

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, Pennsylvania 17105-3265

**Barbara R. Lolly v. Duquesne
Light Company**

**Public Meeting – April 14, 2011
2167824-OSA
Docket No. C-2010-2167824**

STATEMENT OF COMMISSIONER TYRONE J. CHRISTY

Before the Commission are the Exceptions of Duquesne Light Company (Duquesne) to the Initial Decision of Administrative Law Judge (ALJ) Katrina L. Dunderdale issued on November 16, 2010. I support the majority's decision to impose a penalty of \$250 on Duquesne for failure to provide reasonable service. In addition, I urge Duquesne to voluntarily reimburse the Complainant for the cost of replacing her stove and microwave. Ms. Lolly's Complaint stated as follows:

I came home from work and had no electricity. Duquesne Light trucks were there and replacing the transformer. About ½ hour after I got home the electricity came on. A Duquesne Light worker came to my door and told me there were several power surges during the day and to check all of my appliances. He waited for me. I told him my microwave combo & range would not work. He apologize gave me a phone # and told me Duquesne Light is aware of what houses were involved and will reimburse me. I put the claim in and 3 wks. later received a letter and forms from Tucker Arensburg. The following week I received a letter stating my claim was denied. I have not had anything to cook with since Feb. 4th. A whole month. I called Duquesne again and was instructed to put in another claim. I have heard nothing. Two of my neighbors lost furnace, garage door openers, computers. Duquesne also went to their door and apologize and said the same thing.

In its Answer, Duquesne admitted that a transformer had failed and been replaced on February 3, 2010. Duquesne attached a copy of a letter dated March 3, 2010, from Duquesne's law firm to Ms. Lolly stating that the law firm had completed its investigation and, based on the results of the investigation, "we must decline your request for payment of damages. The investigation revealed no negligence on behalf of Duquesne Light Company."

At the evidentiary hearing, Duquesne indicated that several complaints were received from the Complainant's neighborhood, and that the field representative who responded to the calls noted that the neutral on the primary side of the transformer was split and was loose in the primary bushing, which could have caused a loss of voltage at the transformer. Tr. 35-39. Duquesne's representative told the Complainant that a transformer "blew" and that there had been power surges throughout the day. Tr. 10, 20-24. Duquesne's claims adjustor testified that the transformer had failed and was replaced because of a problem with the primary neutral. Tr. 68. The claims adjustor denied Ms. Lolly's claim because, in Duquesne's view, the failure of the primary neutral was an unforeseen incident that was not caused by Duquesne's negligence. Tr.

70. I believe that this record evidence conclusively demonstrates that the power surge was caused by the failure of the primary neutral on Duquesne's transformer.

In a recently terminated rulemaking proceeding, the Commission considered the advisability of establishing inspection and maintenance standards for neutral connections. Although the Commission concluded that an inspection requirement would be cost prohibitive, the Commission noted that electric distribution companies (EDCs) reported hundreds of outages related to voltage issues, and all EDCs reported paying compensation to their customers for the resulting damages. The Commission concluded that "[a]lthough the Commission does not have the legal authority to award damages, we recognize the good business practices of a few of the responding EDCs who acknowledge providing damages to their customers who have sustained a loss as a result of damage caused by failed neutral connections. Because failed neutrals are a risk of doing business for companies who distribute electricity, we strongly encourage other EDCs who have not adopted such a practice to consider compensating their customers, for known and verifiable losses sustained as a result of failed neutral connections." *Withdrawal of Advanced Notice of Proposed Rulemaking re Neutral Connection Standards for Electric Distribution Companies*, Docket No. L-2008-2044821 (February 25, 2010) at 17. Consistent with this policy, I believe that Duquesne should consider compensating Ms. Lolly for the cost of replacing her stove and microwave.

The record in this case demonstrates that Ms. Lolly replaced her stove and microwave at a very reasonable cost. She testified that she bought a stove from Lowe's, and a microwave that was not even comparable to the one she lost. "It really was less. But I am just here by myself so I wasn't trying to better myself and get something, you know, a three thousand dollar stove. My stove and microwave, the total cost was \$826.78. I mean I bought it on sale. I bought both the microwave and stove on sale." Tr. 21. Ms. Lolly installed the gas and electric connections for the microwave and stove herself to save the \$150 installation charge.¹ Tr. 17. Although the Commission does not have the ability to award damages, under the circumstances I believe that Duquesne voluntarily should reimburse Ms. Lolly for the cost of replacing her stove and microwave. I also note that Duquesne devoted a significant amount of resources to this complaint proceeding, including the preparation of legal pleadings, and the appearance of an attorney and three witnesses at the evidentiary hearing. It likely would have been more cost effective, and better from a customer relations perspective, if Duquesne had paid the claim for \$826.78 when it was filed in February 2010.

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TYRON J. CHRISTY, COMMISSIONER

¹ Her stove was a gas stove but the controls were all electronic. Tr. 12.