

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Investigation and Enforcement	:	
	:	C-2024-3052650
v.	:	
	:	
FirstEnergy Pennsylvania Electric Company	:	

INITIAL DECISION

Before
Erin L. Gannon
Administrative Law Judge

INTRODUCTION

On December 14, 2021, West Penn Power Company terminated electric service to a residence on Jefferson Avenue in Vandergrift, Pennsylvania. On December 17, 2021, a customer passed away in the home. Following its investigation of the event, the Bureau of Investigation and Enforcement filed a Formal Complaint against West Penn Power Company seeking a \$50,000 civil penalty and other appropriate remedies. This decision approves the joint settlement of the Formal Complaint because it is in the public interest. Pursuant to the terms of the settlement, the utility will pay \$30,000 as a civil penalty, contribute \$15,000 to its hardship fund, and execute a number of remedial measures.

HISTORY OF THE PROCEEDING

On December 20, 2024, the Bureau of Investigation and Enforcement (I&E) of the Pennsylvania Public Utility Commission (Commission) filed a Formal Complaint (Complaint) against West Penn Power Company (West Penn) which was an operating electric distribution company at the time the alleged violations occurred but has since merged into FirstEnergy Pennsylvania Electric Company (FirstEnergy, FE PA, Company, or Respondent).

In the Complaint, I&E alleged that West Penn violated the Commission's winter termination procedures and procedures for customer contact prior to termination. Specifically, I&E alleged that West Penn terminated service to a customer during the period between December 1 through March 31, known as the "Winter Moratorium," without first determining whether the customer had a household income at or below 250% of the Federal poverty level, in violation of Section 56.100(b) of the Commission's regulations, 52 Pa. Code § 56.100(b). Additionally, I&E alleged that, during a call on November 15, 2021, West Penn's representatives failed to fully explain information about the public utility's universal service program, including the customer assistance program; failed to refer the customer to its universal service program to determine her eligibility and to apply for enrollment; and failed to fully explain the medical emergency procedures, in violation of Section 56.97 of the Commission's regulations, 52 Pa. Code § 56.97. I&E proposed a cumulative administrative penalty of \$50,000 for the violations,¹ as well as other remedies that the Commission may deem appropriate.

On January 13, 2025, FirstEnergy filed an answer responding to the Complaint. The answer denied the violations and requested that I&E's request for relief be denied.

¹ In its Complaint, I&E alleged a third violation and associated penalty that it did not pursue. Tr. 8.

By notice dated January 24, 2025, this matter was assigned to me and scheduled for a telephonic prehearing conference on February 25, 2025.

On February 10, 2025, I issued a Prehearing Conference Order. As directed therein, I&E and FirstEnergy filed prehearing memoranda on February 21, 2025.

The prehearing conference was convened as scheduled. Attorney Lindsay Dearing Szymanski appeared for I&E. Attorneys Angelina Umstead and Timothy K. McHugh appeared for FirstEnergy. With the intention to allow time for the parties to discuss the possibility of settlement, they proposed and I adopted a schedule that provided for the filing of written testimony beginning in May 2025 and evidentiary hearings in August 2025. A scheduling order memorializing this schedule and other matters agreed upon at the prehearing conference was issued on February 27, 2025.

On February 28, 2025, a Telephonic Evidentiary Hearings Notice was issued for August 6 and 7, 2025.

By email dated May 14, 2025, the parties advised that settlement negotiations were ongoing and jointly requested to stay the litigation schedule. The parties indicated that a stay of 90 days would allow them to complete negotiations and, if negotiations were successful, to file a proposed settlement.

By email on May 15, 2025, I advised the parties that I would grant the joint request for stay. On May 21, 2025, I issued an interim order granting the stay, suspending the litigation schedule for 90 days, and directing the parties to file status reports by July 7, 2025 and August 19, 2025. The interim order further directed that, if settlement was not reached, the parties should provide proposed dates for written testimony and hearings.

On July 2, 2025, the parties filed a Joint Status Report indicating that they did not believe that it was necessary to establish a new litigation schedule at that time as they were continuing to negotiate a potential settlement.

By email dated August 18, 2025, the parties notified me they had finalized settlement negotiations and were nearly finished drafting a settlement and their respective statements in support.

On October 14, 2025, I&E Director and Chief Prosecutor Allison C. Kaster filed to enter her appearance and withdraw the appearance of Attorney Szymanski.

I&E and FirstEnergy (Joint Petitioners) filed a Joint Petition for Approval of Settlement (Settlement) on October 31, 2025. The filing included the terms of the settlement, a Joint Stipulation of Facts in Support of Settlement (Joint Stipulation), Joint Proposed Conclusions of Law and Ordering Paragraphs, and statements in support of the settlement by both I&E and FirstEnergy.

On November 13, 2025, I issued an interim order granting the Joint Stipulation, admitting it into evidence, and closing the evidentiary record.²

² As noted in the interim order issued on November 13, 2025, there has been no evidentiary hearing before any tribunal, and no sworn testimony has been taken in any proceeding related to this incident. Thus, the evidentiary record in this matter is limited to the facts enumerated in the Joint Stipulation.

STIPULATED FACTS

The Parties stipulated to the following facts which are included herein verbatim and in their entirety.³

1. Thomas Gourley, Sr. was the FE PA customer of record residing at 157 Jefferson Avenue, Vandergrift, PA 15690.

2. On November 1, 2021, FE PA issued Mr. Gourley a ten (10) day termination notice for the past due balance of two thousand, six hundred and thirteen dollars and thirty-one cents (\$2,613.31).

3. Prior to the end of the ten (10) day termination notice, FE PA had tried to contact Mr. Gourley via telephone on November 8, 9, and 10, 2021, without success.

4. On November 15, 2021, Melissa Gourley, daughter of Thomas Gourley, Sr., contacted FE PA to be added as an authorized representative to the account at 157 Jefferson Avenue, Vandergrift, PA 15690. Services had previously been in Ms. Gourley's name at this location from February 15, 2017, through March 2, 2020, and, at the time of the call, Ms. Gourley was listed on the account along with her father, Thomas Gourley, Sr.

5. On November 15, 2021, Ms. Gourley's call was transferred to FE PA's Advanced Move-In Department within Customer Service. Ms. Gourley advised the customer service representative that she was attempting to get assistance with payment of the past due balance on the account.

6. During the November 15, 2021 call, the customer service representative advised Ms. Gourley that

³ For ease of reference, the paragraph numbering of the Settlement has been retained; however, the original footnotes are replaced with asterisks and presented at the end of the quoted material.

she could apply for assistance and further advised that the assistance agency would make the determination on her eligibility for assistance.

7. During the November 15, 2021 call, in order to further assist Ms. Gourley, the customer service representative transferred her to the application team to review the requirements to have service in her name.

8. During the November 15, 2021 call, Ms. Gourley further advised the customer service representative that she had zero income and was experiencing medical issues.

9. During the November 15, 2021 call, FE PA representatives failed to:

a. Fully explain the reasons for the proposed termination;

b. Fully explain all available methods for avoiding a termination;

c. Fully explain information about the public utility's universal service programs, including the customer assistance program; and

d. Fully explain the medical emergency procedures.

10. On November 18, 2021, an automated outbound phone call was made to the service location at 157 Jefferson Avenue, Vandergrift, PA 15690, stating that FE PA would like to discuss household income and occupant information to determine eligibility for assistance programs. The automated outbound phone call also stated that if income information was not provided, the account could be at risk of termination during the Winter Moratorium^[*] period.

11. On December 8, 2021, a FE PA representative attempted in-person contact with the account holder at 157 Jefferson Avenue, Vandergrift, PA 15690, to

no avail. The FE PA representative posted a forty-eight (48) hour termination notice on the front door of the service location.

12. On December 14, 2021, a FE PA representative attempted in-person contact with the account holder at 157 Jefferson Avenue, Vandergrift, PA 15690, prior to terminating service; however, no contact was made, and service was terminated. A post-termination notice was left at the service location.

13. On December 20, 2021, Thomas Gourley, Jr., son of Thomas Gourley, Sr., contacted FE PA to notify them that his sister, Melissa Gourley, had passed away in the residence at 157 Jefferson Avenue, Vandergrift, PA 15690 on December 17, 2021.

14. On December 21, 2021, Managing Counsel for FE PA e-mailed the Bureau Director for the Pennsylvania Public Utility Commission's Bureau of Consumer Services to report the death of a customer at a location where the service had been recently terminated, in accordance with 52 Pa. Code § 56.100(j).

15. The Bureau of Consumer Services referred the matter to I&E on December 12, 2022, for further investigation.

16. In the Complaint, I&E made several requests for relief, including that the Commission: (1) find Respondent to be in violation of winter termination procedures and procedures upon customer contact prior to termination for each of the counts set forth in I&E's Complaint; (2) impose a civil penalty in the amount of Fifty-Thousand Dollars (\$50,000.00)^[**]; and (3) order such other remedies as the Commission may deem appropriate.

17. On January 13, 2025, Respondent, through counsel, filed an Answer to I&E's Complaint. In its Answer, FE PA denied the allegations and requested that I&E's complaint be dismissed. Specifically, FE PA denied that the November 15, 2021 call was to discuss termination. Rather, FE PA alleged that the November 15, 2021 call was

regarding a billing question where Ms. Gourley sought confirmation that she had the correct account number necessary for an assistance application. FE PA alleged that based on the nature of the call, Ms. Gourley was transferred to the application team to obtain service in her name.

18. On January 24, 2025, a Notice of Telephonic Prehearing Conference was issued by the assigned administrative law judge.

19. On February 10, 2025, a Prehearing Conference Order was issued, directing the parties to file Prehearing Memoranda.

20. I&E and FE PA filed Prehearing Memoranda on February 21, 2025.

21. On February 27, 2025, the presiding officer, Administrative Law Judge Erin L. Gannon (“ALJ Gannon”), issued a Scheduling Order outlining the litigation schedule.

22. On February 28, 2025, a Telephonic Evidentiary Hearings Notice was filed scheduling a hearing for August 6 and 7, 2025.

23. On May 14, 2025, by e-mail, both parties requested a stay of the litigation schedule for ninety (90) days to continue ongoing settlement negotiations.

24. On May 21, 2025, ALJ Gannon issued an Interim Order Suspending Litigation Schedule and Requiring Status Report.

25. On July 2, 2025, the first Joint Status Report was filed by the Parties indicating that they did not believe that it was necessary to establish a new litigation schedule at that time as they were continuing to negotiate a potential settlement.

[*] The “Winter Moratorium” is the period of December 1 through March 31, where, unless otherwise authorized by

the Commission, an electric distribution utility may not terminate service to customers with household incomes at or below 250% of the Federal poverty level except as provided in 52 Pa. Code § 56.100 (Winter termination procedures) or in § 56.98 (Immediate termination for unauthorized use, fraud, tampering or tariff violations). 52 Pa. Code § 100(b).

[**] I&E initially pleaded a violation for FE PA's failure to respond to I&E's Data Request – Set II with an additional civil penalty request of \$10,000, making the total civil penalty request \$60,000. I&E received FE PA's Responses to Data Request – Set II on February 19, 2025; therefore, I&E will not pursue this originally alleged violation.

Joint Stipulation at 1-5.

SETTLEMENT TERMS

The Joint Petitioners agreed to the following specific settlement terms:⁴

39. Pursuant to the Commission's policy of encouraging settlements that are reasonable and in the public interest,^[***] I&E and FE PA held a series of discussions after the filing of I&E's Complaint that culminated in this Settlement. The purpose of this Joint Petition for Approval of Settlement is to terminate I&E's Complaint and to settle this matter completely without further litigation. Although I&E filed a Formal Complaint, there has been no evidentiary hearing before any tribunal, and no sworn testimony has been taken in any proceeding related to this incident. Further, the Parties have stipulated to relevant facts. See Appendix A attached hereto.

40. The Settlement is a compromise of a disputed Complaint, which I&E intended to prove, and that FE PA intended to disprove.

⁴ For ease of reference, the paragraph numbering of the Settlement has been retained; however, the original footnotes are replaced with asterisks and presented at the end of the quoted material.

41. The Parties recognize that their positions and claims are disputed and further recognize the significant and more immediate benefits of amicably resolving the disputed issues through settlement as opposed to time-consuming and expensive litigation.

42. I&E and FE PA, intending to be legally bound and for consideration given, desire to fully and finally conclude this litigation and agree that a Commission Order approving the Settlement without modification will create the following rights and obligations:

a. Civil Penalty:

FE PA will pay a civil penalty in the amount of Thirty Thousand Dollars (\$30,000.00) pursuant to 66 Pa.C.S. § 3301(a). Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement and will be made payable to the "Commonwealth of Pennsylvania." The docket number of this proceeding, C-2024-3052650, will be indicated with the payment and sent to:

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

The civil penalty will not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f), and will not be passed through as an additional charge to FE PA's customers in Pennsylvania.

b. Contribution to FE PA's Dollar Energy Fund:

In addition to the civil penalty set forth above, FE PA will make a Fifteen Thousand Dollar (\$15,000.00) contribution to its hardship fund through the Dollar Energy Fund. Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement. The payment will not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f), and will not be passed through as an additional charge to FE PA's customers in Pennsylvania.

c. Advanced Move-In ("AMIP") Agent Training:

Within six (6) months of the entry date of the Commission's Final Order approving this Settlement Agreement, all current AMIP agents will have received standalone Pennsylvania credit training to include procedures on how customers can avoid termination, including installation plans, low-income assistance, and medical certificates. Subsequent to this initial training, all new AMIP agents will thereafter receive this training.

d. AMIP Mandatory Refresher Trainings:

On an ongoing basis, AMIP agents will be included in the mandatory summer and winter refresher credit trainings which include procedures on how customers can avoid termination, including installment plans, low-income assistance, and medical certificates. Winter refresher training specifically addresses the Winter

Moratorium protections available to customers.

e. **Customer Income Information**

All income information obtained from a customer and the associated low-income account indicators will remain valid on the customer's account for a period of two (2) years.

43. Upon Commission approval of the Settlement in its entirety without modification, I&E will not file any other complaints or initiate other action against FE PA at the Commission with respect to the allegations that were the subject of I&E's instant Complaint.

44. Following the performance of each non-monetary, remedial measure referenced above, FE PA will file with the Commission a verification acknowledging that each non-monetary, remedial measure has been met or complied with, pursuant to 52 Pa. Code § 5.591.

45. I&E and FE PA jointly acknowledge that approval of this Settlement Agreement is in the public interest and fully consistent with the Commission's Policy Statement regarding Factors and Standards for Evaluating Litigated and Settled Proceedings, 52 Pa. Code § 69.1201. The Parties submit that the Settlement Agreement is in the public interest because it effectively addresses the allegations in I&E's formal Complaint and avoids the time and expense of further litigation, which entails hearings and the preparation and filing of briefs, exceptions, and reply exceptions, as well as possible appeals. Attached as Appendices C and D are Statements in Support submitted by I&E and FE PA, respectively, setting forth the bases upon which the Parties believe the Settlement Agreement is in the public interest.

[***] See 52 Pa. Code § 5.231(a).

Settlement at 8-11.

LEGAL STANDARDS

I&E is authorized by the Public Utility Code to, among other things, prosecute complaints against public utilities within the Commission’s jurisdiction. 66 Pa.C.S. § 308.1(a)(11). Section 2804 of the Public Utility Code directs the Commission to “ensure continuation of safe and reliable electric service to all consumers in the Commonwealth” 66 Pa.C.S. § 2804. Regulations have been promulgated by the Commission to implement the requirement to provide safe and adequate service. *See, e.g.*, 52 Pa. Code §§ 57.193-57.194.

Section 1501 of the Public Utility Code, 66 Pa.C.S. § 1501, places a duty upon a public utility to furnish and maintain adequate, efficient, safe, and reasonable service and facilities, and directs the utility to “make such repairs, changes, alterations, substitutions, and improvements in or to such service and facilities as shall be necessary or proper for the accommodation, convenience and safety” of its patrons and the public. Upon finding that the service or facilities of a public utility are unreasonable, unsafe, or inadequate, the Commission “may prescribe, by regulation or order, the reasonable, safe, and adequate service, or facilities that a public utility must furnish or employ.” 66 Pa.C.S. § 1505.

When the Commission determines that a utility has violated the Public Utility Code, regulations, or orders of the Commission, Section 3301 of the Public Utility Code authorizes the Commission to direct that utility to forfeit and pay to the Commonwealth a sum not exceeding \$1,000 per day of violation. 66 Pa.C.S. § 3301.

The Commission encourages parties in contested on-the-record proceedings to settle cases, including enforcement proceedings. *See* 52 Pa. Code

§ 5.231. Settlements eliminate the time, effort, and expense of litigating a matter to its ultimate conclusion, which may entail review of the Commission’s decision by the appellate courts of Pennsylvania. Such savings benefit not only the individual parties, but also the Commission and all ratepayers of a utility, who otherwise may have to bear the financial burden such litigation necessarily entails.

By definition, a “settlement” reflects a compromise of the positions that the parties of interest have held, which arguably fosters and promotes the public interest. When active parties in a proceeding reach a settlement, the principal issue that the Commission considers is whether the agreement reached suits the public interest. *Pa. Pub. Util. Comm’n v. C S Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991); *see also Pa. Pub. Util. Comm’n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm’n v. Phila. Elec. Co.*, 60 Pa. P.U.C. 1 (1985). In their supporting statements, the Joint Petitioners conclude, after extensive discovery and discussion, that this Settlement resolves most of the contested issues in this case, fairly balances the interests of the Company and its ratepayers, is in the public interest, and is consistent with the requirements of the Public Utility Code.

I&E and FirstEnergy have agreed to settlement terms that, according to the Joint Petitioners, resolve many of the issues raised in I&E’s Complaint. For the reasons discussed below, the settlement will be approved without modification.

DISCUSSION

The foundational allegation of I&E’s Complaint is that West Penn failed to comply with the Commission’s winter termination procedures and procedures for customer contact prior to termination, in terminating service to a

residential account on December 14, 2021. On December 17, 2021, the customer passed away in her home.

Specifically, I&E contended that West Penn violated the Commission's winter termination procedures by failing to determine the customer's household income prior to terminating service. 52 Pa. Code § 56.100(b). With limited exceptions, those procedures prohibit termination of electric distribution service to customers with household incomes at or below 250% of the Federal poverty level, from December 1 through March 31. I&E also alleged that, when Melissa Gourley contacted West Penn on November 15, 2021, West Penn's representatives violated 52 Pa. Code § 56.97 by failing to: (1) fully explain its universal service program, including the customer assistance program; (2) refer the customer to its universal service program to determine her eligibility and to apply for enrollment; and (3) fully explain the medical emergency procedures.

As relief, I&E requested that the Commission find West Penn to be in violation of winter termination procedures and procedures upon customer contact prior to termination for each of the counts set forth in its Complaint, impose a civil penalty of \$50,000, and order such other remedies as the Commission may deem appropriate.

In its answer, FirstEnergy admitted to many of the basic facts surrounding the incident but denied that West Penn violated the Commission's regulations. FirstEnergy specifically denied that 52 Pa. Code § 56.97 is applicable to the November 15, 2021 telephone call with the customer, based on its averment that the nature of the phone call was related to a billing question and not to discuss termination.

I&E and FirstEnergy engaged in a series of discussions that culminated in the Settlement. Therein, the Joint Petitioners agreed to several remedial actions,

as well as a civil penalty in the amount of \$30,000 and a \$15,000 contribution to the Respondent's hardship fund through Dollar Energy Fund. Both parties assert that this settlement is reasonable and in the public interest.

The Commission has adopted a framework to determine whether a settlement in an enforcement matter is in the public interest, often referred to as the "Rosi factors."⁵ 52 Pa. Code § 69.1201. This framework includes a list of ten factors and standards that the Commission will consider in determining if a civil penalty 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:

(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

⁵ See *Rosi v. Bell Atlantic-Pa., Inc.*, Docket No. C-00992409 (Order entered Mar. 16, 2000).

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.

52 Pa. Code § 69.1201(c).

In settled cases, the policy directs a more liberal approach to applying these factors to afford the parties flexibility in reaching amicable resolutions. 52 Pa. Code § 69.1201(b). This approach supports the Commission's policy of encouraging settlements that are in the public interest. This flexibility also offers an incentive to parties to fully participate in settlement discussions in order to reach an accord. *Id.* In their statements in support of the settlement, both I&E and FirstEnergy addressed each of these factors.

Whether the conduct and consequences at issue were of a serious nature

The first factor requires consideration of whether the conduct which resulted in a violation was serious. Conduct of a more serious nature may warrant a higher civil penalty while conduct that is less egregious warrants a lower civil penalty. 52 Pa. Code § 69.1201(c)(1). Conduct such as willful fraud or misrepresentation is considered more serious. In contrast, a less serious violation may be an administrative or technical error. The second factor examines the consequences of a violation. When a violation results in personal injury or property damage, the consequences may warrant a higher penalty.⁶ 52 Pa. Code § 69.1201(c)(2).

As provided above and addressed in the parties' respective statements in support, the alleged conduct in this case is that West Penn violated 52 Pa. Code § 56.100(b) when it terminated service during the Winter Moratorium without first determining the customer's household income and that, when the customer called the utility on November 15, 2021, West Penn's representatives violated 52 Pa. Code § 56.97 by failing to (1) fully explain information about the utility's universal service program, (2) refer the customer to the universal service program to determine her eligibility and to apply for enrollment, and (3) fully explain the medical emergency procedures. App. C at 7-8; App. D at 8. Approximately one week after terminating service, FirstEnergy was notified that the customer passed away in the home. App. C at 8.

I&E submits that the conduct alleged in the Complaint is of a more serious nature than a mere administrative error but does not rise to the level of willful fraud or misrepresentation. App. C at 7. According to I&E, the failure to provide information about public assistance programs, enrollment in assistance programs, and medical emergency procedures is serious, particularly when the customer alleges little to no

⁶ The third factor, whether the conduct was intentional or negligent, only applies to litigated cases. 52 Pa. Code § 69.1201(c)(3); App. C at 8; App. D at 9.

income, given the inherent danger that service may be terminated. *Id.* Further, the actions and inactions of West Penn constitute conduct that placed the public safety at risk. *Id.*

Both I&E and FirstEnergy assert that the seriousness of the conduct and the consequence of the disconnection at issue is addressed in the corrective measures that the Company has agreed to undertake, as well as the payment of the agreed-upon civil penalty. App. C at 7-8; App. D at 8. FirstEnergy adds that electric safety is a paramount concern to the Company, and FirstEnergy continually strives to provide safe electric service to its customers. App. D at 8. The terms and conditions of the settlement adequately take the alleged conduct into account. App. C at 8; App. D at 8. The remediation measures agreed to in the settlement are designed to enhance safety and customer service by strengthening FirstEnergy's training procedures for agents that have contact with customers who may be in danger of service termination, and to minimize the likelihood of a similar termination of service occurring in the future. *Id.*

FirstEnergy does not dispute that, during the November 15, 2021 contact by Ms. Gourley, West Penn's representatives did not fully explain the reasons for the proposed termination, all available methods for avoiding a termination, and information about its universal service programs. Stipulated Facts ¶¶ 4, 9. In resolving the Complaint through settlement, FirstEnergy does not admit any violation of winter termination procedures and procedures on customer contact prior to termination. Stipulated Facts ¶¶ 36, 37. If proven, however, the alleged failures deprived a customer, who indicated that she was attempting to get assistance with payment, had zero income and was experiencing medical issues,⁷ of important protections that might have prevented or postponed termination of service.

⁷ Stipulated Facts ¶¶ 5, 8.

I also take into consideration that West Penn’s representatives attempted to contact the customer of record by telephone on November 8, 9 and 10, 2025 and attempted in-person contact on December 8 and 14, 2021. Stipulated Facts ¶¶ 3, 11, 12. Further, West Penn made an automated outbound phone call to the home, stating that “[the Company] would like to discuss household income and occupant information to determine eligibility for assistance programs” and “if income information was not provided, the account could be at risk of termination during the Winter Moratorium period.” Stipulated Fact ¶ 10 (footnote omitted). In addition, there is no evidence that West Penn’s conduct constitutes willful fraud or misrepresentation.

Termination of essential utility service to vulnerable customers during the winter moratorium is a serious concern. I find that West Penn’s conduct warrants a higher financial sanction under the first of the *Rosi* factors.

Failure to comply with the Commission’s safeguards and requirements for termination of service during the winter months can jeopardize health and safety, particularly where low-income residents have no other safe means of obtaining heat. *Pa. Pub. Util. Comm’n v. PECO Energy Co.*, Docket No. M-2018-2531404 (Opinion and Order entered Feb. 7, 2019) (*PECO 2019*). Here, a customer passed away in her home, while electric service was off. Stipulated Facts ¶¶ 12, 13. In evaluating the second factor and the allegations of the Complaint, I find that the consequences of West Penn’s alleged actions and inactions support a higher financial sanction.

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

The fourth factor to be considered is whether FirstEnergy made efforts to modify internal policies and procedures to address the alleged conduct at issue and to prevent similar conduct in the future. 52 Pa. Code § 69.1201(c)(4). FirstEnergy states

that it has already begun implementing standalone credit training for its AMIP agents to include procedures on how customers can avoid termination of service, including installment plans, low-income assistance, and medical certifications. App. D at 9. The additional credit training for all AMIP agents is designed to address similar situations where a customer with a pending disconnection contacts the Company regarding the account. Also, the new policy to allow a low-income indicator to remain valid on a customer's account for a period of two years will provide better protection for vulnerable customers who may be subject to termination of service. *Id.*

I&E also points to the significant remedial measures which form a large portion of the Settlement. Along with the additional credit training for existing and new AMIP agents, I&E references that mandatory refresher training sessions will also take place, with winter refreshers specifically addressing winter moratorium protections available to customers. App. C at 8. According to I&E, the settlement terms which outline the agreed-on changes and additions to training procedures demonstrate that FirstEnergy is taking appropriate actions to enhance the training of its representatives who may encounter customers in a situation where termination could be prevented, and prevent similar occurrences in the future. *Id.*

As the parties explain, the Settlement provides that FirstEnergy's AMIP agents will now be trained on a regular basis on ways that customers can avoid termination, including installment plans, low-income assistance, and medical certificates. Settlement ¶ 42.c. Importantly, I note that the additional training is specific to Pennsylvania. *Id.* Further, the mandatory winter refresher courses will specifically address winter moratorium protections available to customers. Settlement ¶ 42.d. The agreed-upon changes will increase the income information obtained from a customer and also increase the period that the associated account indicators will remain valid on the customer's account from 90 days to two years. Settlement ¶ 42.e.

These corrective actions should help to protect customers in situations where termination of service could be prevented and, more broadly, aid in identifying customers who are eligible for low-income assistance. Further, these important commitments benefit FirstEnergy's customers in an even more direct way than the settlement terms requiring a civil penalty and hardship fund contribution. Thus, I find that the fourth factor weighs in favor of approving the Settlement.

The number of customers affected and the duration of the violation

The fifth factor to be considered deals with the number of customers affected and the duration of the violation. 52 Pa. Code § 69.1201(c)(5). In this case, the impact on customers was limited to the residence at 157 Jefferson Avenue, in Vandergrift, Pennsylvania. App. C at 9; App. D at 9. FirstEnergy believes that it promptly responded to the disconnection in that it has already begun standalone, Pennsylvania-specific credit training for all AMIP agents so that they will be prepared to discuss ways to avoid disconnection with customers. App. D at 9. The Company avers that the terms and conditions of the Settlement adequately consider the nature of the disconnection, the number of customers affected, as well as FirstEnergy's response under the circumstances.

The violations at issue involve a telephone contact between one customer and West Penn's representatives on November 15, 2021 and the termination of service approximately one month later. Stipulated Facts ¶¶ 4-9, 12. As only one customer was affected, the severity of the consequence has already been given weight, and FirstEnergy began implementing remedial measures before entering into the Settlement agreement, I do not find that this factor supports a different resolution than negotiated by the parties.

The compliance history of the regulated entity

The sixth factor to be considered is FirstEnergy's compliance history. An isolated incident from an otherwise compliant company may result in a lower penalty, whereas frequent, recurrent violations by a company may result in a higher penalty. 52 Pa. Code § 69.1201(c)(6).

I&E states that West Penn has had two instances of compliance issues in the preceding ten-year time period.⁸ App. C at 9. I&E describes that, in the first incident, West Penn entered into a settlement to resolve alleged violations related to failing to appropriately perform vegetation management on a right-of-way, ultimately resulting in a fatality.⁹ *Id.*, citing *Pa. Pub. Util. Comm'n v. W. Penn Power Co.*, Docket No. C-2021-3024913 (Order entered Mar. 10, 2022). West Penn was ordered to pay a civil penalty of \$1,175,000 and entered into numerous corrective measures designed to address the alleged violations. In the second incident, West Penn entered into a settlement to resolve alleged violations related to distribution line horizontal clearance that resulted in property damage. App. C at 9, citing *Pa. Pub. Util. Comm'n v. W. Penn Power Co.*, Docket No. C-2023-3042656 (Final Order entered July 26, 2024). West Penn was ordered to pay a civil penalty of \$17,500 and retrain its employees concerning clearance procedures. I&E specifies that it is not aware of any complaints involving West Penn terminating service during the Winter Moratorium and does not believe that a higher civil penalty is warranted under this factor. App. C at 10.

⁸ I&E states that it reviewed the preceding ten-year time period because the Commission has limited its review of the compliance history of a long-time certificated natural gas public utility to the past ten years when the matter concerned alleged gas safety violations. App. C at 9, citing *Pa. Pub. Util. Comm'n v. UGI Utils., Inc. – Gas Div.*, Docket No. C-2018-3005151 (Order entered Oct. 29, 2020).

⁹ The docket number for the proceeding identified on page 9 of I&E's Statement in Support contained a typo; the correct docket number is cited herein (C-2021-3024913).

Similarly, FirstEnergy maintains that it has a strong compliance history with regard to customer service disconnections and Winter Moratorium protections. App. D at 10. Citing 66 Pa.C.S. § 1501, FirstEnergy also states that public utilities are required to provide reasonable and adequate, not perfect, service. According to the Company, the settlement terms evidence FirstEnergy’s good faith efforts to enhance its existing standards, policies, and procedures, consistent with the purposes of the Public Utility Code and the Commission’s regulations. App. D at 10.

Based on this information, there is no pattern of violations by the Company related to customer service or termination, or otherwise, that warrants modification or disapproval of the proposed Settlement based on West Penn’s compliance history.

Whether the regulated entity cooperated with the Commission’s investigation

The seventh factor to be considered relates to whether the Company 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).

I&E acknowledges that FirstEnergy cooperated with its investigation and has been cooperative with I&E related to identifying policies, procedures, and trainings that can be further improved to assist FirstEnergy in enhancing the safety and reliability of customer service and to satisfy the commitments that I&E has required in the settlement process. App. C at 8; *see also* Settlement ¶ 38.

Consistent with I&E’s acknowledgment, FirstEnergy states that it supported and cooperated with the Commission and its staff throughout its investigation, as well as the complaint and settlement process. App. D at 10. Additionally, the Company believes that it demonstrated a commitment consistent with the Commission’s

public safety goals and objectives by implementing or beginning to implement many of the changes set forth in the settlement prior to the filing of the Settlement. *Id.*

Accordingly, I find that FirstEnergy's compliance is a mitigating factor in evaluating the reasonableness of the negotiated civil penalty.

The amount of the civil penalty or fine necessary to deter future violations and past Commission decisions in similar situations

The eighth factor to be considered is the appropriate settlement amount necessary to deter future violations. 52 Pa. Code § 69.1201(c)(8). The ninth factor to be considered relates to past Commission decisions in similar situations. 52 Pa. Code § 69.1201(c)(9).

I&E submits that, given the nature of West Penn's conduct and the resulting consequences, a civil penalty amount of \$30,000.00, which is not tax deductible, is an appropriate penalty payment. App. C. at 10. I&E further submits that the monetary contribution of \$15,000 into FirstEnergy's Dollar Energy Fund, in addition to the civil penalty, is sufficient to deter future violations. *Id.*

FirstEnergy also believes that the civil penalty and hardship fund contribution provided by the Settlement appropriately recognizes the seriousness of the matter but also reflects a negotiated compromise by the Joint Petitioners that considered the efforts of the Company since the events at issue occurred. App. D at 10. The Company further asserts that the Settlement, while consistent with past Commission decisions, should also be considered on its own merits. App. D at 11.

Although neither I&E nor FirstEnergy point to any litigated cases which are directly on point with the facts of this matter, in its Statement in Support, I&E describes a

settlement approved by the Commission concerning the report of death after termination wherein the Commission authorized the utility to pay a civil penalty amount of \$30,000 and a contribution of \$15,000 to its hardship fund. App. C at 10, *citing Pa. Pub. Util. Comm'n v. PPL Elec. Utils. Corp.*, Docket No. M-2012-2264635 (Opinion and Order entered Apr. 4, 2013) (*PPL 2013*). Additionally, the Commission approved a settlement regarding terminations during the Winter Moratorium that authorized a \$10,000 civil penalty and a \$20,000 increase in matching contributions to the utility's hardship fund. App. C at 10, *citing PECO 2019*.

The Settlement provides for a substantial civil penalty that will neither be borne by ratepayers nor used as a tax benefit by FirstEnergy. Settlement ¶ 42.a. This penalty represents a significant consequence to FirstEnergy's investors that is commensurate with the seriousness of the alleged failure to comply with the Commission's winter termination procedures and procedures upon customer contact prior to termination. The Settlement also provides for a contribution to the Company's hardship fund, which will not be passed through as an additional charge to FirstEnergy customers in Pennsylvania. Settlement ¶ 42.b.

Given the serious nature of the alleged conduct and consequences in this case, I find that a civil penalty of \$30,000 is appropriate, in conjunction with a commitment to contribute \$15,000 to the hardship fund administered by Dollar Energy. Settlement ¶ 42.b. The total potential financial commitment is \$45,000, which is nearly the \$50,000 total penalty that I&E sought in its Complaint based on the results of its investigation.

Review of the past Commission decisions cited by I&E provides further support for this proposed amount. In *PECO 2019*, the allegations included that the utility terminated electric service to approximately 30 customers during the winter without income information. In that matter, which affected a larger number of customers than

here, the Commission found that a financial commitment of \$175,000 to the utility's hardship fund was sufficient to deter future violations. Recognizing that the facts and allegations differ, on a per customer basis, the proposed amount is significantly higher in the Settlement under review here. I find a higher financial deterrent is appropriate in the present case where, following loss of electric service, a customer passed away in the home.

In *PPL 2013*, the Commission approved the same civil penalty and hardship contribution that is proposed in the instant Settlement. It stated:

This amount is consistent with our prior decisions discussed herein, in which we approved settlements involving allegations of customer service violations by PPL. This amount is higher in proportion to the amounts we have approved in prior settlements in order to sufficiently deter future similar violations. Given that PPL has also agreed to various training and call monitoring initiatives to improve the quality of its customer service, we find that this amount is appropriate under the circumstances.

PPL 2013 at 13. While not directly on point with the instant case, the matter in *PPL 2013* also concerned the report of death after termination. I am persuaded that the amount of the proposed civil penalty and hardship fund contribution is appropriate because the Settlement includes meaningful remedial measures intended to maintain electric service where termination could be prevented. Settlement ¶ 42.c., d., e.

Other relevant factors

The final provision of Section 69.1201 invites consideration of “other relevant factors” that may impact the evaluation of a settlement. 52 Pa. Code § 69.1201(c)(10). Both I&E and FirstEnergy point to the importance of the negotiated

settlement which resolves I&E's complaint.¹⁰ App. C at 11; App. D at 11. First, a settlement avoids the necessity for the prosecuting agency to prove elements of each allegation. In return, the opposing party in a settlement agrees to a lesser fine or penalty, or other remedial action. Both parties negotiated from their initial litigation positions. *Id.* The fines, penalties, and other remedial actions resulting from a fully litigated proceeding are difficult to predict and can differ from those that result from a settlement. Reasonable settlement terms can represent economic and programmatic compromise but allow the parties to move forward and to focus on implementing the agreed upon remedial actions. *Id.* Additionally, FirstEnergy contends that it has demonstrated a commitment consistent with the Commission's public safety goals and objectives and broadly expanded the scope of the general public that will benefit from the commitments made in this Settlement. App. D at 11. Both Joint Petitioners fully support the Settlement and request that the Commission approve the agreement without modification. App. C at 12; App. D at 12.

I agree with the parties that litigation of the violations alleged by I&E would have encumbered significant Commission and utility resources – resources that are better devoted to the fulfillment of the settlement terms agreed to by the Joint Petitioners.

Accordingly, and for the reasons set forth above, I find the proposed terms of the Settlement are sufficient to meet the public interest and consistent with past Commission decisions.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the parties to and the subject-matter of this dispute. 66 Pa.C.S. §§ 502, 701.

¹⁰ See also Settlement ¶ 53, citing 52 Pa. Code §§ 5.231, 69.1201.

2. The Commission encourages parties in contested on-the-record proceedings to settle cases, including enforcement proceedings. *See* 52 Pa. Code § 5.231.

3. When active parties in a proceeding reach a settlement, the principal issue for Commission consideration is whether the agreement reached suits the public interest. *Pa. Pub. Util. Comm'n v. C S Water & Sewer Assocs.*, 74 Pa. P.U.C. 767 (1991); *see also Pa. Pub. Util. Comm'n v. York Water Co.*, Docket No. R-00049165 (Order entered Oct. 4, 2004); *Pa. Pub. Util. Comm'n v. Phila. Elec. Co.*, 60 Pa. P.U.C. 1 (1985); 52 Pa. Code § 69.1201.

4. The settlement reached by the Joint Petitioners is in the public interest. 52 Pa. Code § 69.1201.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the Joint Petition for Approval of Settlement filed on October 31, 2025 between the Commission's Bureau of Investigation and Enforcement and FirstEnergy Pennsylvania Electric Company is approved in its entirety without modification.

2. That, in accordance with Section 3301(c) of the Public Utility Code, 66 Pa.C.S. § 3301(c), within thirty (30) days of the date this Order becomes final, FirstEnergy Pennsylvania Electric Company shall pay a civil penalty of Thirty Thousand

Dollars (\$30,000.00) by sending a certified check or money order payable to the Commonwealth of Pennsylvania to:

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

3. That the civil penalty shall not be tax deductible or passed through as an additional charge to FirstEnergy Pennsylvania Electric Company's customers in Pennsylvania.

4. That FirstEnergy Pennsylvania Electric Company will make a Fifteen Thousand Dollar (\$15,000.00) contribution to its hardship fund through Dollar Energy Fund. Said payment will be made within thirty (30) days of the entry date of the Commission's Final Order approving the Settlement Agreement.

5. That the payment shall not be tax deductible pursuant to Section 162(f) of the Internal Revenue Code, 26 U.S.C.S. § 162(f), and shall not be passed through as an additional charge to FirstEnergy Pennsylvania Electric Company customers in Pennsylvania.

6. That within six (6) months of the entry date of the Commission's Final Order approving this Settlement Agreement, all current Advanced Move-In Process agents will have received standalone Pennsylvania credit training to include procedures on how customers can avoid termination, including installation plans, low-income assistance, and medical certifications. Subsequent to this initial training, all new Advanced Move-In Process agents will thereafter receive this training.

7. That, on an ongoing basis, Advanced Move-In Process agents will be included in the mandatory summer and winter refresher credit trainings which include procedures on how customers can avoid termination, including installment plans, low-income assistance, and medical certificates. Winter refresher training specifically addresses the Winter Moratorium protections available to customers.

8. That all income information obtained from a customer and the associated low-income account indicators will remain valid on the customer's account for a period of two (2) years.

9. That upon making payment to the hardship fund as directed in Ordering Paragraph No. 4, and fulfillment of standalone Pennsylvania credit training for current Advanced Move-In Process agents including procedures on how customers can avoid termination as set forth in Ordering Paragraph No. 6, FirstEnergy Pennsylvania Electric Company shall file with the Commission a verification acknowledging compliance, pursuant to 52 Pa. Code § 5.591.

10. That a copy of this Initial Decision shall be served upon the Financial and Assessment Chief, Bureau of Administration.

11. That if FirstEnergy Pennsylvania Electric Company fails to pay the civil penalty of Thirty Thousand Dollars (\$30,000.00) within thirty (30) days of the entry date of a Final Commission Order as directed in Ordering Paragraph No. 2, 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 amount set forth above and any other appropriate action.

12. That a copy of this Initial Decision shall be served upon the Bureau of Technical Utility Services for monitoring of compliance with Ordering Paragraph No. 9.

13. That if FirstEnergy Pennsylvania Electric Company fails to comply with Ordering Paragraph No. 9, verifying its compliance with Ordering Paragraphs Nos. 4 and 6, it is further ordered that the Bureau of Technical Utility Services shall refer this matter to the Bureau of Investigation and Enforcement Pennsylvania for enforcement and any other appropriate action.

14. That the Secretary's Bureau shall marked closed the above-captioned matter upon receipt of the civil penalty of Thirty Thousand Dollars (\$30,000.00) as directed in Ordering Paragraph No. 2, and the verifications acknowledging compliance with the other non-civil penalty, remedial measures as directed in Ordering Paragraph 9.

Date: January 27, 2026

_____/s/
Erin L. Gannon
Administrative Law Judge