

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Karen Corrado	:	
	:	
v.	:	F-2025-3055713
	:	
FirstEnergy Pennsylvania Electric Company	:	

**INITIAL DECISION**

Before  
Katrina L. Dunderdale  
Administrative Law Judge

**INTRODUCTION**

This decision memorializes a settlement between the parties that Complainant should be provided with the payment arrangement established by the Commission’s Bureau of Consumer Services on May 1, 2025.

**HISTORY OF THE PROCEEDING**

On June 9, 2025, Karen Corrado (Ms. Corrado or Complainant) filed a Formal Complaint (Complaint) against FirstEnergy Pennsylvania Electric Company (FE PA or Respondent). The Complaint was a timely appeal of a decision by the Commission’s Bureau of Consumer Services (BCS), at BCS Case No. 4052782, to grant Complainant a new payment arrangement (PAR).

Ms. Corrado’s Complaint alleged FE PA was attempting to shut off her electric service, and she requested a PAR. Ms. Corrado asserted her income decreased by

30% and she qualified for a PAR, but she could not afford a payment amount that exceeded her monthly mortgage payment. Complainant requested an affordable PAR.

On July 2, 2025, Respondent filed an Answer in which FE PA admitted it provides electric service to Complainant but generally denied Complainant was entitled to a different PAR than the one awarded by BCS due to a poor payment history and a large outstanding balance. Respondent asserted the unpaid balance grew to \$12,923.24 by July 2, 2025, because Complainant did not make any payment since September 2024.

On July 15, 2025, the Office of Administrative Law Judge issued a Call-In Telephone Hearing Notice, which scheduled a telephonic initial hearing to be conducted on August 28, 2025. On July 15, 2025, the presiding officer issued a Prehearing Order which, *inter alia*, advised the parties concerning various procedural matters, including how to request a continuance, and that Complainant was responsible to prove the facts she alleged in her Complaint.

On August 28, 2025, the presiding officer convened the initial hearing as scheduled. Complainant appeared *pro se*. Respondent was represented by Timothy K. McHugh, Esquire. Complainant presented testimony but did not offer any exhibits. The parties engaged in settlement discussions off the record during which time the parties reached an agreement to use the same terms BCS granted Complainant in the PAR dated May 1, 2025. The parties jointly requested the presiding officer issue a decision which commemorates their agreement.

Having received the transcript containing 19 pages, the presiding officer issued the Interim Order Closing the Record on September 25, 2025. The hearing record consists of a 12-page transcript from the August 28, 2025 hearing.

## FINDINGS OF FACT

1. Complainant, Karen Corrado, resides with her fiancé and her 14-year-old son, in a single-family residence located at 305 Spackman Street, Seward, Pennsylvania (service address), where she has lived for 8 years. (Tr. 11).
2. Respondent, FirstEnergy Pennsylvania Electric Company, provides electric service to the service address. (Tr. 12).
3. On May 1, 2025, the Bureau of Consumer Services (BCS) granted Complainant a second PAR, at BCS No. 4052782, because Complainant's household experienced a change in circumstance. (Tr. 13, 14).
4. The service address is a two-story, single-family frame structure that uses electric service for all appliances except for a coal furnace. (Tr. 12-13).
5. The parties reached an agreement off the record in conversations with the presiding officer acting as a settlement judge. (Tr. 14).
6. The parties agreed Complainant would pay \$545.34 by September 4, 2025, she would pay the monthly budget bill plus \$332 thereafter, and Respondent would not initiate termination proceedings if payments were made in full by the due date each month. (Tr. 13-15).
7. As of the date of the initial hearing, Complainant's account balance exceeded \$10,000. (Tr. 15).

## Terms and Conditions of Settlement

1. Complainant and Respondent acknowledge and agree that the current balance on the electric account for the service address is \$13,786.03, as of August 28, 2025.

2. Complainant and Respondent acknowledge and agree Complainant must pay her current monthly charges every month plus the sum of \$332 to reduce the unpaid balance.

3. Complainant and Respondent acknowledge and agree that if Complainant makes timely and full payments on her account, as provided herein, for 36 months, she will have a small unpaid account balance remaining at the end of 36 months.

4. Complainant and Respondent acknowledge and agree that if Ms. Corrado makes timely and full payments on her account, as provided herein, Respondent will not seek to terminate electric service due to non-payment of the current arrears.

5. Complainant agrees to pay her budget bill amount each month plus \$332.

6. Respondent agrees Complainant may prepay all or a portion of the remaining arrearage balance at any time within the 36-month period.

7. Complainant agreed to pay the sum of \$545.34 to Respondent on or before September 4, 2025.

8. The Settlement shall become effective upon the Commission's issuance of a final order (not subject to a pending appeal) approving the Settlement

without modification. If the Commission rejects the Settlement, it shall automatically terminate and be null and void.

9. Complainant and Respondent acknowledge the Settlement reflects a compromise of competing positions to resolve outstanding issues in a fair, just and reasonable manner, and does not necessarily reflect any party's position with respect to any issues raised in this proceeding.

### DISCUSSION

On April 8, 2025, Complainant filed an informal complaint at BCS No. 4052782 and requested a lower PAR than the previous PAR established by BCS<sup>1</sup> because the household size and household income decreased after September 2024.

At BCS No. 4052782, BCS established Complainant's household income decreased by 34.53% since the previous Commission payment arrangement, from \$6,081.47 for a household of four down to \$3,981.47 for a household of three. As a result, on May 1, 2025, BCS revised the previous Commission PAR and established a Level 2 PAR that required Complainant to pay the monthly budget bill amount plus an additional \$332 monthly to pay down the arrears totaling \$11,918.95, starting with the May 2025 pay date.

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<sup>1</sup> On September 9, 2024, BCS established a PAR, at BCS No. 4014297, in response to an informal complaint filed by Complainant. The Bureau of Consumer Services determined Complainant's household income was \$6,081.47 monthly for a household of four (three adults and one minor child). BCS established a Level 2 payment requirement that required Complainant to pay the monthly budget bill amount plus an additional \$209 monthly to pay down the arrears totaling \$7,497.27, starting with the September 2024 pay date.

On June 9, 2025, Complainant filed the Complaint because the additional amount to pay on arrears was higher in the second Commission PAR than it was under the previous Commission PAR. During off-the-record settlement discussions at the initial telephonic hearing, the parties agreed to resolve all issues/concerns raised by Complainant in her Complaint and agreed that Complainant should be given a PAR using the same terms established by BCS in the latest Commission PAR, at BCS No. 4052782, on May 1, 2025.

By reaching this agreement, Complainant and Respondent asserted Complainant would be able to remain in her home, continue to receive electric service and provide a viable mechanism to pay Respondent for the electric service consumed by Complainant and her household. This Initial Decision memorializes the parties' agreement during those discussions.

### Burden of Proof

As the party seeking affirmative relief from the Commission, Complainant bears the burden of proving by substantial evidence she is entitled to the requested relief. 66 Pa.C.S.A. § 332(a). To satisfy this burden, Complainant must show Respondent utility is responsible or accountable for the problem described.<sup>2</sup> Complainant must show this fact to be true by a preponderance of the evidence, that is, by presenting evidence more convincing, by even the smallest amount, than that evidence presented by the other party.<sup>3</sup> Additionally, any finding of fact necessary to support the Commission's

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<sup>2</sup> *Patterson v. Bell Telephone Co. of Pa.*, 72 Pa. P.U.C. 196 (1990); *Feinstein v. Phila. Suburban Water Co.*, 50 Pa. P.U.C. 300 (1976).

<sup>3</sup> *Samuel J. Lansberry, Inc. v. Pa. Pub. Util. Comm'n*, 578 A.2d 600 (Pa. Cmwlth. 1990); *Se-Ling Hosiery v. Margulies*, 70 A.2d 854 (Pa. 1950).

adjudication must be based upon substantial evidence.<sup>4</sup> Furthermore, more evidence is required than a mere trace of evidence or a suspicion of the existence of a fact sought to be established.<sup>5</sup>

### Payment Arrangement

In 2004, the Pennsylvania Legislature enacted the Responsible Utility Customer Protection Act (Chapter 14), 66 Pa.C.S. §§ 1401-1419, which became effective on December 14, 2004. Section 1405(a) of Chapter 14<sup>6</sup> authorized the Commission to investigate complaints regarding payment disputes between a public utility (such as FirstEnergy) and its customers (such as Complainant). This statute authorized the Commission to establish payment arrangements between a public utility and its customers.<sup>7</sup> Under Chapter 14, the Commission possessed the authority to establish at least one payment arrangement between a utility and its customer regardless of the number of agreements made between the utility and customer.<sup>8</sup> However, the Commission was permitted neither to grant a second or subsequent PAR if a customer defaults on the first PAR (unless there is a change in income) nor was the Commission permitted to extend a prior PAR absent a significant change in circumstance.<sup>9</sup>

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<sup>4</sup> *Mill v. Pa. Pub. Util. Comm'n*, 447 A.2d 1100 (Pa. Cmwlth. 1982); *Edan Transp. Corp. v. Pa. Pub. Util. Comm'n*, 623 A.2d 6 (Pa. Cmwlth. 1993); 2 Pa.C.S. § 704.

<sup>5</sup> *Norfolk and Western Ry. v. Pa. Pub. Util. Comm'n*, 413 A.2d 1037 (Pa. 1980); *Erie Resistor Corp. v. Unemployment Compensation Bd. of Review*, 166 A.2d 96 (Pa. Super. 1960); *Murphy v. Dep't. of Public Welfare, White Haven Center*, 480 A.2d 382 (Pa. Cmwlth. 1984).

<sup>6</sup> 66 Pa.C.S. § 1405(a).

<sup>7</sup> 66 Pa.C.S. § 1405(a).

<sup>8</sup> 66 Pa.C.S. § 1405(b); *Anderson v. PECO Energy Co.*, Docket No. F-2008-2033574 (Opinion and Order entered April 30, 2009).

<sup>9</sup> 66 Pa.C.S. § 1405(d), (e).

From the time of Chapter 14’s enactment in 2004 until December 31, 2024, any decision before the Commission where a consumer requested a PAR would have had to be consistent with the provisions of Chapter 14 of the Public Utility Code. Chapter 14 directed how the Commission must establish any PAR using Chapter 14’s definition of a “Payment Arrangement.” Chapter 14 defined a PAR as an agreement where the customer admits liability for billed service and then is permitted to amortize or pay the unpaid balance of the account in one or more payments.<sup>10</sup> However, on December 31, 2024, Chapter 14 expired and the Pennsylvania General Assembly has not answered yet the question of what guidelines the Commission must follow when offering and executing PARs.

Anticipating the sunset of Chapter 14 on December 31, 2024, the Commission issued a Statement of Policy on December 12, 2025, and later published in the *Pennsylvania Bulletin*, as guidance to utilities and interested parties when the establishment of a payment arrangement was requested.<sup>11</sup> The Commission’s Statement of Policy indicated the Commission would continue its application of Chapter 14’s four-level process - for establishing the length of payment arrangements - and would continue to use relevant definitions provided in Section 1403.<sup>12</sup> According to the Statement of Policy, the Commission directed payment arrangements could continue to be executed under the provisions of the now-expired Chapter 14.

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<sup>10</sup> 66 Pa.C.S. § 1403.

<sup>11</sup> *Sunset of Chapter 14, Title 66 of the Pennsylvania Public Utility Code*, Docket No. M-2024-3052328 (Statement of Policy entered Dec. 24, 2024) (Statement of Policy); 55 Pa.B. 268 (Jan. 11, 2025).

<sup>12</sup> Statement of Policy, p. 4.

## Analysis

Complainant bears the burden of proving she is entitled to the relief requested. She may do so by demonstrating that, under her circumstances, it would be reasonable and/or equitable to grant her a payment arrangement to pay off her arrears. Complainant admits she needs to pay for her electric service, she does not contest the billing statements, she does not contest the recorded consumption, and she has expressed a desire to pay off the arrears.

When BCS established a PAR in May 2025, Complainant was required to pay the monthly budget bill amount plus \$332.00 monthly, beginning with the May 2025 pay date, on arrears which totaled \$11,918.95 and with a household income totaling \$3,600. Under Chapter 14, Complainant would have qualified for a Level 3 PAR even though she defaulted on the previous Level 2 Commission PAR. A new PAR would have been granted, because: (1) there was a significant decrease in household income; (2) Complainant's household size decreased from four (three adults and one minor child) to three (two adults and one minor child) and (3) the current total household income, of \$3,981.47, is at 175% of the Federal Poverty Income Guidelines.<sup>13</sup>

Based on the household's income level at 175% of the Federal Poverty Income Guidelines (FPIGs), Complainant would have qualified as a Level 3 customer under Chapter 14 (if Chapter 14 had not sunset). That means, if Complainant qualified for a new PAR, Complainant would have had to pay off \$13,786.03 (the amount in arrears on the date of the hearing) in three years, or 36 months. When the amount owed on arrears (\$13,786.03) is divided by 36, Complainant would need to pay \$382.94 per month, in addition to the budget bill amount due each month.

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<sup>13</sup> Federal Poverty Income Guidelines, 90 Fed. Reg. 5917 (Jan. 17, 2025); 66 Pa.C.S. § 1405.

However, the parties herein agreed to use the terms of the second BCS PAR in their Settlement. Accordingly, the Settlement between Complainant and Respondent provides that Complainant will continue to pay her budget bill amount plus the sum of \$332 each month for three years. At the end of the three years, a balance will remain on the arrears, but the amount should be low enough to be paid easily with a six-month extension on the PAR, which also would have been permitted under Chapter 14.

Ms. Corrado must make these monthly payments every month, in full and on time. Whatever Ms. Corrado must do to manage her household budget, she must pay for the electric service she uses.<sup>14</sup> Ms. Corrado must understand – when she does not pay her bills – FE PA must include her unpaid bills as uncollectible expenses which all other FE PA customers are forced to pay.<sup>15</sup>

In essence, Ms. Corrado's actions may force other FE PA customers to pay for her electric service. This situation could be avoided if, in this proceeding, the Commission grants Ms. Corrado the flexibility she needs to pay this balance and if she makes the monthly payments.

The best thing that the Commission can do for Ms. Corrado, for FE PA and for FE PA's other ratepayers is to grant Ms. Corrado a reasonable, realistic and manageable PAR.

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<sup>14</sup> 52 Pa. Code § 56.116.

<sup>15</sup> *Bolt v. Duquesne Light Co.*, Docket No. Z-8712758 (Order entered April 8, 1988).

## Conclusion

The Commission encourages parties in contested on-the-record proceedings to settle cases because settlements eliminate or significantly reduce the time, effort, and expense of litigating a proceeding to its final conclusion.<sup>16</sup> Accordingly, the Complaint will be sustained consistent with the Settlement in the Ordering Paragraphs to follow. The parties agreed Complainant should receive the Commission PAR provided to her on May 1, 2025, and the best course of action, given these circumstances, would be for the Commission to allow Ms. Corrado to return to the PAR with manageable monthly payments. Accordingly, her monthly payments will include the current budget bill payment plus \$332 per month to pay down the arrears.

## CONCLUSIONS OF LAW

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

2. Complainant had the burden of proving Respondent did not provide reasonable and adequate service in its refusal to give her a lower payment arrangement than the payment arrangement provided to her by the Bureau of Consumer Services on May 1, 2025. 66 Pa.C.S. § 332(a).

3. The Statement of Policy, issued in *Sunset of Chapter 14, Title 66 of the Pennsylvania Public Utility Code*, Docket No. M-2024-3052328 (Statement of Policy entered Dec. 24, 2024), applies to this proceeding and provides guidance when a payment arrangement is requested. 45 Pa.C.S. § 1102(13); *Pa. Hum. Rels. Comm'n v. Norristown Area Sch. Dist.*, 374 A.2d 671 (Pa. 1977).

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<sup>16</sup> 52 Pa. Code § 5.231(a).

4. Complainant met her burden of proving she was entitled to receive the payment arrangement provided by the Bureau of Consumer Services on May 1, 2025.

5. The Commission encourages parties in contested on-the-record proceedings to settle cases because settlements eliminate or significantly reduce the time, effort, and expense of litigating a proceeding to its final conclusion. 52 Pa. Code §5.231(a).

6. Pending the outcome of an informal complaint, the disputing party shall be obligated to pay that portion of a bill which is not honestly disputed. 52 Pa. Code § 56.18.

### ORDER

THEREFORE,

IT IS ORDERED:

1. That the Settlement of the Formal Complaint of Karen Corrado at Karen Corrado v. FirstEnergy Pennsylvania Electric Company at Docket No. F-2025-3055713, is adopted.

2. That the Formal Complaint of Karen Corrado at Karen Corrado v. FirstEnergy Pennsylvania Electric Company at Docket No. F-2025-3055713, is sustained consistent with the Settlement.

