and any and all things furnished or supplied and any and all facilities, used, furnished or supplied by public utilities. *See* 66 Pa.C.S. § 102. The statutory definition of "service" is also to be broadly construed by the Commission and the courts. *Country Place Waste Treatment Co., Inc. v. Pa. PUC*, 654 A.2d 72 (Pa. Cmwlth. 1995).

> 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 and facilities shall be in conformity with the regulations and orders of the commission.

66 Pa.C.S. § 1501.

A utility's "service" is not merely confined to the distribution of utility service, but also includes "any and all acts" related to that function. *West Penn Power Co. v. Pa. PUC*, 578 A.2d 75 (Pa. Cmwlth. 1990). The Code's broad definition of service extends beyond the delivery of the public utility itself and also includes accurate and full communication to customers. *See e.g.*, *AT&T Communications of Pa. v. Pa. PUC*, 568 A.2d 1362 (Pa. Cmwlth. 1990) (inaccurately quoting rates by customer service representatives is unjust and unreasonable); *Feingold v. Bell of Pennsylvania*, 383 A.2d 791 (Pa. 1977) (providing directory listings is a service); *Morrow v. Bell Telephone Co. of Pa.*, 479 A.2d 548 (Pa. Super. 1984) (assisting in customer deposit practices is a service); *Elkin v. Bell Telephone Co.*, 372 A.2d 1203 (Pa. Super. 1977), aff'd, 420 A.2d 371 (Pa. 1980) (rendering adequate directory assistance is a service); *see also Pa. PUC v. PPL Electric Utilities Corp*, Docket No. M-2023-3038060 (Order entered May 16, 2024) (settlement of claims related to inadequate customer service practices).

The Commission expects all regulated utilities to provide quality customer service and "inappropriate and unreasonable treatment to customers can be interpreted as inadequate service." *See e.g., Laura Andracchio Johnson and Charles Johnson v. Duquesne Light Co*., Docket No. C-2022-3032695 at 23-24 (Opinion and Order entered December 21, 2023) (citing *Barbara R. Lolly v. Duquesne Light Co*., Docket No. C-2010-2167824 (Opinion and Order entered May 9, 2011) (*Lolly*). "Quality customer

service is expected of all regulated utilities." *Musgrave v. Pittsburgh Water and Sewer Authority*, Docket No. C-2020-3020714 (Order entered May 6, 2024). Accordingly, all aspects of a public utility's customer service must be adequate in order for the utility to comply with the requirements of Section 1501 of the Code.

4. Civil Penalty

Sections 3301(a) and (b) of the Code, 66 Pa.C.S. §§ 3301 (a) and (b) authorize the Commission to impose a maximum civil penalty of $1,000 per day for violations of its statutes, regulations, and orders. 66 Pa.C.S. §§ 3301 (a), (b). In its Policy Statement at 52 Pa. Code § 69.1201, the Commission sets forth ten (10) factors that it may consider in evaluating whether, and to what extent, a civil penalty for violating a Commission Order, Regulation, or Statute is appropriate. *Factors and Standards for Evaluating Litigated and Settled Proceedings Involving Violations of the Public Utility Code and Commission Regulations* (Policy Statement), 52 Pa. Code § 69.1201; *see also Joseph A. Rosi v. Bell-Atlantic-Pennsylvania, Inc*., Docket No. C-00992409 (Order entered March 16, 2000). The ten factors are termed the *Rosi* factors.

The following ten (10) *Rosi* factors are the standards to be evaluated:

> (1) Whether the conduct at issue is of a serious nature, such as willful fraud or misrepresentation, which may warrant a higher penalty; (2) Whether the resulting consequences of the conduct at issue are of a serious nature, such as personal injury or property damage; (3) Whether the conduct at issue is deemed intentional or negligent;(4) 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; (5) The number of customers affected and the duration of the violation; (6) The compliance history of the regulated entity which committed the violation; (7) Whether the regulated entity cooperated with the

> Commission's investigation; (8) The amount of the civil penalty or fine necessary to deter future violations. The size of the utility may be considered to determine an appropriate penalty amount; (9) Past Commission decisions in similar situations; and (10) Other relevant factors.

52 Pa. Code § 69.1201(c)(1)-(c)(10).

B. ALJ's Initial Decision

In her Initial Decision, ALJ Chido made fifty-two Findings of Fact and reached ten Conclusions of Law. I.D. at 4-12 and 35-36. The Findings of Fact and Conclusions of Law are incorporated herein by reference and are adopted without comment unless they are either expressly or by necessary implication rejected or modified by this Opinion and Order.

With respect to the Complainant's assertion of incorrect billing, the ALJ found that PPL correctly billed Mr. Smith at Rate GS-1, a commercial rate, for service to his garage, in accordance with its Commission-approved tariff. I.D. at 15. In reaching this determination, the ALJ acknowledged, *inter alia*, that Commission-approved tariffs have the force and effect of law. I.D. at 15-16 (citing *PPL Elec. Utils. Corp. v. Pa. PUC*, 912 A.2d 387, 402 (Pa. Cmwlth. 2006); *Pa Elec. Co. v. Pa. PUC*, 663 A.2d 281, 284 (Pa. Cmwlth. 1994); *Brockway Glass Co. v. Pa. PUC*, 437 A.2d 1067, 1070 (Pa. Cmwlth. 1981)). Additionally, the ALJ indicated that the Commission is not empowered to grant tariff exceptions, but that it instead must find that the challenged tariff provisions are in some way discriminatory either on their face or in application. I.D. at 16 (citing 66 Pa.C.S. § 1304). In this case, the ALJ determined that the Complainant's garage meter did not serve a residential living space as defined by the Company's tariff, which the ALJ found to be controlling. Accordingly, the ALJ found that the Complainant failed to meet the burden of proving that PPL violated any provision

of the Code, Commission Regulations, or Orders by applying its tariff. Therefore, the ALJ concluded that the Complainant's allegation of incorrect billing should be denied. I.D. at 15-16, 37.

With respect to the Complainant's claim regarding unreasonable service, the ALJ found that the Complainant provided sufficient evidence to initially satisfy the burden of proving that the Company's service was unreasonable because the Company failed to advise him, despite multiple inquiries and discussions with PPL regarding the electrification of the garage for EV purposes, that Rate GS-1, a commercial rate, would apply to service at his garage. The ALJ found that PPL did not meet its burden of going forward with evidence that rebutted the evidence of the Complainant on the issue of failure to adequately inform the Complainant of the applicable rate for EV charging. The ALJ reasoned that when the evidence presented by both Parties is viewed as a whole, Mr. Smith met his ultimate burden of proof by a preponderance of the evidence that PPL violated Section 1501 of the Code, 66 Pa.C.S. § 1501. I.D. at 21.

The ALJ provided that Section 1501 of the Code imposes a duty on every public utility, including PPL, to provide reasonable service to its customers. The ALJ explained that service, as defined by the Code, is not only the distribution of electrical energy, but includes "any and all acts" related to that function. I.D. at 22 (citing 66 Pa.C.S. § 102 (definition of "service")). The ALJ noted that customer service is within the Commission's jurisdiction and quality customer service, including adequate communication, is expected of all utilities. I.D. at 22 (citing *Lolly*).

At the outset, the ALJ found that the Complainant was a credible witness and accepted the Complainant's account of communications with PPL.[8] The ALJ explained that both Parties agree that at no time did any representative from PPL inform Mr. Smith, either in writing or verbally, that Rate GS-1, a commercial rate, would apply to service at his garage. I.D. at 22 (citing Tr. at 77-78). The ALJ reasoned that Mr. Smith made a *prima facie* case that the Company's failure to inform him prior to completing the electrification process and connection to service that he would be charged the commercial rate, not the residential rate, was unreasonable service. I.D. at 23. The ALJ agreed with Mr. Smith that consequently, he was unable to make an informed decision about whether to hire a contractor to electrify his garage and pay the commercial rate for charging his hybrid EV or future complete EV. I.D. at 23.

According to the ALJ, PPL presented two reasons why Mr. Smith should have known he would not be eligible for the residential rate, being: (1) that Mr. Smith should have read the Company's tariff; and, (2) that Mr. Smith should have specifically asked what rate applied prior to electrification and connection. I.D. at 23 (citing Tr. at 47). The ALJ was not persuaded that these reasons were sufficient to rebut the Complainant's evidence. The ALJ found that these reasons focus on the customer's omission, rather than the Company's omission, and did not address whether such omission constitutes reasonable or unreasonable service under Section 1501. I.D. at 23 (citing *Pa. Alloy Machining Co. v. Equitable Gas Co.*, Docket No. C-00015491 at 4 (Opinion and Order entered March 14, 2002) (*Alloy*)).

[8] The ALJ's acceptance of Mr. Smith's testimony included acceptance of the Complainant's testimony that on January 11, 2024, after learning that his garage was being billed under Rate GS-1, a PPL CSR explained the billing rate for the garage and said, "no one told [you] to buy an electric vehicle." I.D. at 9, FOF No. 28 (citing Tr. at 19, PPL Exh. 2).

The ALJ noted that even if Mr. Smith had read the tariff, he could not have been reasonably expected to conclude that Rate GS-1 would apply to his garage service when he was not operating a business and he was seeking to install a charging station for his personal use. I.D. at 24. Further, the ALJ noted, the Company did not mention the application of a commercial rate in the numerous contacts or meetings that Mr. Smith had with PPL representatives. I.D. at 24.

The ALJ reasoned that PPL was aware of the significant change to rates and terms of service to the Complainant, a residential customer of long standing, and should have informed the Complainant about this material change. I.D. at 24-25. The ALJ opined that with the growing number of electric vehicles in use, the failure of a utility to inform a customer of a material change in rates is likely to negatively impact these customers. I.D. at 25.

The ALJ disagreed with the Company's argument that Mr. Smith should have been the one to specifically ask the Company what rate schedule and/or rate he would be charged. The ALJ noted that Mr. Smith, a residential customer, reasonably expected to be charged the residential rate and he was not informed otherwise. The ALJ noted that PPL did not inform Mr. Smith of the applicable generation or supply rate, or rate per kWh, and the applicable distribution charge that may include a demand charge of $4.36125 per kW. I.D. at 25. The facts support that PPL and Mr. Smith had many and different types of contacts with various PPL representatives over the course of May 2022 to August 2022 during the consideration of his project. Tr. at 13-14. For instance, PPL Distribution Technician, Mr. Brian Siegrist, was onsite at Mr. Smith's property to determine whether electrification of the garage would be feasible for PPL. As previously discussed, Mr. Siegrist not only made the site visit and represented that the project was feasible, but he also followed up by email to serve as a liaison in providing Mr. Smith's neighbors with right-of-way paperwork necessary to facilitate the project. Complainant Exh. 7. Mr. Smith also provided unrebutted testimony that he also spoke with Ms. Amy

Lamer of PPL during the summer months of 2022, and that he had multiple other contacts with PPL throughout the months of May through August of 2022 for planning the electrification of his garage, but that despite these contacts, he was not informed that the commercial rate would be applied. Tr. at 14.

The ALJ agreed with the Company that a written contract was not required, but was optional, according to the Company's tariff. However, the ALJ was not persuaded that because Mr. Smith paid his first bill issued in October 2022, as well as subsequent bills up to January 2024, Mr. Smith accepted the contract for service, including the GS-1 rate schedule, as PPL contended. I.D. at 27 (citing Tr. at 76-77). The ALJ explained that Mr. Smith was not aware he was being charged Rate GS-1 until he received a higher-than-expected bill in December 2023 and called PPL for an explanation. I.D. at 27 (citing Tr. at 23). The ALJ noted that once PPL explained the reason for the GS-1 rate, Mr. Smith promptly discontinued service at his garage. I.D. at 27.

The ALJ provided that the December 2023 bill was significantly larger than any of Mr. Smith's prior bills because this was the first time that demand charges impacted his bills. Residential customers are not billed a demand charge, but a business, including a Rate GS-1 customer, will be billed a distribution charge of $22 per month plus a demand charge of $4.36125 per kilowatt for all billing kW. The "Billed kW" (demand charge) is the average number of kilowatts supplied during the 15-minute period of maximum use during the current billing period. ID. at 28-29 (citing Tr. at 36; PPL Exhibit 8 at 6, Rate Schedule GS-1).

The ALJ opined that demand charges can be complex, and Mr. Smith showed confusion regarding the demand charge during the hearing. I.D. at 29 (Tr. at 47-57). The ALJ found that this further supported the conclusion that PPL failed to provide reasonable service by not informing Mr. Smith of the applicable rate schedule,

which included the potential for demand charges.[9] The ALJ concluded that Mr. Smith did not voluntarily and knowingly enter into a contract with the Company for the commercial rate by paying his first bill in October 2022.[10] I.D. at 29.

The ALJ found that PPL did not rebut the Complainant's evidence, when viewing the evidence as a whole, and that the evidence supports a determination that the Complainant has met his ultimate burden of proof by a preponderance of the evidence. I.D. at 31 (citing 66 Pa. C.S. § 332(a)). The ALJ agreed with Mr. Smith that PPL did not provide reasonable service when it omitted the information that he would be charged the commercial rate, and not the residential rate. I.D. at 31.

The ALJ explained that because record evidence demonstrates that the Company violated Section 1501, a determination must be made whether as to civil penalties should be assessed. I.D. at 31.

The ALJ acknowledged that pursuant to Section 3301 of the Code, the Commission may impose a maximum civil penalty of $1,000 per day for each continuing violation of the Code, its Regulations or its orders. I.D. at 31-32 (citing 66 Pa.C.S.

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[9] PPL submitted a screenshot of its website in support of its argument that it had provided reasonable service. PPL Exhibit 6 is a screenshot of PPL's website titled "Calculating Impact of Charging EV to Monthly Electric Bill." ID. at 30 (citing Tr. at 44; PPL Exh. 6).

[10] In determining that Mr. Smith did not enter into a contract with PPL for commercial service, the ALJ rejected PPL's assertion of its Tariff Rule (2)(B)(3), which provides, in pertinent part that "[a]cceptance or use of the service is deemed a request for the supply of such service and constitutes a contract to pay for the service under these rules and the applicable rate schedule." (Tr. at 40-41, 78; PPL Exhibit 7 at 12). We note that the Initial Decision refers to Tariff Rule 2(B), as set forth in PPL Exhibit 7 at 12, as "REMSI Rule 2(B)." However, in this Opinion and Order, we shall refer to this rule as Tariff Rule 2(B). *See* I.D. at 11, FOF Nos. 43, 45 (citing Tr. at 40).

§ 3301(a), (b)). The ALJ next identified and weighed the *Rosi* factors, *supra*, as they applied to this case. As previously noted, these factors and standards are:

> (1) Whether the conduct at issue was of a serious nature. 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.
>
> (2) Whether the resulting consequences of the conduct at issue were of a serious nature. When consequences of a serious nature are involved, such as personal injury or property damage, the consequences may warrant a higher penalty.
>
> (3) Whether the conduct at issue was deemed intentional or negligent. This factor may only be considered in evaluating litigated cases. When conduct has been deemed intentional, the conduct may result in a higher penalty.
>
> (4) 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 be considered.
>
> (5) The number of customers affected and the duration of the violation.
>
> (6) The compliance history of the regulated entity which committed the violation. 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.
>
> (7) 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.
>
> (8) The amount of the civil penalty or fine necessary to deter future violations. The size of the utility may be considered to determine an appropriate penalty amount.
>
> (9) Past Commission decisions in similar situations.
>
> (10) Other relevant factors.

I.D. at 32-35 (citing 52 Pa. Code § 69.1201(c)).

The ALJ concluded that the first *Rosi* factor warranted a higher penalty because PPL's conduct led to the Complainant incurring the cost of electrifying his garage which he would not have done if he had known if the commercial rate would apply. I.D. at 33. The ALJ found that factors 2, 5, 6, and 7 did not apply. The ALJ found that factor 3 did not warrant a higher penalty and factor 4 was neutral. Regarding factor 8, the ALJ set a civil penalty of $1,000. Factor 9 relates to past Commission decisions in similar situations. The ALJ did not find a prior Commission decision with like circumstances as those present in the instant case. The ALJ found that the tenth factor warranted a higher penalty. I.D. at 33-34. The ALJ found it concerning that throughout the months-long electrification and connection process, PPL did not inform Mr. Smith that he was not eligible for the residential rate for service to his garage. *Id*. at 34. The ALJ reasoned that a total civil penalty of $1,000 was appropriate and sufficient to deter future violations of this type. *Id*. at 35.

C. Exceptions

As a preliminary matter, we note that any argument or Exception that we do not specifically delineate shall be deemed to have been duly considered and denied without further discussion. The Commission is not required to consider expressly or at

length each contention or argument raised by the parties. *Consolidated Rail Corp. v. Pa. PUC*, 625 A.2d 741 (Pa. Cmwlth. 1993); *see also, generally, University of Pennsylvania v. Pa. PUC*, 485 A.2d 1217 (Pa. Cmwlth. 1984).

1. PPL's Exception No. 1

In its Exception No. 1, PPL contends that the Commission should reverse the ALJ's finding that PPL provided unreasonable service under Section 1501 of the Code, 66 Pa.C.S. § 1501. PPL avers that this finding lacks factual and legal support and should not be adopted by the Commission. Exc. at 4. PPL alleges that the Complainant did not consider connecting the electrified garage to the meter at his home even though, according to PPL, the Company asked him about the concept. *Id.* 4 (citing Tr. at 24-25). PPL avers that the Complainant did not seek advice from the Company, but rather that he requested a specific service – *i.e.*, a new second meter at his garage. Exc. at 4.

PPL avers that there can be no "lack of transparency," as the ALJ concluded, because all of the material terms applicable to Mr. Smith's service are present in the Company's Tariff, which is publicly available for each customer to review. PPL also claims that it should be incumbent on the customer to be knowledgeable on the needs of each new service request and any applicable tariff provisions of rate schedules. Additionally, PPL argues that if Mr. Smith did not understand the tariff, the Company could have answered his questions. Therefore, PPL contends, the Company did not provide unreasonable service. Exc. at 5. PPL argues that the ALJ's finding of unreasonable service lacks legal support. PPL cites two cases where similarly situated residential customers raised the same issue of being billed at a commercial rate. Exc. at 5-6 (citing *Hubler v. PPL Elec. Util. Corp.*, Docket No. C-2014-2418167, Initial Decision, April 9, 2015, at 8 (Final Order March 19, 2015) (*Hubler*); *Russell Kanowicz v. PPL Elec. Util. Corp*., Docket No. C-20043915,

2005 Pa. PUC LEXIS 43, Initial Decision, May 17, 2005, at 2 (Final Order entered November 1, 2005) (*Kanowicz*)).

PPL asserts that the Commission's decision in *Kanowicz* is similar because, there, Mr. Kanowicz requested a second meter be added to his garage for the addition of a garage door opener and swimming pool. Mr. Kanowicz had determined that adding a second meter would be preferable to digging up his yard to connect the residential meter to the garage. The ALJ in *Kanowicz* found that the Company was not required to provide rate schedules to customers when service is requested. PPL reasons that like the Complainant in *Kanowicz*, Mr. Smith and his electrical contractor should be responsible for determining the best course of action for his project and should ask PPL the appropriate questions regarding applicable rates. Exc. at 7.

2. PPL's Exception No. 2

The Company, in its Exception No. 2, argues that the ALJ's imposition of a civil penalty lacked factual and legal support. In support of its argument, the Company contests the ALJ's finding that the first *Rosi* factor weighs in favor of a higher civil penalty. PPL contends that the conduct was not of a serious nature such as willful fraud or misrepresentation. Exc. at 8. PPL argues that the ALJ's finding under the first *Rosi* factor is not supported by record evidence because no fraud or misrepresentation occurred. PPL provides that the ALJ noted an "omission on the Company's part to inform the customer" and that if informed, the customer would not have electrified his garage. *Id*. at 9 (citing I.D. at 33). PPL claims that it is impossible for the Company to have known that Mr. Smith would not have undertaken the project if he had known a different rate would apply. PPL insists that there was no service conduct rising to the level of fraud or misrepresentation and that there was no omission since the Company's tariff is publicly available. Exc. at 9.

PPL also challenges the ALJ's assessment of the *Rosi* factors 8 and 10, which it claims are inapplicable. Specifically, PPL argues that no violation of the Code has occurred and, therefore, no civil penalty is necessary to deter future violations. In support, PPL relies upon the Commission's decision in *Kanowicz*, and avers that "no provision of the Public Utility Code, nor any Commission regulation or Order places an affirmative duty upon a utility to provide rate schedules to customers, as a matter of course, when service is requested." Exc. at 10 (citing *Kanowicz* at 12). PPL contends that the design of the project should have been directed by Mr. Smith and his electrician, and the Company had no duty to furnish Mr. Smith with the Company's tariff rate schedules, rendering a civil penalty unnecessary. Exc. at 10.

D. Disposition

In this case, we will deny PPL's Exceptions and adopt the ALJ's Initial Decision, consistent with the discussion below. We agree with the ALJ that PPL violated Section 1501 of the Code, 66 Pa.C.S. § 1501, when it provided unreasonable service to Mr. Smith by failing to advise him that the commercial rate would apply to service to his garage. We also concur with the ALJ's determinations that: (1) Mr. Smith never received any suggestion from PPL regarding alternative meter connections that would lower his bill; (2) PPL's website inaccurately described its rates; and (3) PPL personnel are in the best position to know and explain tariff nuances. Finally, we agree that imposing a civil penalty of $1,000 upon PPL is appropriate.

1. PPL Provided Unreasonable Service

In its Exception No. 1, PPL contends that the ALJ erred in finding that PPL provided unreasonable service to Mr. Smith because the finding lacks factual and legal support. We disagree. PPL's arguments primarily hinge upon the Company's claims that Mr. Smith failed in performing due diligence for investigating the rate consequences of

electrifying his garage. Specifically, PPL claims that Mr. Smith: (1) had a duty to investigate PPL's tariff; (2) rejected the option of connecting his garage to the residential meter at his home and instead requested a second meter for the garage electrification; (3) could have asked PPL any questions before proceeding with the garage project; and (4) could have relied upon PPL's publicly available Commission-approved tariff. Exc. at 4-6. In summary, we find that PPL's arguments fail to acknowledge the crux of the Complainant's unreasonable service claim, which is based upon PPL's conduct. As explained below, substantial evidence in this case supports the determination that PPL failed to provide the Complainant with reasonable customer service.

The credible evidence in this case indicates that Mr. Smith never received any suggestion from PPL regarding the alternative meter connections that would have lowered his bill. PPL failed to provide Mr. Smith with reasonable details about the electric setup for his new service request. In fact, although Mr. Smith contacted PPL to establish service to his garage on May 11, 2022,[11] he was not informed that the garage was billed at Rate GS-1 until January 10, 2024. Tr. at 13, 22, 38; PPL Exh. 2 at 2-3. Consequently, Mr. Smith was not aware that his garage service would be billed at a commercial rate for approximately one year and eight months after he initially contacted PPL to have the garage account established. The holding that PPL provided unreasonable service is supported when considered in the context of PPL's "Calculating Impact of Charging EV to Monthly Electric Bill" website information. PPL's own Exhibit 6, reflecting information contained on its website about bill impact of electric vehicles describes "The information you need to calculate the impact to your electric bill is:" and then goes on not to mention the possibility that a customer may be subject to demand charges instead of volumetric charges.

[11] The Complainant testified that his conversations with PPL regarding the potential electrification of the garage began in approximately May of 2022; therefore, the time period could be longer.

Although PPL is in the best position to advise customers of the details of electrical setups that benefit the system as well as the customer, the Company failed to use reasonable efforts to advise Mr. Smith of those details. Specifically, PPL failed to identify or explain that, based upon the location of the EV charging station at Mr. Smith's service address, including the possible installation of a second meter, a commercial rate and a demand charge may be applicable. *See* PPL Exh. 6.

PPL's call log demonstrates that on September 7, 2022, Mr. Smith spoke with PPL representative, Ms. Donna Diehl, and provided extensive information regarding his service property, including ownership, occupancy, and intended use. PPL Exh. 2 at 3. While, given the level of information obtained from Mr. Smith during the call with PPL on September 7, 2022, it would have been reasonable for PPL to have indicated to Mr. Smith that it intended to establish the garage account as non-residential service, however, no such notification was provided. Mr. Smith testified at the hearing that the commercial rate information was not shared as part of the call. He questioned the PPL witness as to why this information was not part of the call template. Tr. at 64-65. Just over a month later, on October 18, 2022, Mr. Smith contacted PPL regarding a matter that PPL has identified as "Caller's Concern Billed Amounts." *Id*. at 2. Although Mr. Smith's October 18, 2022 call was predicated upon a billing concern, PPL resolved the call without explaining that the garage account was billed at the commercial rate.

We also find that the Complainant's ability to understand the applicable rate was hindered by incomplete and misleading information that PPL provided regarding the application of a demand charge. By way of further context, PPL's residential customers are not billed a demand charge, but commercial customers served at Rate GS-1 may be billed a demand charge. Tr. at 50. As noted, *supra*, the demand charge is the average number of kilowatts supplied during the 15-minute period of maximum use during the current billing period. I.D. at 8, FOF No. 21 (citing Tr. at 36; PPL Exhibit 8 at 6, Rate Schedule GS-1). Pursuant to the GS-1 rate, the net monthly rate is determined

by a distribution charge, which consists of a customer charge of $22 per month plus a demand charge of $4.361 per kilowatt for all billing kW, which will impact the customer's total bill. I.D. at 8; Tr. at 36, 50. Application of a demand charge can be consequential, as exemplified by the fact that the Complainant only became aware that the garage was being billed at Rate GS-1 after the per kilowatt demand charge was assessed, leading to a nearly triple increase in his electric bill in December of 2023. I.D. at 8, FOF No. 25 (citing Tr. at 36-38: PPL Exh. 2). Thus, until December of 2023, the Complainant had apparently, but unknowingly, avoided peak demand as necessary to trigger demand charges, and he learned that Rate GS-1 was being applied to the garage service only after receiving the price signal imposed by the demand charge. I.D. at 29.

We also agree with the ALJ that the information that PPL provided to customers for purposes of calculating the monthly billing impact of EV charging failed to disclose and explain that under certain circumstances a higher rate based on a demand charge may be applied, and not the normal residential rate. Specifically, PPL submitted PPL Exhibit No. 6, which is a screenshot of the Company's website page entitled "Calculating Impact of Charging EV to Monthly Electric Bill." PPL Exh. 6. As the ALJ noted, the information provided in PPL Exhibit No. 6 explains only the generation portion of the customer's bill and it does not refer to distribution charges, which for a Rate GS-1 customer *could include a demand charge*. As the ALJ noted, at a minimum, the demand charge information was necessary for Mr. Smith to understand the actual rates he would be charged and to enable him to optimize his usage to avoid peak demand. I.D. at 30; PPL Exh. 6. We also note that PPL Exhibit No. 6 makes no mention of whether a residential or commercial rate applies to EV charging.

During the hearing, Mr. Smith explained that he consulted PPL's website regarding EV charging. More specifically, Mr. Smith testified:

> I previously stated that smoke and mirrors is what they were doing on their website about charging, where it says we work with customers and companies that install those stations to provide the electric service needed. I never saw any evidence of that.

Tr. at 19.

We find that by way of the website information provided in "Calculating Impact of Charging EV to Monthly Electric Bill," PPL provided incomplete and misleading information that omitted material information necessary to enable Mr. Smith to calculate the rate impact of electric service to the garage. As we explained, *supra*, that PPL should provide reasonable information to inform interconnection requests, it is equally important for the Company to avoid the provision of misleading or incomplete information, and the Company did not do so in this case.

As a final matter, we also disagree with the conclusion, which PPL asserts was expressed in *Kanowicz*, that utilities have absolutely no responsibility to communicate relevant tariff information when interacting with customers for the purposes of new service requests..[12] In its Exceptions, PPL cites to *Kanowicz* to support the proposition that precedent does not require utilities to provide rate schedules proactively to customers. PPL Exc. at 6-7. In *Kanowicz*, the issue of rate notification

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[12] We further note that in *Kanowicz* and other cases PPL cites, where residential customers raised similar concerns about being charged a commercial rate, pertain to tariff provisions that pre-date the provisions at issue in this matter. *See* PPL Exc. at 6-7 (citing *Hubler v. PPL Elec. Utils. Corp*. No. C-2014-2418167, Initial Decision issued, Mar. 27, 2015 at 8 (Final Order entered May 19, 2015); *Seth McHenry v. PPL Electric Utilities Corp*, No. F-2015-2474707 (Final Order entered November 20, 2015).

involved whether PPL had a duty to proactively provide rate schedules to Mr. Kanowicz. The tariff itself is public, and that shields PPL from claims that the customer could not have known the appropriate rate. That being said, PPL is still responsible for accurately communicating its rates to customers which it did not do here. *Cf. AT&T Commc'ns of Pa.*, 568 A.2d at 599. Thus, while we agree with PPL that *Kanowicz* did not require PPL to proactively provide rate schedules to customers, we do not agree that it is controlling here, where PPL's unreasonable service culminated in Mr. Smith's overall inability to know that he would be charged a commercial rate for service to his garage.

An additional distinction includes the fact that, unlike Mr. Smith in the instant case, Mr. Kanowicz did not rely on PPL's EV rate impact information (from PPL's website).In the present circumstances, we agree with the ALJ that without knowing he would be charged Rate GS-1, Mr. Smith could not make an informed decision about whether he would benefit from the costs of electrifying his garage for charging his hybrid EV. Mr. Smith did not have clear and upfront information about the rate he would be charged, and despite multiple contacts with PPL during the planning phase of his garage electrification, and for over a year afterward, Mr. Smith was not aware that his garage was being served at a non-residential rate and that he was being subject to a demand charge. As the ALJ observed, "[t]he rate being charged by a utility for its service is a paramount concern to its utility customers." I.D. at 23 (citing *Alloy*). The circumstances imposed by PPL's unreasonable customer service and PPL's failure to identify the potential for demand charges in a public document intended to assist customers with calculating the impact of EV charging upon monthly bills combined to deprive Mr. Smith of critical information. We note that Mr. Smith testified that if he had known that he would be charged a commercial rate for service to his garage, he would not have had his garage electrified. Tr. at 11, 19. We also conclude that Mr. Smith credibly testified that he was never informed by PPL that he could, by reconfiguring the connection to his residential meter, receive service at the lower residential rate. *See Id*. at 22-24.

As previously noted, PPL personnel are in the best position to know and explain tariff nuances. As the party with extensive knowledge of its tariff structure and electrical engineering, PPL should have informed Mr. Smith of simple service changes when designing the connection to his garage, such as consolidating loads onto a residential meter, that may have materially benefited him. It is then up to the customer to make choices based on that information. As the "cheapest cost avoider," it was more economically efficient for PPL to notify Mr. Smith than to expect him to navigate complex tariff provisions alone. *See generally* Guido Calabresi & A. Douglas Melamed, *Property Rules, Liability Rules, and Inalienability: One View of the Cathedral*, 85 Harv. L. Rev. 1089, 1118 (1972) (describing principles of cheapest cost avoidance).[13] Consequently, PPL did not fulfill its responsibility to provide reasonable customer service under 66 Pa.C.S. § 1501. Accordingly, for the foregoing reasons, we shall deny PPL's Exception No. 1.

Before concluding this section, we wish to emphasize that although we find PPL's billing under the GS-1 rate lawful on its face, other Pennsylvania electric utilities under our jurisdiction do not segregate small-volume loads by meter in the same manner as PPL. As such, PPL's GS-1 criteria may operate unjustly on customers with detached garages at residential locations. In this regard, PPL's current tariff structure, as set forth in PPL Tariff Electric Pa. P.U.C. No. 201, potentially penalizes homeowners who add modest separate loads without clearly understanding the rate implications. Therefore, in PPL's next base rate proceeding, we strongly encourage the parties to that proceeding to

[13] *See also* Section 1303 of the Code, "*Adherence to tariffs*," which mandates that when more than one rate is applicable for a patron's service, utilities must "after notice of service conditions, compute bills under the rate most advantageous to the patron." 66 Pa.C.S. § 1303. Here, while not directly applicable, Section 1303 provides guidance for utilities that are uniquely aware of a customer's particular service condition to, at the very least, inform the customer of the difference in rates between two or more available options.

review the reasonableness of PPL's tariff as it relates to separately metered residential, detached garages.

2. Civil Penalty

In its Exception No. 2, PPL maintains that the ALJ erred in her application of the *Rosi* factors 1, 8 and 10, and the Company insists that the imposition of a civil penalty should be reversed. We disagree.

Rosi factor 1 considers whether the conduct at issue was of a serious nature. At the outset, we note that the conduct at issue was not an administrative filing or technical error, which would justify a lower penalty. While PPL's conduct was not willful fraud or misrepresentation, the conduct resulted in Mr. Smith paying a substantial sum for electrifying his garage that he cannot afford to use for charging his EV. Mr. Smith testified that he would not have electrified his garage if he had known he would be charged the commercial rate. Mr. Smith also testified that he would have chosen another vehicle, a hybrid vehicle at a cost of approximately $10,000 less, rather than the plug-in hybrid he purchased. Tr. at 79.[14] PPL had numerous opportunities to explain the rate Mr. Smith would be required to pay but did not do so until twenty months after Mr. Smith's initial contact. There is nothing in the evidentiary record to indicate that throughout the numerous contacts PPL had with Mr. Smith, that it made Mr. Smith aware that he would be charged the commercial rate if he selected a second meter. We agree with the ALJ that this factor warrants a higher penalty.

[14] While Mr. Smith purchased a hybrid vehicle before electrifying his garage, he planned to eventually purchase a full EV. However, as of the closing of the record in this proceeding, Mr. Smith has not purchased a full EV as he originally intended when he had his garage electrified due to being charged the commercial rate, and he takes his hybrid plug-in EV to a public charging station. I.D. at 10, FOF No. 32; Tr. at 22, 79.

Rosi factors 8 and 10 relate to the amount of the civil penalty. We agree with the ALJ that PPL's failure to inform Mr. Smith of the rate he would pay warrants a higher penalty. As the ALJ provided:

> [T]he most important term that the Company could have informed Mr. Smith was the applicable rate schedule and applicable rates. If customers like Mr. Smith are not given accurate information through a lack of transparency, they will be unable to determine if they are being charged a correct rate, deprived of the ability to optimize their usage to conform to their budgets, and unable to make an informed choice.

I.D. at 31 (citing *Alloy*).

We agree with the ALJ that a civil penalty of $1,000 is appropriate and sufficient to deter future violations of this type. Given the facts of this case, PPL should have reasonably disclosed the rate that would apply to the service that the Complainant requested, as PPL was in the best position to know the rate impact of the requested electrical setup. Additionally, as EVs become more common, it will be important to customers who choose to purchase an EV to know their rate in order to make the appropriate decisions about how and when to charge their vehicles. As previously noted, the Commission has determined that "[i]t is important that electric distribution companies prioritize customer education to encourage efficient and effective use of electric-vehicle charging infrastructure and [proper] knowledge of available distribution and default service generation rates." *See* Final Policy Statement Order, Docket No. M-2023-3040755, Electric Utility Rate Design for Electric Vehicle Charging, Annex A at 2 (Final Order entered January 7, 2025) (EV Policy Statement Order), Annex A at 2.[15]

[15] We note that the interactions between PPL and Mr. Smith occurred before the Final Policy Statement Order became effective.

Further, we are concerned that PPL's actions in this case may operate as a disincentive to EV charging. For example, if Mr. Smith's garage had been attached to his residence and already electrified, it is without question that Mr. Smith would have been charged the residential rate for charging his EV. Mr. Smith became subject to the commercial rate and associated demand charges when a second meter was installed at his detached garage. There are likely to be more PPL customers in similar situations who will electrify their detached garages and, without being notified by PPL of their options and the consequences of their choices, will be charged at the commercial rate for electric service at their detached residential garages. Mr. Smith believed he was a residential customer and that his second meter at the detached garage was also a residential account because PPL did not inform him that it was a commercial account.

We also note that PPL has previously agreed with the Commission on the importance of customer education to encourage proper knowledge of available distribution and default service generation rates for EV charging. *See Comments of PPL Electric Utilities Corporation* at 6, Docket No. M-2023-3040755, Electric Utility Rate Design for Electric Vehicle Charging (January 22, 2024). To that end, we must recognize that despite PPL's agreement that customer education is important, PPL has not proposed or implemented any changes to its practices that would prevent other customers from experiencing the consequences that Mr. Smith experienced; therefore, we cannot agree with PPL that no civil penalty is necessary to deter future violations. *See* PPL Exc. at 10. As explained, *supra*, PPL has been on notice of the customer confusion regarding its application of a non-residential rate under similar circumstances from prior litigation in multiple proceedings. Yet, despite those experiences, and despite the many customer interactions and opportunities that PPL had to prevent the outcome in this case, the Company essentially takes the position that Mr. Smith should have known to ask PPL the right questions. PPL Exc. at 5. Because PPL has not changed, or even proposed to change, its existing practices on this issue, we find that imposing a $1,000 civil penalty is necessary to deter future violations.

Based upon our review of the record, we conclude that the ALJ did not err in her application of the *Rosi* factors. PPL had the opportunity to notify Mr. Smith that: (1) he could have connected the garage service to his residential meter and would have been charged the residential rate for usage at his garage; (2) if he chose to add a second meter, he would be charged at the commercial rate for usage at the garage as recorded by the second meter; and (3) Mr. Smith's commercial usage would be subject to a demand charge. Throughout the connection process, PPL did not inform Mr. Smith of his options and the consequences of a second meter. As such, we conclude that PPL did not provide reasonable service and the *Rosi* factors were appropriately applied. Accordingly, we shall deny PPL's Exception No. 2.

IV. Conclusion

Based upon our review of the record and the applicable law, we shall deny the Exceptions of PPL Electric Utilities Corporation and adopt the ALJ's Initial Decision, consistent with this Opinion and Order; **THEREFORE,**

IT IS ORDERED:

1. That the Exceptions of PPL Electric Utilities Corporation, filed on October 16, 2024, to the Initial Decision of Administrative Law Judge Gail M. Chiodo, issued on September 26, 2024, at this docket, are denied, consistent with this Opinion and Order.

2. That the Initial Decision of Administrative Law Judge Gail M. Chiodo, issued on September 26, 2024, at this docket, is adopted, consistent with this Opinion and Order.

3. That the Formal Complaint, filed by Mr. Douglas Smith on February 5, 2024, at Docket No. C-2024-3046013, is granted, in part, and denied, in part, consistent with this Opinion and Order.

4. That within thirty (30) days of the entry date of this Opinion and Order, PPL Electric Utilities Corporation shall pay a civil penalty of one thousand dollars ($1,000.00) by sending a certified check or money order to:

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

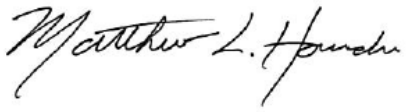
5. That a copy of this Opinion and Order shall be served upon the Financial and Assessment Chief, Bureau of Administrative Services.

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

7. That, if PPL Electric Utilities Corporation fails to make the civil penalty payment required by Ordering Paragraph No. 4 above, within thirty (30) days of the entry date of this Opinion and Order, it is further ordered that the Bureau of Administrative Services, Assessment Section, shall refer this matter to the Pennsylvania Office of Attorney General for collection of the total set forth above and appropriate action.

8. That, upon payment of the civil penalty directed in Ordering Paragraph No. 4 above, the Secretary shall mark this matter at Docket No. C-2024-3046013 as closed.

BY THE COMMISSION



Matthew L. Homsher
Secretary

(SEAL)

ORDER ADOPTED: August 14, 2025

ORDER ENTERED: September 11, 2025