

Public Comment on PPL's PUC Fine for Billing Error, February 2024 Docket No. M-2023-3038060

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- Customers, the 860,000 that encountered bogus bills from PPL were the victims of corporate incompetence. The customers got December electric bills that falsely portrayed their use, with over 48,000 being billed 50% over actual consumption. As a scale reference, Harrisburg's population is 50,135, US Census Bureau 2021.
- The PPL fine of \$1 million, means those 860,000 customer's anxiety, worry, time and effort spent grappling with PPL, the PUC and media outlets was worth \$1.16 per customer.
- PPL is NOT the victim of this corporate incompetence, the customers are the victims. Hence, the collateral costs that PPL incurred to remedy their self inflicted billing errors cannot be viewed as consequences for what they did to their customers! The customers did not cause the billing estimate debacle, that was PPL's doing and like all businesses that incur operational errors they alone bear the cost!

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- \$1,000,000 in public fine is the current amount levied on PPL, recommended in a settlement proposed to the PUC by the I&E organization of the PUC
 - **\$1.16, the dollar amount proposed to be paid by PPL for each of the 860,000 customers that received an estimated bill, a grossly inadequate charge to PPL!**
 - The billing error was gross and willful negligence that displayed widespread institutional incompetence at an alarming level
 - The billing error, if occurring in a non-monopolistic business would have customers “voting with their feet” and taking their business to another supplier. As noted in the PPL annual report in the category of “Competition” they note they are a monopoly facing no competition
 - The letter the corporation provided customers noted they “Will not shut off power to residential and small-business customers for non-payment through March 31.” The PUC I&E report shows the collateral damage from the billing error continued through the end of May, two months later than March 31.
 - Two months into the “billing error” their inability to understand the breadth and depth of the situation that they alone had imposed on customers reinforced the magnitude of PPL's institutional incompetence! The PUC write up documents the billing conditions extending to May 2023.

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Suggest a fine that aligns with the consequences to customers of the worry, time and angst of having to pay the bills that grossly overstated customer obligations to PPL , NOT \$1 million!

- **\$25 per customer** receiving an estimated bill (Lowest cost for a Stop Sign violation) times the 860,000 customers receiving an estimated bill. **Yields a \$21,500,000 million dollar fine.**
- Fine PPL 1:1 for every kWh overbilled for every day the over-kWh was carried against the customer. **The report does not permit this calculation.** Example of concept, take the 860,000 customers project they were overbilled, 1 kWh for 10 days until resolved, (Apply the December rate \$0.20522 kWh cost times 10 days times 1 kWh times 860,000 customers or \$1,764,892) Point is to link the overbill to the time to resolve at the rate the customer is obligated to pay. Similar approaches to fines occurs in the DEP with “daily violation charges” to incent violators to fix ASAP, not let the problem linger as was done by PPL. **\$ TBD**
- “An analysis of estimated bills issued by PPL revealed that 67.31% (261,104 customers) of the bills had an estimate differing from the customers’ actual usage of 10% or greater. Of these bills, one-third indicated an estimate that varied from actual by more than 25%. And nearly 48,000 customer bills were based on an estimate differing from actual usage by more than 50%.” (from PUC report)
 - **\$11.76 per customer**, fine PPL the December \$0.20255 kWh rate for the customers with over 10% charge in comparison to actual usage. The table below displays the calculations that total **a fine of \$10,111,697**

Average Mth kWh 2022	Overbilled	% Overbilled	Dec kWh Rate	Dollar Fined	Fine/860k		
963	261104	10%	0.20522	\$ 5,160,116	\$ 6.00		
963	87035	15%	0.20522	\$ 2,580,058	\$ 3.00	(15% = 25%-10%)	
963	48000	25%	0.20522	\$ 2,371,522	\$ 2.76	(25% = 50%-25%)	
				\$ 10,111,697	\$ 11.76		

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- **PPL without question “circled their corporate wagons” and presented the I&E organization the PPL institution’s version of the pain and suffering that they incurred as a result of the “billing error”.**
 - Customer view #1, non-monopolistic businesses, when self inflicted events occur, the business suffers the consequences and the fine is separate and apart from the bottom line consequences related to any “human error” moments. Organizations like OSHA fine the business for negligence and if/when collateral costs are incurred by the business due to “human error” the fine is not based on the collateral costs as these are “self-inflicted” costs.
 - Customer view #2, some/many customers did fully pay the overestimated bills. (I did overpay, not trusting PPL’s credit department’s communication to outside credit agencies) Likely, they invested the overpayment and gained interest income from the overpayment.
 - Customer view #3, PPL wrote off the cost of this “extraordinary event” in the explanation of 2023 earnings and most certainly the “loss” lowered their tax bills, Federal and State.
 - **NOTE - #2 and #3 above would financially benefit PPL, DOUBTFUL was “shared with I&E organization” as part of the “costs to PPL”.**
- **The costs below are the result of PPL’s self inflicted Billing Error and has zero bearing on the fine, they messed up and rightfully bear the full cost to remedy their error.**
 - c) PPL incurred significant costs when responding to the billing issues to help mitigate customer impacts, including, but not limited to: (1) experiencing approximately \$2.3 million loss of revenue from voluntarily waiving late fees; (2) incurring approximately \$7.8 million of additional bad debt expense arising out of the voluntary service termination moratorium; (3) forgoing collection of approximately \$1.7 million from customers who were underbilled in the estimation true-up process; (4) incurring an additional approximately \$3.7 million of unplanned costs in engaging external vendors; and (5) incurring approximately \$700,000 of unbudgeted employee overtime expense (totaling approximately \$16.2 million in mitigation costs). PPL agrees not to recover any of these mitigation costs from Pennsylvania consumers by any future proceeding, device, or manner whatsoever.

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The costs below are the result of PPL's self inflicted Billing Error and has zero bearing on the fine, they messed up and rightfully bear the full cost to remedy their error. (Note – PPL 2023 Earnings Presentation reports a special case earning reduction (24)

- Line “PPL, Electric billing issue, net of the...” The (24)mil\$ is shown in the 12/31/2023 PA Reg column.

Reconciliation of Segment Reported Earnings to Earnings From Ongoing Operations – Current Year



After-Tax (Unaudited) (\$ in millions)	Three Months Ended December 31, 2023					Twelve Months Ended December 31, 2023				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 120	\$ 135	\$ 26	\$ (168)	\$ 113	\$ 552	\$ 519	\$ 96	\$ (427)	\$ 740
Less: Special Items (expense) benefit:										
Talen litigation costs, net of tax of \$24, \$26 ⁽²⁾	-	-	-	(93)	(93)	-	-	-	(99)	(99)
Strategic corporate initiatives, net of tax of \$0, \$1, \$0, \$1, \$3 ⁽³⁾	-	(1)	-	(3)	(4)	(1)	(2)	-	(10)	(13)
Acquisition integration, net of tax of \$2, \$16, \$14, \$58 ⁽⁴⁾	-	-	(10)	(59)	(69)	-	-	(56)	(218)	(274)
PA tax rate change	-	(1)	-	-	(1)	-	-	-	-	-
Sale of Safari Holdings, net of tax of (\$1), \$0 ⁽⁵⁾	-	-	-	(1)	(1)	-	-	-	(4)	(4)
PPL Electric billing issue, net of tax of \$4, \$10 ⁽⁶⁾	-	(9)	-	-	(9)	-	(24)	-	-	(24)
FERC transmission credit refund, net of tax of \$0, \$2 ⁽⁷⁾	(1)	-	-	-	(1)	(6)	-	-	-	(6)
Unbilled revenue estimate adjustment, net of tax of \$2, \$2 ⁽⁸⁾	(5)	-	-	-	(5)	(5)	-	-	-	(5)
Other non-recurring charges, net of tax of \$1, \$1, \$0 ⁽⁹⁾	-	(3)	-	-	(3)	-	(3)	-	(15)	(18)
Total Special Items	(6)	(14)	(10)	(156)	(186)	(12)	(29)	(56)	(346)	(443)
Earnings from Ongoing Operations	\$ 126	\$ 149	\$ 36	\$ (12)	\$ 299	\$ 564	\$ 548	\$ 152	\$ (81)	\$ 1,183

After-Tax (Unaudited) (per share - diluted)	Three Months Ended December 31, 2023					Twelve Months Ended December 31, 2023				
	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total	KY Reg.	PA Reg.	RI Reg.	Corp. & Other	Total
Reported Earnings ⁽¹⁾	\$ 0.16	\$ 0.18	\$ 0.04	\$ (0.23)	\$ 0.15	\$ 0.75	\$ 0.70	\$ 0.13	\$ (0.58)	\$ 1.00
Less: Special Items (expense) benefit:										
Talen litigation costs ⁽²⁾	-	-	-	(0.13)	(0.13)	-	-	-	(0.13)	(0.13)
Strategic corporate initiatives ⁽³⁾	-	-	-	-	-	-	-	-	(0.01)	(0.01)
Acquisition integration ⁽⁴⁾	-	-	(0.01)	(0.08)	(0.09)	-	-	(0.07)	(0.30)	(0.37)
Sale of Safari Holdings ⁽⁵⁾	-	-	-	-	-	-	-	-	(0.01)	(0.01)
PPL Electric billing issue ⁽⁶⁾	-	(0.02)	-	-	(0.02)	-	(0.04)	-	-	(0.04)
FERC transmission credit refund ⁽⁷⁾	-	-	-	-	-	(0.01)	-	-	-	(0.01)
Unbilled revenue estimate adjustment ⁽⁸⁾	(0.01)	-	-	-	(0.01)	(0.01)	-	-	-	(0.01)
Other non-recurring charges ⁽⁹⁾	-	-	-	-	-	-	-	-	(0.02)	(0.02)
Total Special Items	(0.01)	(0.02)	(0.01)	(0.21)	(0.25)	(0.02)	(0.04)	(0.07)	(0.47)	(0.60)
Earnings from Ongoing Operations	\$ 0.17	\$ 0.20	\$ 0.05	\$ (0.02)	\$ 0.40	\$ 0.77	\$ 0.74	\$ 0.20	\$ (0.11)	\$ 1.60

(1) Reported Earnings represents Net Income.
 (2) Represents a settlement agreement with Talen Montana, LLC and affiliated entities and other litigation costs.
 (3) Represents costs primarily related to PPL's centralization efforts and other strategic efforts.
 (4) Primarily integration and related costs associated with the acquisition of Rhode Island Energy.
 (5) Primarily final closing and other related adjustments for the sale of Safari Holdings, LLC.
 (6) Certain expenses related to billing issues.
 (7) Prior period impact related to a FERC refund order.
 (8) Prior period impact of a methodology change in determining unbilled revenues.
 (9) PA Reg. includes certain expenses associated with a litigation settlement. Corp. & Other primarily includes certain expenses related to distributed energy investments.

Public Comment on PPL's PUC Fine for Billing Error - "PPL Talking Point Feedback"

> February 2024. PPL conducted outreach efforts, "Starting December 18, 2022 PPL customer service representatives were provided with talking points to answer customer questions about the estimated bills;" **Below is this customer's recording of calls with PPL. Note, called before and after 12/18 and I encountered no evidence of "corporate generated talking points"**

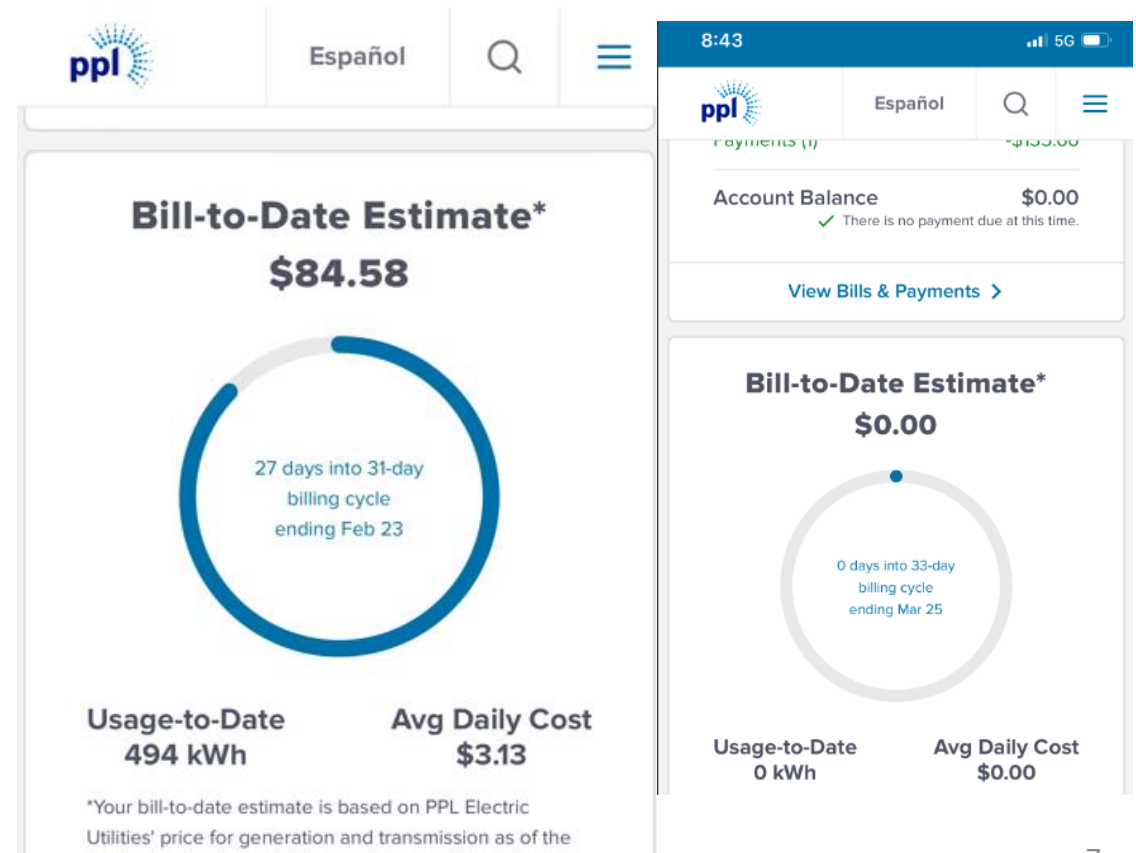
- 12/16 essentially information was not updated. This information prior to 12/16 was available every day for customers to view.
- 12/17 – Several inconsistencies
 1. The Daily information and Hourly for kWh do not match. The HOURLY dump for 12/14 shows 15.000 for the day's consumption. The daily shows **6813105007300503963 12/14/2022 19.479 29** for a difference of 4.47929.
 2. The account summary 12/15 was identified as Day 27 with a cost of \$97.98 and 470kWh consumed on 12/16 it was identified as Day 28 and cost went down to \$95.67 and kWh lowered to 455.
 3. Next day, 12/17 the account summary AGAIN shows Day 28 so the day did not increment – the cost went up to %102.57 and the kWh went up to 493
 4. Overall – too many inconsistencies to know what is really the account's kWh consumption on both 12/16 and 12/17.
 5. Since the end of October the hourly lagged 48 hours, on 12/17 the most recent hourly kWh record is from 12/14 or a lag of 72 hours.
 6. The account summary screen when you ask for details of use displays the ability to download two years of use through 12/16 and the program that downloads the data only downloads through 12/15.
- **12/19** – Called to report the Account Summary website to needing updated and the issue of hourly and daily on 12/14. Started with a Joel who mentioned I was not the first caller and attempted to get an answer. Got none and passed me on to the education department.
- **12/19** reported will be working on 12/20, "next day" and was caused by a "storm" – snow of 6" and ice
- **12/21** – Bonnie and Janice, from "website team", reported that this was caused by a billing issue to some customers that links to the website. Expect to be running on 12/22, expect the bill might be late and expect that all of the history will be available as normally available.
- **12/21** after the call, attempted to log in and it gave a "oops" and stated the site is not available.

Public Comment on PPL's PUC Fine for Billing Error, February 2024 – December 2022 – Alternate and more Logical Basis for “Estimated Bill”

PPL captures meter information daily, post the information for customer access

- Every customer, every day PPL presents the “Bill-to-Date Estimate”. The image to the right is the snapshot of my account on February 20, 2024.
- IF an estimate was needed December 2022 or February 2024 take the estimate through 27 days times 31 for the kWh.
- NOTE – PPL “truncates” the daily meter amount that is added to the “Usage-to-Date” kWh, so there would be an understatement of kWh. Secondly, the actual billing date used is not the “ending Feb 23” date shown to the right. PPL uses the “Next Bill Date” on the actual bill. Feb 21 was the date for my bill, not Feb 23.
- This estimation method would best serve customers both in the December 2022 window and anytime in the future when over 50% of the bill requires estimation. The remedies as presented are ridiculous, the available information as shown on this page, if applied in 2022 would have caused minor billing issues but NOT the magnitude of the estimated bills that led to the I&E investigation

Left image is my account on Feb 20, right image is Feb 22 image after billing occurred



Public Comment on PPL's PUC Fine for Billing Error, February 2024 – December 2022 – Alternate and more Logical Basis for “Estimated Bill” and how it would have functioned for this customer, December 2022

- Estimated Bill - kWh - 877 "delivered"

ALTERNATIVE - USE AVERAGE DAILY MTD TIMES DAYS BILLED

PPL - Daily meter data for the 27 days of the billing period that displayed the consumption for the prior day. The total of the daily meter readings, November 17 through 12/14/2022 was 488.796 kWh.

STEP 1 - Establish the average daily kWh based on the Bill - to - Date rate of use 488.796 divided by the 27 days since the last bill shows an average daily kWh of 18.10356 kWh per day.

Step 2 - Multiply the average kWh per day for the billing period with known meter readings, 18.10356 kWh, times the 34 days for the billing period. The 34 day demand then is 615.5209 kWh.

Step 3 - Compare with PPL's estimated rate. Divide 877 by 615.5209 or 42% above the PPL estimate.

Step 4 - the "Corrected December Bill, meter delivered" shown below is 631 kWh.

Step 5 - Compare the Average of 27 days meter "delievered" (615.5209) with actual Corrected Delivered of 631.

December “Estimated Delivered”, 877 kWh. **39% Too HIGH!**

kWh Delivered (to Customer)			
Meter Number	Reading Dates	Meter Reading	Kilowatt-Hours
300503963	Dec 21	54483	877
	Nov 17	53606	
Days Billed: 34		Avg. kWh/Day: 26	Total Delivered: 877

December “Corrected Bill” 631 kWh, 2.5% above Alternative

kWh Delivered (to Customer)			
Meter Number	Reading Dates	Meter Reading	Kilowatt-Hours
300503963	Dec 21	54237	631
	Nov 17	53606	
Days Billed: 34		Avg. kWh/Day: 19	Total Delivered: 631
Date Range	Annual Total Usage		Avg Monthly
Jan 2022 - Dec 2022	8900 kWh		742 kWh

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— PPL, Fixes and Next Violation

5. Enriching MDMS estimations for scenarios where meter data is missing to reduce the time period estimated.

This is being evaluated as part of the review of the estimation process. The technical team is assembling a plan that includes CSS updates as well as MDMS updates.

Additional enhancements being considered:

- Making bill corrections if an actual read ("replacement read") is received after an estimated bill is released.
- Postponing estimated bills from being released to allow additional time to collect actual meter reads.
- Implementing a dynamic pre-bill – create accurate multi-primary bills with varying charges across bill periods.

- Left information is from the list of corrective actions outlined to be implemented by PPL in the I&E report.
- Comments –
 - **Next** egregious, customer "estimated billing event" by PPL the fine amount is multiplied times 10 as a minimum. (Repeat)
 - **Fixes** - If they did not commit with each remedial to a "to be completed by date", they must provide the PUC a completed by date for each remedial.
 - **Fixes** - If PPL is required to provide a weekly/month update on the state of readiness for the correctives, GREAT, otherwise until all items are "completed, tested and implemented" PPL must report to the PUC with the current status of the remedial and the "when will be available" date.
 - **Fixes** – Communicate every time a remedial from this event is utilized to the PUC with the appropriate customer details, i.e. number of customers, relationship of estimate to prior month, MTD, etc.

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- \$1.16 penalty to PPL for the 860,000 customers that received and erroneous bill. Those customers, serviced by a utility that has no competition, appreciate the I&E's work on their behalf.
- Combining the PPL's "billing issue" costs with the \$1 million dollar fine is inappropriate. All customers running or working for a business that incurs a "issue" bear the cost of that issue. PPL alone is responsible for their internal costs due to the "billing issue", it does not align with the issues unfairly and improperly thrust on customers! Additionally, it is correct that these costs not be applied to customers, now or in the future.
- Charge PPL a penalty, uncoupled from the internal costs, and have it representative of the impact on their customers, \$10 million to \$25 million.