

2743

RECEIVED

2009 APR 27 PM 2:43

Paul E. Russell
Associate General Counsel

PPL

Two North Ninth Street
Allentown, PA 18101-1179
Tel. 610.774.4254 Fax 610.774.6726
perussell@pplweb.com



FEDERAL EXPRESS

INDEPENDENT REGULATORY
REVIEW COMMISSION

April 20, 2009

James J. McNulty, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

COPY

**Re: Rulemaking to Amend the Provisions of 52 Pa. Code,
Chapter 56 to Comply with the Provisions of
66 Pa. C.S. Chapter 14, General Review of Regulations
Docket No. L-00060182**

Dear Mr. McNulty:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric" or the "Company") are an original and fifteen (15) copies of the Company's comments in the above-captioned proceeding. Also enclosed for filing is a diskette that provides the Company's comments in electronic format. Pursuant to paragraph 5 of the Commission's September 26, 2008 order, PPL Electric has forwarded copies of these comments by electronic mail to Terrence J. Buda, Patti Wiedt, Cyndi Page and Daniel Mumford.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on April 20, 2009, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

In addition, please date and time-stamp the enclosed extra copy of this letter and return it to me in the envelope provided.

If you have any questions regarding these comments, please call me at (610) 774-4254 or Timothy R. Dahl, PPL Electric Utilities' Manager-Regulatory Programs & Business Services, at (484) 634-3297.

Very truly yours,

Paul E. Russell

Enclosures

cc: Terrence J. Buda, Esquire
Patricia Wiedt, Esquire
Cyndi Page
Daniel Mumford

RECEIVED

APR 20 2009

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Re: Rulemaking to Amend the :
Provisions of 52 Pa. Code, Chapter 56 :
to Comply with the Provisions of 66 Pa. : Docket No. L-00060182
C.S., Chapter 14; General Review of :
Regulations :

PROPOSED RULEMAKING ORDER

**Comments of
PPL Electric Utilities Corporation**

I. Introduction

On November 30, 2004, the Governor signed into law SB 677, or Act 201 ("Act"). The Act amended Title 66 by adding Chapter 14, *Responsible Utility Customer Protection*. The purpose of Chapter 14 is to protect responsible bill paying customers from rate increases related to uncollectible accounts of customers who have the ability to pay their bills but choose not to pay. The provisions of Chapter 14 do not apply to steam, wastewater utilities and persons under a protection from abuse ("PFA") order. The purpose of the above-captioned *Proposed Rulemaking Order* is to promulgate regulations to implement Chapter 14.

RECEIVED

APR 20 2009

PA PUBLIC UTILITY COMMISSION
SECRETARY'S BUREAU

On January 28, 2005, the Pennsylvania Public Utility Commission (“PUC” or the “Commission”) issued a Secretarial Letter identifying general subject areas for discussion. The Commission conducted a Roundtable Forum on February 3, 2005 to begin discussions regarding the implementation of Chapter 14 provisions. Based on the deliberations at the Roundtable Forum, the Commission issued an Implementation Order on March 4, 2005 that addressed seven threshold issues. Recognizing that the resolution of Chapter 14 issues was an ongoing process, the Commission held further Roundtable Forums on July 1, 2005 and July 21, 2005. On September 12, 2005, the Commission issued a Second Implementation Order to address a variety of issues (e.g., termination and reconnection, payment arrangements and security deposits).

The Commission issued a *Section 703(g) Order Seeking Comments* on August 24, 2005 regarding the interpretation of the payment agreement restrictions in Section 1405(d). On October 31, 2005, the Commission issued a *Reconsideration of Implementation Order*, which amended the *Implementation Order* by concluding that § 1405(d) allowed the Commission to establish one payment agreement before the prohibition against a second payment agreement applied. The Commission issued a *Declaratory Order* on November 21, 2005, noting that Chapter 14 prohibits utilities from requiring upfront payments greater than the amount specified in § 1407(c)(2).

The Act requires the Commission to open a formal rulemaking proceeding to amend Chapter 56 to comply with the provisions of Chapter 14 and, if necessary, promulgate additional regulations to enforce Chapter 14. As part of the process of harmonizing its regulations with Chapter 14, the Commission issued an *Advance Notice of Proposed Rulemaking* (“ANOPR”) on December 4, 2006 to gather input from

interested parties before drafting the proposed revisions. On September 26, 2008, the Commission issued a *Proposed Rulemaking Order* to amend Chapter 56 and solicited comments from interested parties on the proposed regulations. The Commission requested that parties who provide comments to offer justification for requested revisions, and to propose regulatory language for the final-form regulations.

PPL Electric Utilities Corporation (“PPL Electric” or the “Company”) appreciates this opportunity to provide detailed comments to the Commission regarding the proposed revisions to Chapter 56. PPL Electric commends the Commission for its ongoing efforts to provide interested parties with various opportunities (e.g., Roundtable Forums) to provide feedback regarding their concerns and issues. Revising extensive and technical regulations is an important task because the provisions of Chapter 56 and Chapter 14 can affect nearly all electric and natural gas utility customers throughout the Commonwealth.

Given the breadth and scope of comments submitted as a result of ANOPR, PPL Electric believes that the Commission considered the various perspectives and issues raised by the parties who provided comments. With respect to promulgating regulations, the Company recognizes that the Commission must balance many considerations (e.g., ensuring consumer protection, providing clear direction on implementation, and promoting fairness for all parties). The Company agrees with many of the proposed amendments to Chapter 56; however, there are areas where PPL Electric has concerns with the suggested changes. Where this occurs, PPL Electric offers justification for revising or deleting the Commission’s proposed regulations. In addition, the Company provides suggested language for inclusion into the final-form

regulations. PPL Electric's comments regarding the proposed regulations set forth in Annex A appear below.

II. Specific Comments: Subchapters A-K

Subchapter A. PRELIMINARY PROVISIONS FOR UTILITIES AND CUSTOMERS SUBJECT TO CHAPTER 14 OF THE PUBLIC UTILITY CODE

§ 56.1. *Statement of purpose and policy.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.2. *Definitions.*

Comments:

PPL Electric offers comments regarding the following four proposed definitions: *AMR (Automatic meter reading)*, *Electronic notification of payment*, *Household income*, and *Informal dispute settlement agreements*. The Company's comments regarding these definitions are as follows.

The Commission proposes the following definition for *AMR (Automatic meter reading)*:

“Metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes. The term does not include remote meter reading devices as defined by this section.”

To clarify this definition, PPL Electric recommends that the Commission add language indicating that an AMR reading is an actual reading. The Company recommends the following revised definition:

“Metering using technologies that automatically read and collect data from metering devices and transfer that data to a central database for billing and other purposes. For purposes of this section, an AMR reading is considered an actual reading. The term does not include remote meter reading devices as defined by this section.”

In this section the Commission proposes to add a definition of *Electronic notification of payment*. The definition reads as follows:

“A notification generated by the electronic payment system upon receipt of a payment. The notification will inform the customer of successful receipt and amount of payment and the date and time the payment was received.”

PPL Electric believes that is necessary to distinguish between one-time payments made by customers through a utility’s interactive voice response system, for example, and reoccurring monthly payments from customers who receive and pay their bills on-line (i.e., paperless billing). The Company believes that the Commission intended that this definition apply to reoccurring monthly payments from customers rather than one-time payments. PPL Electric also notes that utilities offering customers an on-line billing and payment option must conform to all applicable federal banking

regulations, which include notification of payments received. The Company recommends the following definition of *Electronic notification of payment*:

“A notification generated by the electronic payment system upon receipt of a payment from on-line billing and payment customers. The notification will inform the customer of successful receipt and amount of payment and the date and time the payment was received.”

The Commission also proposes the following definition of *Household income* in § 56.2:

“The combined gross income of all adults in a residential household who benefit from the public utility service. The term does not include income intended for the use of a minor. Examples of a minor’s income include Social Security, child support, SSI, earnings, and grants from the Department of Public Welfare.”

PPL Electric supports the use of gross household income but believes that, with the exception of earned wages of a dependent child under 18, it is appropriate to consider a minor’s income as part of the household’s gross income for several reasons. First, in the Fiscal Year 2009 Final State Plan for the Low-Income Home Energy Assistance Program (“LIHEAP”), the Pennsylvania Department of Public Welfare (“DPW” or the “Department”) has included a detailed definition of gross income in § 601.82. DPW defines gross household income as the total of earned and unearned income and includes the following:

- Employee earnings
- Profit from self-employment
- Income from roomers, boarders or renters
- Unearned income

Examples of unearned income include public assistance grants, Social Security benefits, Supplemental Security Income (“SSI”), workers’ compensation, pensions, unemployment compensation and support payments. In § 601.84 of the State Plan, the DPW discusses income exclusions such as: educational assistance, VISTA payments, Food Stamp Program, Earned Income Tax Credits, etc. None of these exclusions, with the exception of earned income for minors, reflects the sources of a minor’s income that the Commission proposes to exclude from the definition of household income.

Second, if minors receive payments through Social Security, SSI, etc., their parents and/or guardians almost always handle and control the expenditure of these funds. Presumably these adults are using this funding to provide for the welfare and support of the children, which includes paying for basic necessities like shelter, food, health care and utilities. From PPL Electric’s perspective, it does not seem reasonable to exclude these funds from the household’s gross income. In addition, the federal tax code considers SSI, child support and Social Security as reportable and taxable household income.

Third, excluding these types of funds from the household’s gross income may result in more customers becoming eligible for Customer Assistance Programs, weatherization and hardship funds. PPL Electric clearly supports providing all available

assistance to eligible households, but has concerns about unnecessarily increasing costs for the residential customers who must pay for these programs. The Company believes it is important to strike a balance between helping those in need and considering the cost impact on other customers. The Commission also has concerns about balancing those various interests. For example, Commissioner Pizzigrilli, in her January 15, 2009 Statement (Docket No. M-2008-2044646) regarding Dominion Peoples Universal Service and Energy Conservation Plan for 2009-2011, noted the following:

“However, the Commission has also proposed that programs be evaluated on a number of factors, including consideration of the interests of all customers, not those just enrolled in CAPs.”

Finally, the Commission’s proposal to exclude certain types of household income from this definition would require PPL Electric to make programming changes to its customer information system and to provide training to its call center telephone representatives. Programming changes (development, testing, refinements, etc.) could be costly and time consuming. The challenges and requirements associated with rate mitigation, generation rate cap removal and Act 129 have stretched programming resources and expertise to the limit.

PPL Electric recommends that the Commission use DPW’s guidelines for determining household income, which would promote consistency among public and private assistance programs. PPL Electric recommends that the Commission revise the definition of *Household income* as follows:

“The combined gross income of all adults and minors in a

residential household who benefit from the public utility service.

The term excludes wage earnings of a dependent child under 18.”

The Commission proposes adding a definition of *Informal dispute settlement agreements*. The definition reads as follows:

“ A mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute. An informal dispute settlement agreement is a written document that is provided to the parties of their representatives. An informal dispute settlement agreement offered by a utility shall contain the following statement: “ If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied. You may file either an informal complaint or formal complaint before the Public Utility Commission without making yourself subject to retaliation by the Utility.” The informal dispute settlement agreement shall also contain the information necessary to contact the Public Utility Commission either in writing or by telephone.”

The Commission should delete this definition because the Company cannot envision when utilities would use this type of informal dispute settlement agreement. The Commission’s regulations and procedures regarding payment agreement requests, informal complaints and formal complaints seem sufficient and

effective from PPL Electric's perspective. Utilities use a similar process in resolving formal complaints before the Commission by negotiating an agreement with customers and having them sign a Certificate of Satisfaction. All of these approaches seem to negate the need of this type of agreement, which appears in other sections of the proposed regulations.

However, if the Commission determines that it is inappropriate to have informal dispute settlement agreements, then PPL Electric recommends some wording changes in this definition. The Company believes that it is inappropriate to infer that utilities would knowingly retaliate against customers who file informal complaints or formal complaints. This type of action is certainly antithetical to PPL Electric's values and commitment to customer satisfaction, and appears to be an unsubstantiated indictment against Pennsylvania's electric and gas utilities. The Company recommends the following wording for this definition:

“ A mutually agreeable statement of a claim or dispute by a customer or applicant including a proposed resolution of the claim or dispute. An informal dispute settlement agreement is a written document that is provided to the parties of their representatives. An informal dispute settlement agreement offered by a utility shall contain the following statement: “ If you are not satisfied with this agreement, immediately notify the utility that you are not satisfied. You may file either an informal complaint or formal complaint before the Public Utility

Commission.” The informal dispute settlement agreement shall also contain the information necessary to contact the Public Utility Commission either in writing or by telephone.”

PPL Electric agrees with the Commission’s proposed elimination of the definition of *Notice or termination notice* and, instead, inserting the appropriate information in a revised § 56.91.

Subchapter B. BILLING AND PAYMENT STANDARDS

§ 56.11. *Billing Frequency.*

Comments:

PPL Electric has concerns with § 56.11(b)(1), which states that “The electronic billing option is voluntary and the customer retains the option of continuing to receive a paper bill if desired.” PPL Electric recommends that the Commission clarify the exact meaning of this provision. Does the Commission intend that a customer can receive both an electronic bill and a paper bill, if so desired? Or, does the Commission intend that a customer does not have to participate in electronic billing and can continue receiving only a paper bill? The Company believes that a reasonable person could read this provision either way.

If the Commission intended the former, then PPL Electric believes that this proposed provision defeats the purpose of electronic billing presentment and payment. That is, electronic billing streamlines internal processes, reduces a utility’s costs (e.g., postage, printing and paper bills), and provides convenience to customers. From PPL

Electric's perspective, it is inappropriate to allow customers to receive both electronic and paper bills. The Company recommends the following revisions to this provision:

“(1) The electronic billing option is voluntary and the customer retains the right to revert to conventional paper billings upon request. The customer shall provide the public utility with 30 days notice of a request to revert to paper billing.”

In § 56.11(b)(5), the Commission proposes that an electronic bill must include the option for customers to donate to the utility's hardship fund. PPL Electric agrees that providing this option to customers who pay their bills electronically is desirable. However, the Company has concerns about requiring this option because the Commission does not have regulatory authority over a utility's hardship fund where donations are voluntary and do not involve rate revenue. The Commission has rightly encouraged electric and gas utilities to implement hardship funds and the companies have responded effectively. In 2007, total donations to utility hardship funds in Pennsylvania from electric and gas utilities exceeded \$5.8 million. (Source: PUC's *2007 Report on Universal Service Programs & Collections Performance*).

PPL Electric recommends revising the language of this provision as follows:

“The electronic bill should include the option for the customer to contribute to the public utility's hardship fund.”

Section 56.11(7) indicates that “The public utility shall maintain a system to ensure delivery of electronic bills if the bill is emailed to a customer.” PPL Electric believes that customers who participate in paperless billing must have the responsibility of providing current and accurate email addresses to their utilities to help ensure timely billing. PPL Electric recommends revising § 56.11(7) as follows:

“The public utility shall maintain a system to ensure delivery of electronic bills if the bill is emailed to a customer. The customer shall be responsible for informing the utility of changes to email addresses within 30 days.”

§ 56.12. *Meter reading; estimated billing; customer readings.*

Comments:

In § 56.12(7), the Commission proposes that a budget billing reconciliation amount exceeding \$25 be amortized over a 3-12 month period. PPL Electric generally agrees with this suggestion, but has concerns that it could create additional financial risk for utilities. This revision, if approved by the Commission, would require computer programming and process changes as well. The Company recommends revising the wording to clarify that the amortization period is dependent upon the reconciliation amount and the customer’s ability to pay. For example, PPL Electric does not believe that it would be reasonable to require utilities to amortize a \$30 reconciliation amount over 12 months for a Level 4 customer. The Company attempts to minimize the reconciliation amounts by reviewing and, if needed, adjusting budget billing amounts quarterly. PPL Electric recommends the following language for § 56.12(7):

“A resulting reconciliation amount exceeding \$25 shall, depending upon the amount and the customer’s ability to pay, be amortized over a 3-12 month period at the discretion of the utility.”

§ 56.13. *Billings for merchandise, appliances and nonrecurring and recurring services.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.14. *Previously unbilled public utility service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.15. *Billing information.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.16. *Transfer of accounts.*

Comments:

PPL Electric has identified a potential area of confusion between § 56.16(d) and § 56.33(2)(ii) . Section 56.16(d) reads as follows:

“In the event of a termination of service to a residential customer, a public utility may transfer to the account of a third-party guarantor any portion of the unpaid balance which is equivalent to the cash deposit requirement of the customer.”

Section 56.33(2)(ii) reads as follows:

“This section does not to preclude an applicant

from furnishing a third-party guarantor in lieu of a cash deposit. The guaranty shall be in writing and shall state the terms of the guaranty. The guarantor shall be responsible for all missed payments owed to the public utility.”

A possible area of confusion could arise between the phrases “unpaid balance” in § 56.16(d) and “all missed payments” in § 56.33(2)(ii). From PPL Electric’s perspective, the meaning of the two phrases is not equivalent and believes that § 56.33(2)(ii) is the controlling language because it follows the statute at § 1404(b). The Company recommends that the Commission delete § 56.16(d) because this provision is adequately addressed at § 56.33(2)(ii). In the alternative, the Commission could revise the language of § 56.16(d) as follows:

“In the event of a termination of service to a residential customer, a public utility may transfer to the account of a third-party guarantor all missed payments.”

§ 56.17. *Advance payments.*

Comments:

Section 56.17(3) provides the rules governing the use of prepayment meters for electric and gas service. PPL Electric recommends that the Commission amend § 56.17(3)(i) to allow any payment-troubled customer, regardless of income level, the option of using a prepayment meter. This prohibition against allowing low-income customers to use a prepayment meter appears to assume that these customers

are incapable of understanding the system, purchasing the prepayment cards, tracking their usage on the prepayment monitor, etc.

From PPL Electric's perspective, payment-troubled customers at any income level can effectively understand and use prepayment meters. It is faulty reasoning to assume that low-income customers could not benefit from prepayment meters. The Company concedes that low-income customers may not be the most likely group to select a prepayment meter, but the Commission's regulations should not preclude their participation. In addition, the use of a prepayment meter is a voluntary decision by the customer. Low-income customers should have access to the same payment options available to residential customers who are not low-income.

PPL Electric recommends that the Commission amend § 56.17(3)(i) to read as follows:

"The customer has a delinquency for which the individual is requesting a payment agreement but offering terms that the public utility, after consideration of the factors at § 56.97(b) (relating to procedures upon customer or occupant contact prior to termination), finds unacceptable."

§ 56.21. *Payment.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.22. *Accrual of late payment charges.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.23. *Application of partial payments between public utility and other service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.24. *Application of partial payments among several bills for public utility service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.25. *Electronic bill payment.*

Comments:

PPL Electric has no comments regarding this section.

**Subchapter C. CREDIT AND DEPOSITS STANDARDS POLICY
PROCEDURES FOR NEW APPLICANTS**

§ 56.31. *Policy statement.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.32. *Security and cash deposits.*

Comments:

PPL Electric agrees with the Commission's proposed language in § 56.32(a)(2), which states that, "The credit scoring methodology utilized for this purpose must specifically assess the risk of utility bill payment." The Company has been using Equifax, Inc.'s Energy Risk Assessment Model ("ERAM") for credit scoring since 2001. Equifax designed ERAM specifically to identify credit risk associated with

the payment of utility bills. PPL Electric has been pleased with the use of ERAM for credit scoring and has received few PUC complaints regarding credit scoring.

§ 56.33. *Third-party guarantors.*

Comments:

See PPL Electric's above comments regarding § 56.16.

§ 56.34. *Deposits for temporary service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.35. *Payment of outstanding balance.*

Comments:

The Commission proposes under § 56.35(2)(c) that utilities must include in their tariffs the procedures and standards to determine an applicant's liability for an outstanding balance. PPL Electric does not believe it is necessary to include in the tariff all of the procedures for determining an applicant's liability, because the Commission has already delineated these standards in § 56.35(2)(a) and § 56.35(2)(b). The use of a mortgage, deed or lease is already part of the provisions of Chapter 14, and all of the major electric and gas utilities are currently using commercially available credit scoring services.

What is different under § 56.35(2)(b) is the inclusion of "other methods approved as valid by the Commission." PPL Electric recommends that the Commission require utilities that use other methods to include them in their tariffs because the term "other methods" is vague. Not all utilities will choose to use other methods to determine liability for an outstanding balance. Including these other methods, of which there may

be several, in a utility's tariff seems more appropriate than requiring all utilities to include well-established, Commission-approved procedures in their individual tariffs.

§ 56.36. *Written procedures.*

Comments:

The Commission proposes that, "Public utilities must include in their tariffs filed with the Commission their credit and application procedures along with their credit scoring methodology and standards." PPL Electric agrees, in part, with the Commission's proposal. The Company certainly could include a description of its credit and application procedures in its tariff. Because a utility's credit and collection activities are dynamic rather than static, utilities are continuously analyzing results and implementing new initiatives to improve collections. PPL Electric recommends a narrow definition of credit and application procedures. That is, the Commission should not require utilities to file tariff changes for various collection-related initiatives (e.g., special outreach campaigns for customers who owe large balances) that do not change the basic credit and application procedures described in the tariff. Such a requirement would likely have a "chilling" effect on collection efforts, because utilities may be reluctant to implement various initiatives that could require the filing of a tariff supplement and, perhaps, litigation before the Commission.

PPL Electric believes that there are two problematic areas that the Commission had not specifically addressed in § 56.36. First, PPL Electric does not have a credit scoring methodology *per se*. As noted above, the Company uses Equifax's ERAM for credit scoring. ERAM assesses credit risk based on the customer's or applicant's payment of utility bills. The Company could provide an overview of

ERAM's methodology, but the model itself is proprietary. PPL Electric recommends that the Commission allow utilities to include in their tariffs a general description of credit scoring methodologies if private firms own those methodologies. PPL Electric sees no practical way to compel Equifax to reveal trade secrets. If, on the other hand, a utility has developed its own credit scoring model, then the utility could include that methodology in its tariff.

Second, under § 56.36(1), the Commission proposes that, "The written denial statement shall include the applicant or customer's credit score, the provider of the credit score, information on the customer or applicant's ability to challenge the accuracy of the credit score and how to contact the credit score provider." PPL Electric agrees with the suggestion to provide information to the applicant or customer regarding the provider of the credit score and how to contact the provider. The Company has been using this process since 2001, when it started working with Equifax. The troublesome area for PPL Electric is providing the credit score to the applicant or customer. Employees at PPL Electric, by design, do not have access to credit scores; all they know is whether the applicant or customer failed the credit scoring risk assessment. For reasons of customer confidentiality, the Company does not believe that its employees should have access to individual credit scores. There also may be a legal concern presented by the federal Fair Credit Practices Act regarding the sharing of credit scores – See 15 USC § 1681g (a)(1)(B).

For these reasons, PPL Electric would be concerned about sending letters to applicants or customers that included their individual credit scores. The Company recommends that the Commission delete this requirement from the written denial

statement. It would be more appropriate for the applicant or customer to call the credit score provider (all of them have toll-free telephone numbers) to discuss and, if necessary, correct any data used to determine an individual's credit score. The credit denial letter sent by utilities would include information on how to contact the credit score provider.

§ 56.37. General Rule.

Comments:

PPL Electric has no comments regarding this section.

§ 56.38. Payment period for deposits by applicants.

Comments:

PPL Electric has no comments regarding this section.

PROCEDURES FOR EXISTING CUSTOMERS

§ 56.41. General Rule.

Comments:

PPL Electric has no comments regarding this section.

§ 56.42. Payment period for deposits.

Comments:

The Company recommends that the Commission harmonize the two different payment periods for deposits set forth in this section. If the customer has been delinquent in the payment of any two consecutive bills or three or more bills within a 12-month period, the utility may request a security deposit. The customer may elect to pay the deposit in three installments: 50% payable upon determination that a deposit is required, 25% payable 30 days after the determination and 25% payable 60 days after

the determination. On the other hand, as a condition for reconnecting service, a utility may require some customers to pay a security deposit. The proposed payment period for these customers is 50% as part of the condition for reconnection, 25% payable 60 days later and 25% payable 90 days later. PPL Electric suggests that the Commission establish the same payment period for payment of deposits under both scenarios: 50% upfront, 25% payable 30 days later and 25% payable 60 days after the initial 50% payment. Providing customers with 60 days to pay deposits is a reasonable amount of time.

It is counterintuitive to give customers who have demonstrated the highest level of risk (i.e., termination of service for non-payment of bills) more time to pay a security deposit. If anything, they should be required to pay sooner rather than later. This issue is of particular importance to PPL Electric because the Company does not charge security deposits to residential customers who have household incomes at or below 250% of the federal poverty level. Because the Company applies security deposits only to customers who have an ability to pay (i.e., household incomes exceeding 250% of poverty), it is important to encourage the timely payment of these deposits.

CASH DEPOSITS

§ 56.51. *Amount of cash deposit.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.53. *Deposit hold period and refund.*

Comments:

Under § 56.53(a), a utility may hold a deposit until the customer establishes a timely payment history (i.e., on time and full payments for 12 consecutive months) or for a maximum period of 24 months. What PPL Electric and other Pennsylvania utilities have discovered that some customers do not establish a timely payment history over 12 months. They pay late, they pay inconsistently but they do not have their service terminated. When this happens, the Company refunds the security deposit to the customer at the end of the 24 months, and then immediately bills the customer for another security deposit. This process is time-consuming, confusing to customers and presents more risk for utilities.

For these types of situations, PPL Electric recommends that the Commission permit utilities to hold security deposits until the customer establishes a timely payment history as defined under § 56.53(b), even if that period extends beyond 24 months. The Company believes that the use of the conjunction “or” in § 56.53(a) provides this flexibility to the Commission.

In the alternative, PPL Electric suggests that, at the end of 24 months, the Commission allow utilities to credit the security deposit against the customer’s overdue balance and refund any remaining balance to the customer. If necessary, the utility could bill the customer a new security deposit in the future based on his or her payment history.

§ 56.54. *Application of deposit to bills.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.56. *Refund statement.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.57. *Interest rate.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.58. *Application of interest.*

Comments:

PPL Electric has no comments regarding this section.

Subchapter D. INTERRUPTION AND DISCONTINUANCE OF SERVICE

§ 56.71. *Interruption of service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.72. *Discontinuance of service.*

Comments:

PPL Electric has no comments regarding this section.

**Subchapter E. TERMINATION OF SERVICE
GROUNDS FOR TERMINATION**

§ 56.81. *Authorized termination of service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.82. *Timing of termination.*

Comments:

The Commission proposes to permit utilities to terminate service for the reasons set forth in § 56.81 from Monday to Friday “. . . as long as the public utility has offices open on the following day during regular business hours and personnel on duty who can negotiate conditions to restore service, accept emergency medical certificates, accept payment to restore service and can restore service, consistent with § 56.191.”

PPL Electric believes that the Commission has interpreted the requirements of § 1406(d) too broadly. The statute reads as follows:

“Notwithstanding the provisions of Section 1503 (relating to discontinuance of service), a public utility may terminate service for the reasons set forth in subsection (a) from Monday through Friday as long as the public utility can accept payment to restore service on the following day and can restore service, consistent with Section 1407 (relating to reconnection of service).”

A plain-language reading of the statute shows that the only requirement that the utility must satisfy on the day following termination of service is the ability to accept payment to restore service. The obligation to restore service is established by a cross reference to § 1407. Section 1407(b)(4) states that a utility must reconnect service within three days from April 1 to November 30 for proper terminations. The key issue, of course, is termination of service on a Friday. As proposed by the Commission, the language of § 56.82 would require utilities either to have fully-staffed Saturday hours

or not to terminate service on a Friday. Clearly, this was not the intent of the General Assembly when it promulgated Act 201.

The object of all interpretation and construction of statutes is to ascertain and effectuate the intention of the legislature. 1 Pa. C.S.A. § 1921(a); *Commonwealth v. Drummond*, 775 A.2d 849 (Pa.Super 2007). In construing a statute to determine its meaning, courts must first determine whether the issue may be resolved by reference to the express language of the statute, which is to be read according to the plain meaning of the words. In re *Jacobs*, 936 A. 2d 1156 (Pa.Super 2007). When analyzing particular words or phrases, the court will construe them “according to rules of grammar and according to their common and approved usage.” 1 Pa.C.S.A. § 1903(a). Words of a statute are to be considered in their grammatical context. *Drummond* at 856.

The proposed requirement to negotiate conditions to restore service and actually restore service would force PPL Electric to staff its call center on a Saturday and provide additional field personnel on Saturday if the Company continued to terminate service on a Friday. These requirements would increase costs because PPL Electric either would have to pay overtime or it would have to hire additional staff (i.e., supervisors, customer service representatives and field service personnel) to answer calls and reconnect service. Based on average workload related to collection activities and overtime costs, the Company estimates that it would have to spend an additional \$280,000 annually to meet the requirement proposed under § 56.82. Ultimately these additional costs would be reflected in the rates paid by all residential customers.

The other option would be for utilities to cease all residential terminations on Friday, which would likely increase overdue receivables and write-offs. Act 201

permits proper terminations on a Friday and requires reconnection within three days from April 1 to November 30. Section 1406(d) does not require reconnection the following day; it simply requires utilities to accept payment to restore service. PPL Electric can accept payments through a broad network of bill payment centers (“BPCs”) located in and around its service area; all of the BPCs are open on Saturday and most on Sunday as well. In addition, customers can pay their bills any day of the week, including after hours, by using the Company’s interactive voice response system.

The Commission’s proposed language under § 56.82 would either increase costs for utilities or force them to cease residential termination activities on Fridays. From PPL Electric’s perspective, the Commission has defined the requirements of § 56.82 too broadly and contrary to the legislative intent of Act 201.

§ 56.83. *Unauthorized termination of service.*

Comments:

PPL Electric has no comments regarding this section.

NOTICE PROCEDURES PRIOR TO TERMINATION

§ 56.91. *General notice provisions and contents of termination notice.*

Comments:

The Commission has proposed to significantly expand the contents of the residential termination notice. Specifically, in the 19 provisions of § 56.91, the Commission delineates 24 separate pieces of information that must be included in the notice. PPL Electric agrees with many of the suggested information requirements and already includes them in its existing termination notice. However, the Company has

concerns about several of the information requirements proposed by the Commission. In order to incorporate all of the information required for the current termination notice, PPL Electric has had to expand its length from one page to three pages. Customers need sufficient information so that they can make informed choices, but too lengthy a termination notice may actually discourage a close examination by customers. PPL Electric believes that it is possible to eliminate or revise some of the proposed information requirements of the termination notice without eliminating critical information for customers.

Under § 56.91(b)(4)(iv), the Commission proposes that a public utility will not terminate service if a customer enrolls in a universal service program. PPL Electric agrees with this change but recommends that the Commission modify this language as follows:

“(iv) Enrollment is made in the public utility’s customer assistance program or equivalent.”

The Company suggests this language to clarify that approval to receive assistance through a Low Income Usage Reduction Program (“LIURP”) does not prohibit termination of service for non-payment of bills. This distinction is important because it may take several months to complete all of the LIURP services (enrollment, energy audit, installation of measures, etc.). The Company’s 24 years of experience with its low-income weatherization program shows that a number of factors can delay this process, particularly scheduling a suitable time to meet with customers, impact of bad weather, and the availability of weatherization crews to complete the work. A fair number of customers also drop out of the program before the actual work begins. A

prohibition against pursuing collection activities, including termination of service, for LIURP applicants could result in an increase in overdue receivables and eventually bad debt write-offs.

PPL Electric agrees with the Commission's proposed language included under § 56.91(b)(10), which would enable the Company to send its normal termination notices to customers in December, January, February and March. Not having two separate notices simplifies the process and reduces costs. PPL Electric would not knowingly send a termination notice in December or January to a previously identified low-income customer (e.g., enrolled in CAP, LIHEAP recipient, or a Level 1 payment agreement). However, the Company has a fairly sizable number of overdue residential customers with overdue accounts who have not called to establish a payment agreement; therefore, they have not provided any household income data.

PPL Electric has a long history of including information in Spanish on the termination notice, customer letters, program brochures, etc. The Company has done so in recognition of the growing number of Spanish-speaking customers in its service area. Nevertheless, the Company does have concerns about the proposed § 56.91(b)(17), which reads as follows:

“Information in Spanish, directing Spanish-speaking customers to the numbers to call for information and translation assistance. Similar information shall be included in other languages when census data indicates a significant population using that language resides in the public utility's service area.”

If any residential customer receives a termination notice, PPL Electric wants that customer to call immediately to discuss his or her situation and to attempt to find a solution. PPL Electric recommends that the Commission revise the first sentence of § 56.91(b)(17) to encourage customers to call their utility. All of the major electric and gas utilities have Spanish-speaking customer service representatives, use a comprehensive language line service or have both. The language line service that PPL Electric uses provides interpretation assistance in over 150 languages. The second sentence of this proposed provision indicates that utilities would include other languages as appropriate, based on census data. From PPL Electric's perspective, this wording seems too vague and imprecise. What is a significant population and who would determine when it is significant? PPL Electric also has concerns about costs and the ability to effectively develop and print information in specialized languages.

The Company believes that the Commission should, based on circumstances, encourage rather than require utilities to provide information in other languages. Regarding § 56.91(b)(17), PPL Electric recommends the following revisions:

“Information in Spanish, directing Spanish-speaking customers to call their public utility for information and translation assistance. Similar information may be included in other languages at the discretion of the utility when census data indicates a significant population using that language resides in the public utility's service area.”

Under § 56.91(b)(18), the Commission proposes that the termination notice include contact information for customers with disabilities who need assistance. PPL Electric has concerns with this proposal because there is no one telephone number that would be sufficient; each of the 29 counties served by the Company is likely to have more than one agency serving the needs of disabled individuals. PPL Electric recommends that the Commission allow utilities the flexibility of providing the best telephone number for this purpose. PPL Electric, for example, would provide its normal contact telephone number (1-800-342-5775) because its customer service representatives have access to a county-by-county electronic listing of various social service agencies.

§ 56.92. *Notice when dispute pending.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.93. *Personal contact.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.94. *Procedures immediately prior to termination.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.95. *Deferred termination when no prior contact.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.96. *Post-termination notice.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.97. *Procedures upon customer or occupant contact prior to termination.*

Comments:

Under § 56.97(a)(2), a utility employee is required to explain all available methods of avoiding termination of service, including enrollment in a utility's CAP or universal service program. Similar to its above comments regarding § 56.91(b)(4)(iv), PPL Electric recommends that the Commission revise the wording for § 56.97(a)(2)(iv) as follows:

“(iv) Enrolling in the public utility’s customer assistance program or equivalent.”

The Company recommends customer assistance program or its equivalent because some utilities have reduced rates rather than reduced payment plans based on, for example, a customer’s percent of household income or percent of bill.

§ 56.98. *Immediate termination for unauthorized use, fraud, tampering or tariff violations.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.99. *Use of termination notice solely as collection device prohibited.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.100. *Winter termination procedures.*

Comments:

At § 56.100(i) *Reporting of survey results*, the Commission proposes that electric, natural gas and Class A water utilities update their winter surveys and report the results to the Commission's Bureau of Consumer Services ("BCS") on January 15 and February 15 of each year to reflect any changes in the December 15 filing. PPL Electric could comply with this proposal but does not see the value of providing such updates, particularly when similar data (i.e., terminations and reconnections) already appears in the monthly § 56.231 report. In addition, the Commission proposes that the filing must categorize each account by the first three digits of the customer's postal code. The Company can fulfill this proposed requirement but again questions the value of doing so. This request appears to fall under the "nice to know" category rather than a "need to know." PPL Electric does not understand how providing the first three digits of the postal code would improve the implementation and results of the winter survey. The proposed new requirements may be a burden for the larger urban electric and gas utilities that enter the winter months with more "off" accounts. All of these proposed changes would increase the Company's operating costs.

The Commission proposes at § 56.100(j) *Reporting of deaths at locations where public utility service was previously terminated*, that utilities provide a report to BCS within one business day when they become aware of a death in a household due to a fire, hypothermia or carbon monoxide poisoning and utility service was off at that time. PPL Electric agrees that it is important to report deaths to the Commission in situations where a utility had previously terminated residential service for non-payment of bills. The Company has been following this procedure for 15 years; however, PPL Electric does not believe it is necessary to incorporate these reporting requirements into

52 Pa. Code, Chapter 56. Under the Public Utility Code (i.e., 66 Pa. C.S. § 504), the Commission already possesses broad investigative powers and has the authority to request this type of information.

With the expanded open records laws, PPL Electric would have concerns about imputing liability on a utility where none would otherwise exist. For matters coming before an administrative agency, procedural due process requires that a party be afforded reasonable notice of an issue raised and the agency's ruling on those issues, so that the party has an opportunity to present any response or objection. *Dee-Dee Cab, Inc. v. Pennsylvania Public Utility Commission*, 817 A.2d 593 (Pa. Commw. 2003).

If the Commission believes that more clarity and direction are necessary, PPL Electric recommends that it would be more appropriate for the Commission to address the reporting requirements through a Secretarial Letter. On January 16, 2009, the Commission issued just such a Secretarial Letter (Docket No. M-2009-2084013) regarding interim reporting requirements. The Commission noted that these interim reporting requirements will sunset upon promulgation of final regulations for Chapter 56. PPL Electric suggests that the Commission simply reissue the reporting requirements in a final Secretarial Letter.

§ 56.111. *General provisions.*

Comments:

PPL Electric agrees with the Commission's proposal to include "nurse practitioner" in this section.

§ 56.112. *Postponement of termination pending receipt of certificate.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.113. *Medical certifications.*

Comments:

Under § 56.113(1) and (2), the Commission has proposed changing the word “ratepayer” to “customer or applicant.” PPL Electric recommends that the Commission clarify the meaning of “applicant” regarding the use of a medical certification. The Company has concerns about an applicant who has never had service with PPL Electric and uses the medical certification process to obtain service. From PPL Electric’s perspective, credit worthiness should be the standard of providing service for these applicants rather than a medical condition. Simply using a medical condition standard would increase the Company’s financial risk. PPL Electric suggests that for § 56.113(1) and (2), the word “applicant” means a natural person who lives at the same address and had received a final bill from the utility.

§ 56.114. *Length of postponement; renewals.*

Comments:

PPL Electric agrees with the Commission’s proposal that limits the two 30-day renewals of medical certifications for the customer’s household to the same set of arrearages and same termination action. The Commission proposes that when the customer eliminates these arrearages, he or she is eligible to file new medical certification. PPL Electric also agrees with this change in the regulation. The Company supports the proposal that, in these instances, a utility does not have to petition the

Commission under § 56.118(3) if the utility wishes to contest a third medical certification.

§ 56.115. *Restoration of service.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.116. *Duty of customer to pay bills.*

Comments:

To clarify this provision, PPL Electric recommends that the Commission add “undisputed overdue balances” to the duty of customers to pay bills. The Company suggests the following language for this provision:

“Whenever service is restored or termination postponed under the medical emergency procedures, the customer shall retain a duty to make payment on all current undisputed bills, undisputed overdue balances, or equal monthly billing amount as determined by § 56.12(7) (relating to meter reading; estimated billing; ratepayer readings).”

§ 56.117. *Termination upon expiration of medical certification.*

Comments:

PPL Electric has no comments regarding this section.

§ 56.118. *Right of public utility to petition the Commission.*

Comments:

PPL Electric has no comments regarding this section.

THIRD-PARTY NOTIFICATION

§ 56.131. Third-party notification.

Comments:

Under § 56.131(2), the Commission proposes that utilities, at least annually, inform customers of the availability of third-party notification programs. PPL Electric agrees with this proposal. The Company, via a bill insert, has been informing customers for many years of the availability of its third-party notification program. This program can be particularly useful for older customers who want an adult child or other close relative to receive copies of any collection notices.

The Commission also proposes under § 56.131(4) that utilities make available a standard statewide enrollment form that would comply with the form set forth in Appendix E (relating to third party notification). PPL Electric recommends that the Commission allow utilities the flexibility to develop the format of their own forms, but to require all utilities to include the same standard information. The Commission took this approach regarding termination notices in its Proposed Rulemaking Order (Docket No. L-00060182) entered on September 26, 2008. On page 31 of Attachment One, Summary of Comments and Discussion, the Commission noted the following:

“While we do not mandate a specific format, we do propose itemizing the important information that must be provided on all termination notices. Utilities will be free to modify the formats of their notices as they see best to meet the needs of their consumers as long as the specified information is provided.”

PPL Electric believes that the Commission should adopt this same reasonable and flexible approach regarding the format of the third-party notification form. Standard information would include, but is not limited to, the following:

- Utility name and address
- Customer name, address, telephone, date and signature
- Third-party name, address, telephone, date and signature

Utilities would have the flexibility to develop the format and to include additional information explaining the benefits of the program, important things to remember and the role played by the third party.

Subchapter F. DISPUTES; TERMINATION DISPUTES; INFORMAL AND FORMAL COMPLAINTS

GENERAL PROVISIONS

§ 56.140. Follow-up response to inquiry.

Comments:

PPL Electric has no comments regarding this section.

§ 56.141. Dispute procedures.

Comments:

PPL Electric has no comments regarding this section.

§ 56.142. Time for filing an informal complaint.

Comments:

PPL Electric has no comments regarding this section.

§ 56.143. Effect of failure to timely file an informal complaint.

Comments:

PPL Electric has no comments regarding this section.

PUBLIC UTILITY COMPANY DISPUTE PROCEDURES

§ 56.151. General rule.

Comments:

PPL Electric agrees with the Commission's proposal under § 56.151(5)(iv) to allow utilities, with the consent of the customer, to submit the information and documents electronically to him or her as long as the customer has the ability to accept electronic documents. This type of flexibility should help streamline utilities' internal processes and ensure timely responses to complaining parties.

§ 56.152. Contents of the utility company report.

Comments:

Under § 56.152(8)(ii), the Commission proposes the following formatting requirement:

"If the utility report is in writing, the information in this paragraph shall be presented in a bold font that is at least 2 font sizes larger than the font used in other sections of the utility report."

PPL Electric agrees with this proposed change and can accommodate this requirement by reformatting its written utility report. The report resides in an automated letter facility, which allows for easy modification and reformatting of various letters to customers.

INFORMAL COMPLAINT PROCEDURES

§ 56.162. Informal complaint filing procedures.

Comments:

PPL Electric has no comments regarding this section.

§ 56.163. Commission informal complaint procedures.

Comments:

Under § 56.163(1), the Commission proposes the following requirement for utilities:

“If the complainant is without public utility service, or in other emergency situations as identified by the Commission staff, the information requested by Commission staff shall be provided by the public utility within 5 days of the request.”

PPL Electric recommends that the Commission clarify that utilities must provide the requested information within five business days. The Company suggests that the Commission simply insert the word “business” in front of the word “days.”

§ 56.164. Termination pending resolution of the dispute.

Comments:

PPL Electric has no comments regarding this section.

§ 56.165. Conference procedures.

Comments:

PPL Electric has no comments regarding this section.

§ 56.166. Informal complaints.

Comments:

PPL Electric agrees with the Commission's proposed addition of § 56.166, which designates the Bureau of Consumer Services ("BCS") as the primary authority to resolve consumer complaints arising from Chapter 56 and reinforces the requirement of customers to first contact their utility before BCS will accept the complaint. If customers have complaints about their service (meter reading, billing, etc.), PPL Electric wants the opportunity to work with them to identify and resolve their concerns. This type of approach helps the Company to identify and close performance gaps, to better manage its costs and to improve customer satisfaction.

FORMAL COMPLAINTS

§ 56.171. General rule.

Comments:

PPL Electric has no comments regarding this section.

§ 56.172. Filing.

Comments:

PPL Electric has no comments regarding this section.

§ 56.173. Review from informal complaint decisions of the Bureau of Consumer Services.

Comments:

PPL Electric has no comments regarding this section.

§ 56.174. Ability to pay proceedings.

Comments:

PPL Electric has no comments regarding this section.

**PAYMENT OF BILLS PENDING RESOLUTION OF
DISPUTES AND COMPLAINTS**

§ 56.181. Duties of parties; disputing party's duty to pay undisputed portion of bills; public utility's duty to pay interest whenever overpayment found.

Comments:

PPL Electric has no comments regarding this section.

Subchapter G. RESTORATION OF SERVICE

§ 56.191. General rule.

Comments:

PPL Electric agrees with the Commission's proposed changes and language regarding this section.

§ 56.192. Personnel available to restore service.

Comments:

PPL Electric has no comments regarding this section.

**Subchapter H. PUBLIC INFORMATION PROCEDURES;
RECORD MAINTENANCE**

§ 56.201. Public Information

Comments:

This section includes a requirement that utilities provide written summaries of consumers' rights and responsibilities. In addition, utilities shall make these summaries available to customers upon their request or at public utility office locations open to the public. PPL Electric recommends that the Commission encourage utilities

to include a link to the Commission’s rights and responsibilities booklet through their Web sites. The Company recommends the following wording:

“These summaries, as well as a summary of the rights and responsibilities of the public utility and its customers in accordance with this chapter, must be in writing, shall be reproduced by the public utility, shall be displayed prominently, shall be available on the public utility’s Web site, and shall be available at all public utility offices open to the general public.”

PPL Electric also recommends that the Commission include the rights and responsibilities booklet on its Web site.

Regarding § 56.201(3), PPL Electric recommends that the Commission delete the reference to the operation of fuel adjustment clauses, because they are no longer applicable under a regulatory environment in which electric generation is totally deregulated. The Company suggests the following wording:

“(3) Explanation of purchased gas adjustment clauses.”

PPL Electric also supports the inclusion of information regarding protections for victims of domestic violence (i.e., protection from abuse order).

Subchapter J. GENERAL PROVISIONS

§ 56.221. Availability of normal Commission procedures.

Comments:

PPL Electric has no comments regarding this section.

§ 56.222. Applications for modification or exception.

Comments:

PPL Electric has no comments regarding this section.

§ 56.223. Inconsistent tariff provisions.

Comments:

PPL Electric has no comments regarding this section.

**Subchapter K. PUBLIC UTILITY REPORTING
REQUIREMENTS**

§ 56.231. Reporting requirements.

Comments:

PPL Electric agrees with most of the Commission's proposed changes regarding this section. However, the Company recommends that the Commission delete the requirement under § 56.231(7) and (8) for utilities to report on the total number of inactive residential accounts in arrears and the total dollars associated with these accounts. Given the additional reporting requirements proposed at § 56.231, PPL Electric sees limited value in providing data about inactive accounts. The Commission already receives timely and periodic reports from utilities regarding write-offs, which would ultimately include write-offs associated with inactive residential accounts in arrears.

III. Specific Comments: Subchapter L

**Subchapter L. PRELIMINARY PROVISIONS FOR WASTEWATER, STEAM HEAT
AND SMALL NATURAL GAS DISTRIBUTION UTILITIES AND VICTIMS OF
DOMESTIC VIOLENCE WITH A PFA ORDER**

§ 56.252. Definitions

Comments:

PPL Electric recommends that the Commission modify the definitions of *AMR (Automatic meter reading)*, *Electronic notification of payment*, and *Informal dispute settlement agreements* as the Company has suggested above on pages 4 through 11. The Company also suggests that the Commission add a definition of PFA to this section.

§ 56.261. Billing frequency.

Comments:

Regarding § 56.261(b)(1), PPL Electric recommends that the Commission adopt the same language proposed above by the Company on page 11.

§ 56.267. Advance payments.

Comments:

PPL Electric recommends that the Commission modify the proposed language of § 56.267(3)(i) to allow low-income customers to use prepayment meters, as the Company has suggested above on pages 15 and 16.

§ 56.282. Credit standards.

Comments:

PPL Electric recommends that the Commission delete § 56.282(a)(2) *Ownership of real property*. The Company believes that ownership of property or the existence of a one-year lease is not a strong indicator of credit worthiness. This requirement is not especially meaningful because nearly all customers or applicants either own or rent their homes. In addition, all overdue residential customers are either

homeowners or renters. Credit scoring based on applicants' prior payment of utility bills (e.g., Equifax's ERAM) is a better approach to determining credit risk.

§ 56.337. Procedures upon customer or occupant contact prior to termination.

Comments:

PPL Electric recommends that the Commission modify the language in § 56.337(a)(2)(iv) to conform to the language proposed above by the Company on page 32 of these comments.

§ 56.340. Winter termination procedures.

Comments:

Regarding § 56.340(5), PPL Electric agrees with the Commission's proposal to have utilities provide survey updates on January 15 and February 15 of each year. With respect to § 56.340(7), please see the Company's comments above on pages 32 through 34.

§ 56.351. General provisions.

Comments:

PPL Electric recommends that the Commission clarify the meaning of "applicant" regarding the use of a medical certificate as proposed above on page 35.

§ 56.361. Third-party notification.

Comments:

Regarding § 56.361(4), PPL Electric suggests that the Commission allow utilities the flexibility to develop their own forms, as recommended above on pages 37 and 38 of these comments.

§ 56.382. Contents of the utility company report.

Comments:

PPL Electric has concerns about complying with the formatting requirement proposed in § 56.382(8)(ii). Please see the Company's above comments on page 39.

§ 56.392. Commission informal complaint procedure.

Comments:

In § 56.392(1), the Commission proposes that utilities provide the requested information to BCS staff within five days. As noted above in PPL Electric's comments on page 40, the Company recommends that the Commission clarify that the information is due within five "business" days.

§ 56.421. General rule.

Comments:

The wording under this provision reads: "When service to a dwelling has been terminated, the utility shall reconnect service by the end of the first full working day after receiving one of the following." PPL Electric recommends that the Commission change this language to reconnection of service within 24 hours. This modification would provide additional protection for consumers who have PFA orders. PPL Electric proposes the following language:

"When service to a dwelling has been terminated, the utility shall reconnect service within 24 hours after receiving one of the following:"

As noted in the Commission's *Proposed Rulemaking Order* (Docket No. L-00060182), Attachment One, Summary of Comments and Discussion, page 6:

“As a result, the new subchapters we are proposing for the groups exempted from Chapter 14, while exempting these groups from Chapter 14 provisions, will apply selected Chapter 14 provisions when the provisions provide enhanced consumer protections not found in the current Chapter 56.”

PPL Electric believes that implementing this modification in the language is consistent with the Commission’s intent noted above.

The first sentence of § 56.421(1) reads as follows: “Full payment of an outstanding charge plus a reasonable reconnection fee.” PPL Electric recommends that the Commission reword this sentence because the phrase “reasonable reconnection fee” is too vague. Utilities base reconnection fees in accordance with their Commission-approved tariffs. The Company recommends the following language for the first sentence of § 56.421(1):

“Full payment of an outstanding charge plus the reconnection fee specified in the utility’s tariff on file with the Commission.”

§ 56.431. Public information.

Comments:

PPL Electric recommends that the Commission adopt the changes proposed above by the Company on pages 42 and 43 regarding the following two issues: 1) including a link to the rights and responsibilities booklet on the utility’s Web

site and 2) deleting the reference to the operation of fuel adjustment clauses for electric distribution companies.

IV. Conclusion

Incorporating the changes mandated by Chapter 14 into 52 Pa. Code, Chapter 56 is a significant effort for two key reasons: 1) the Commission has not undertaken a comprehensive review and revision of Chapter 56 for over ten years, and 2) the issues and concerns associated with the provisions of Chapter 14 are complex and, to some parties, very controversial. PPL Electric believes that the Commission has made an effort to consider and accommodate the various perspectives and concerns of both consumer advocates and public utilities. Clearly, all parties share a common goal of providing adequate protections for consumers. An important challenge for the Commission is to consider the implications and impacts (protections, costs, etc.) of the revised regulations on consumers and utilities.

PPL Electric commends the Commission for taking the appropriate steps in identifying concerns, providing various opportunities for interested parties to articulate their positions, and attempting to blend and balance all of these perspectives into fair and coherent regulations. PPL Electric agrees with much of what the Commission has proposed; however, there are several issues in which the Company has concerns, as discussed above in detail. PPL Electric looks forward to its continued participation in this rulemaking and is prepared to work collaboratively with the Commission and the other parties.