

PENNSYLVANIA PUBLIC UTILITY COMMISSION
Harrisburg, PA 17105-3265

**Nathaniel Haynesworth vs Philadelphia
Gas Works**

Public Meeting - October 23, 2014
2388558 - ALJ
Docket No. C-2013-2388558

JOINT MOTION OF
COMMISSIONER PAMELA A. WITMER AND
CHAIRMAN ROBERT F. POWELSON

Before the Pennsylvania Public Utility Commission (Commission) today is the Initial Decision (I.D.) addressing the Complaint of Nathaniel Haynesworth (Mr. Haynesworth or Complainant) against Philadelphia Gas Works (PGW or Respondent). On October 3, 2013, Mr. Haynesworth filed a formal Complaint alleging that the first bill he ever received from PGW was for \$4,000.00 and that he was unable to determine whether this amount was correct.

On August 6, 2014, Administrative Law Judge (ALJ) Vero denied the Complaint in part, regarding Complainant's claim that PGW provided unreasonable service when it failed to notify him of his responsibility to place gas service in his name. Also, the ALJ granted the Complaint in part, regarding Complainant's claim that PGW provided inadequate and unreasonable service when it failed to issue monthly bills for gas service after Complainant became a customer. The ALJ further determined that a civil penalty of \$200 was appropriate for the Respondent's billing errors.

While we agree with the ALJ's determination that PGW's failure to issue monthly bills for seven months after Complainant became a customer constituted unreasonable service, we disagree with the I.D. to the extent that it finds PGW acted reasonably in its use of what is commonly known as the "user without contract" mechanism.

As previously noted by this Commission, when properly utilized, a "user without contract" mechanism allows a utility to save money by avoiding repeated trips to a service address to physically disconnect and reconnect customers, usually in rental properties.¹ When using this mechanism, however, utilities must be diligent in quickly determining the correct party to bill, rather than allowing a sizable balance to accrue over a number of years in a "placeholder" account. The facts of this case indicate that PGW failed to determine the correct party to bill in a timely manner, allowing a balance of over \$4,000.00 to accrue to an unascertained user over a period totaling more than four years.

In July of 2007, the previous occupant of the service address contacted PGW to have service taken out of her name. PGW did not perform a physical shut off; instead, PGW performed a "soft off," leaving service on under a PGW placeholder account. Mr. Haynesworth testified that he moved into the service address in the fall of 2008. While PGW did send a "Dear

¹ See Margarita Kron v. Philadelphia Gas Works, Docket No. F-2012-2332152 (Order entered October 3, 2013).

Occupant” letter requesting that the current occupant apply for gas service in August of 2008, it appears from the record that PGW’s mailing of this letter preceded the date Mr. Haynesworth occupied the apartment. Further, it appears that the Company took no further action to identify the user of this account until April 2011 (approximately 3 years later), when it issued the first of six 72-hour termination notices.

We would be remiss if we did not point out that the record indicates that Mr. Haynesworth knew he was using gas and not being billed for an approximate 5 year period. Also, the facts in this case demonstrate that PGW, by its own admission, continued to issue termination notices when it knew it had little likelihood of actually being able to effectuate a termination because it lacked an identifiable tenant-customer.²

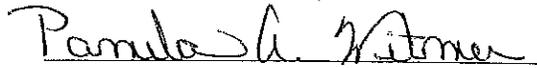
To be clear, the Complainant is also responsible for the situation presented in this case. His lease stated that he was responsible for his gas bill and he did not respond to all but the final termination notice issued in March 2013. Mr. Haynesworth clearly used and benefitted from the gas service provided without concern that other PGW ratepayers may be subsidizing his use. To that end, the ALJ correctly determined that Mr. Haynesworth, the party enjoying the benefit of unbilled gas service at the service address, had an obligation to apply for service and must pay for the service that he used since February 2009.

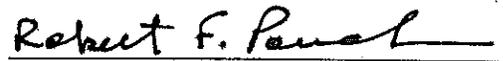
We disagree, however, with the determination that PGW acted diligently in its efforts to timely identify the party responsible for gas usage. Just as it is inappropriate for PGW ratepayers to subsidize other customers, it is also clearly inappropriate for PGW to use a placeholder account to continue to provide service for more than four years from the date of the letter requesting the occupant to apply for service in August of 2008. Had PGW not misused the placeholder account and more diligently sought to identify the occupant, Mr. Haynesworth is unlikely to have accrued such a high balance. This constitutes a clear violation of § 1501 of the Public Utility Code that warrants raising the civil penalty to a total of \$500.

THEREFORE, WE MOVE THAT:

1. The Initial Decision be modified to reflect a civil penalty in the amount of \$500.
2. The Office of Special Assistants prepare an Order consistent with this Joint Motion.

DATE: October 23, 2014


PAMELA A. WITMER
COMMISSIONER


ROBERT F. POWELSON
CHAIRMAN

² I.D., p. 12