

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission,	:	
Bureau of Transportation and Safety	:	
	:	
v.	:	A-00099993C0601
	:	
William C. Stumpf, t/a	:	
Stumpf Moving & Storage Co.	:	

INITIAL DECISION

Before
Fred R. Nene
Administrative Law Judge

HISTORY OF THE PROCEEDING

On October 27, 2006, the Bureau of Transportation and Safety (“BTS”) filed a formal complaint against William C. Stumpf, t/a Stumpf Moving & Storage Co. (“Respondent”). The complaint alleged that the Respondent had failed to attempt in good faith to effectuate prompt, fair and equitable settlement of insurance claims in which the carrier’s liability had become reasonably clear. BTS requested the Commission to impose a civil penalty of \$250.00 for this violation.

By letter dated November 14, 2006 and filed on November 20, 2006, the Respondent, through its Secretary-Treasurer Elizabeth DeNardo Stumpf, disputed the allegations in the complaint and recited an account of how the company had responded to the customer’s damage claim.

The Commission assigned the matter to the undersigned Administrative Law Judge and scheduled a hearing to be held in Pittsburgh on August 14, 2007.

On July 25, 2007 I received a Settlement Agreement executed by the parties. That Settlement Agreement is marked "Attachment A" and is attached to and made part of this Initial Decision.

This Initial Decision sustains the complaint of BTS to the extent of approval and adoption of the settlement presented by the parties.

FINDINGS OF FACT

1. The Respondent, William C. Stumpf, t/a Stumpf Moving & Storage Co., was issued a certificate of public convenience on February 25, 1977 at Application Docket No. A-00099993.
2. Pursuant to its enforcement responsibilities, the Commission's Bureau of Transportation initiated a complaint against the Respondent at Docket No. A-00099993C0601.
3. BTS alleged at Paragraph No. 3 of its complaint that Respondent, on July 27, 2005 and September 1, 2005 performed household goods moves for Bonnie Poole from 920 Saint James Street, Pittsburgh, Pennsylvania to Respondent's storage facility at 199 Purity Road, Pittsburgh, Pennsylvania, and from that location to 321 Beaver Street, Sewickley, Pennsylvania.
4. Damages occurred to the furniture during the moves. The Bureau alleged that the Respondent failed to act promptly upon written or oral communications with respect to Poole's insurance claim and did not attempt to effectuate a prompt, fair and equitable settlement of the claim. The Bureau requested a civil penalty of two hundred fifty dollars for the alleged violation by Respondent of 52 Pa. Code Section 32.16(2) and (6).
5. The Respondent filed an Answer to the Bureau's complaint. The Respondent alleged that any time delays that were experienced for adjusting the damage claims made regarding Poole's furniture was a direct result of discussions that took place concerning

whether the Respondent itself was to be permitted to effectuate the repairs to the furniture or whether Poole was to have the repairs performed on the furniture by someone else.

6. In recognition of the cost of further litigation and the merits of their respective positions, the parties entered into negotiations with one another and agreed to settle the complaint with the terms and conditions set forth in Attachment A.

7. Respondent admits that it unintentionally violated 52 Pa. Code Section 32.16(2) and (6).

8. The parties agree that the Respondent shall pay a civil penalty in the amount of one hundred dollars (\$100.00) for the unintended violation cited in the complaint.

9. The Respondent agrees to cease and desist from any and all future violations of the Public Utility Code, 66 Pa. C.S. §§101 et seq.

10. In the Settlement Agreement (Paragraphs 6-16) the parties certify that approval of the Settlement Agreement in this matter is consistent with the standards for determining whether a civil penalty is in the public interest as set forth by the Commission in Joseph A. Rossi v. Bell Atlantic-Pennsylvania, Inc. and Sprint Communications Co., L.P., Docket No. C-00992409 (Order entered March 16, 2000), and subsequent cases that determined that all violations of the Public Utility Code and Commission regulations are subject to review under the Rossi standards. The parties agree that the ten point Rossi considerations as applied to this case are as follows:

- a. The violation committed by the Respondent should be deemed unintentional.¹
- b. Restitution does not apply.
- c. Preventive measures. Respondent submits that it will be more careful not to violate the Public Utility Code or the Commission's regulations in the future.

¹ See "Attachment B" which corrects erroneous statement in original paragraph 7 of Settlement Agreement.

- d. Number of customers affected. One.
- e. Procedural context. This settlement was reached prior to the matter being litigated before an Administrative Law Judge at an evidentiary hearing.
- f. Compliance. The Respondent has a good compliance record.
- g. The Respondent cooperated with the Commission staff in this proceeding.
- h. Deterrence. Consistent civil penalties are a reliable method of bringing utilities into compliance with the Public Utility Code and Commission regulations. The Law Bureau submits that the payment by Respondent of a \$100.00 civil penalty constitutes an appropriate deterrent.
- i. Past decisions. This agreement is consistent with prior decisions because it is appropriate based on the circumstances of this case.
- j. Other relevant factors. There are no other relevant factors in this case.

DISCUSSION

Section 32.16(2) and (6) of the Commission regulations 52 Pa. Code §32.16(2) and (6) prohibits common or contract carriers by motor vehicle who are responsible to the public for adjustment or payment of bodily injury, property damage or cargo damage claims, or both, from engaging in the following practices:

- (2) Failing to acknowledge and act promptly upon written or oral communications with respect to insurance claims.
- (6) Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which the carrier's liability has become reasonably clear.

The Respondent admits that it unintentionally violated this regulation in the instance described in the complaint. Under the terms set forth in Rossi, supra, I find that the terms of the settlement are reasonable and in furtherance of the public interest. The complaint will be sustained subject to the terms agreed to by the parties.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the Respondent in the subject matter.
2. The Settlement Agreement submitted by the parties is in the public interest and it serves to correct the complained of conduct and conserve the time and resources of the parties.

ORDER

THEREFORE,

IT IS ORDERED:

1. That the complaint of the Pennsylvania Public Utility Commission, Bureau of Transportation and Safety v. William C. Stumpf, t/a Stumpf Moving & Storage Co. at Docket No. A-00099993C0601 is sustained to the extent of approval and adoption of the Settlement Agreement presented by the parties.
2. That William C. Stumpf, t/a Stumpf Moving & Storage Co. shall pay a civil penalty of one hundred dollars (\$100.00) by sending a certified check or money order payable to the Pennsylvania Public Utility Commission within twenty (20) days after service of the Commission's Order to:

Pennsylvania Public Utility Commission
P.O. Box 3265
Harrisburg, PA 17105-3265

3. That William C. Stumpf, t/a Stumpf Moving & Storage Co. shall cease and desist from further violations of the Public Utility Code, 66 C.S. §§ 101 et seq, and the Commission's Regulations, 55 Pa. Code §1.1 et seq.

4. That Docket No. A-00099993C0601 shall be marked closed.

Date: August 6, 2007

Fred R. Nene
Administrative Law Judge