

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Before

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

---o0o---

In re: Z-8195050. William J. McAndrew vs. Pennsylvania
Power & Light Company. Alleging very high elec-
tric bills. Telephonic hearing.

---o0o---

POOR ORIGINAL

Harrisburg, Pennsylvania

March 9, 1982

---o0o---

Pages 1 to 34

---o0o---

MHIRBACH & MARSHAL, INC.
27 North Lockwillow Avenue
Harrisburg, Pennsylvania

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

Before

THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

--oOo--

In re: Z-8195050. William J. McAndrew vs. Pennsylvania Power & Light Company. Alleging very high electric bills. Telephonic hearing.

--oOo--

Stenographic report of proceedings held in Room G-9A, North Office Building, Harrisburg, Pennsylvania,

Tuesday,
March 9, 1982
at 11:00 o'clock a.m.

BEFORE: HARRY G. BANZHOFF, ADMINISTRATIVE LAW JUDGE

APPEARANCES:

WILLIAM J. McANDREW
227 S. Hickory Street
Mt. Carmel, PA 17851
For - the Complainant

DAVID J. DULICK, ESQUIRE
2 North 9th Street
Allentown, PA 18101
For - the Respondent

POOR ORIGINAL

POOR ORIGINAL

1 JUDGE BANZHOFF: This is the time set for the tele-
2 phonic hearing with respect to the complaint filed by William
3 J. McAndrew against Pennsylvania Power and Light Company,
4 docketed at Z-9195050.

5 MR. DULICK: I would like to state that in the room
6 with me I have Mr. Charles Lingenfelter, who is PF&L's super-
7 visor of our customer contacts in the Central Division, which
8 covers Mr. McAndrew's area. I also have Mr. Frank Orzechowski,
9 who is a meter technician who tested Mr. McAndrew's meter,
10 and I also have Ms. Pat Keefer, who is a residential consultant.

11 JUDGE BANZHOFF: Will you spell the names of the
12 parties that are present?

13 MR. DULICK: Okay. Perhaps I should let them do that.

14 JUDGE BANZHOFF: All right.

15 MR. DULICK: Mr. Lingenfelter?

16 MR. LINGENFELTER: Charles Lingenfelter, L-i-n-g-e-n-
17 f-e-l-t-e-r.

18 MR. DULICK: Mr. Orzechowski?

19 MR. ORZECZOWSKI: Frank Orzechowski, O-r-z-e-c-h-o-w-
20 s-k-i.

21 JUDGE BANZHOFF: Thank you. Prior to the commence-
22 ment of this hearing, I had an informal discussion with the
23 parties concerning possible settlement of the issue, which is
24 the arrerages due the Company on power used by Mr. McAndrew.
25 Mr. McAndrew indicated that he had several questions concerning

ORIGINAL

1 his services. We decided to go forward with the hearing to pro-
2 vide him with an opportunity to receive those answers. Mr.
3 McAndrew?

4 MR. McANDREW: Yes.

5 JUDGE BANZHOFF: Are you ready to proceed, sir?

6 MR. McANDREW: Yes, but before I do, your Honor, in
7 front of me I have a letter from Mr. Shans, stating that there
8 will be a reporter there taking, I imagine, a transcript,
9 right?

10 JUDGE BANZHOFF: Yes.

11 MR. McANDREW: May I please have a transcript sent to
12 me of this conversation?

13 JUDGE BANZHOFF: Yes. Do you understand that you'll
14 have to pay for that transcript?

15 MR. McANDREW: Well, sure. This will be the complete
16 conversation, right, your Honor?

17 JUDGE BANZHOFF: That's right. The only portion that
18 was not transcribed was the conversation that we had prior to --

19 MR. McANDREW: Yes.

20 JUDGE BANZHOFF: -- the commencement of this hearing,
21 where I discussed informally with both parties the possibility
22 of settling this case.

23 MR. McANDREW: Yes.

24 JUDGE BANZHOFF: But from the time that I indicated
25 the background of the hearing and the fact that it is -- the

1 docket number and the parties and what have you, all of this
2 is now being transcribed.

3 MR. McANDREW: Okay. Thank you.

4 JUDGE BANZHOFF: Mr. McAndrew?

5 MR. McANDREW: Yes.

6 JUDGE BANZHOFF: You may proceed, sir.

7 MR. McANDREW: Well, some of my questions concerning
8 the bills -- let's see. I might as well start off with --
9 it's right on the tip of my tongue.

10 I received credit built up -- you know, like, my
11 bill right now is 189 a month. Now, I might get 12, 15, 20,
12 \$50.00 credit each month from that money, but if I fall behind
13 in my bills, I get charged a late charge, but I haven't seen
14 anything towards my credit, like an interest or something on
15 my credit. How can they charge me something like that, charge
16 me a late charge but not pay any dividends on my money already
17 in PP&L that's not being used?

18 MR. DULICK: Mr. Lingenfelter, do you understand
19 the question?

20 MR. LINGENFELTER: Yes, I believe I do. Mr. McAndrew,
21 when you enter into the budget billing agreement for your
22 convenience to pay the bills, the balance, as you noted --
23 you're right; that, when you do have a credit balance in
24 there, there is no interest on that, because -- and, likewise,
25 sometimes during the year, you owe us money --

ORIGINAL

1 MR. McANDREW: Yes.

2 MR. LINGENFELTER: And we don't charge you interest
3 on that balance that you owe us in the budget balance. You
4 get the late charge only on the arrearages that are shown on
5 the bill when you do not pay it by the due date. In other
6 words, if you have a bill for \$189, which your budget was,
7 month after month, if you don't pay that by the due date,
8 then you are subject to the late charge, and that will carry
9 over.

10 Now, for example, in your very last bill, you were
11 billed \$189. Your bill was \$343, okay? Now, the difference
12 does go into the budget billing balance, and that's a plus
13 and minus all year long, but in the same sense that we don't
14 give you -- apply interest to your credit, neither do you pay
15 an interest charge to us when you owe us money in the budget
16 balance, and that's just the nature -- that's the policy.
17 That's the way the budget plan is set up.

18 MR. McANDREW: I see.

19 MR. LINGENFELTER: The only interest that you would
20 receive from PP&L is with a security deposit, as far as paying
21 interest on money that you have with us.

22 MR. McANDREW: Yes. It seems a little one-sided.

23 MR. LINGENFELTER: Well, here again, you have the
24 choice of going on the budget plan or not. This is your
25 choice. It's a convenience. Most utilities have the plan.

ORIGINAL

1 Oil companies have the plan.

7
NOT ORIGINAL

2 MR. McANDREW: I see.

3 MR. LINGENFELTER: And it's a back-and-forth to try
4 to levelize your billing for a full year -- and you're right.
5 We don't pay interest on that. It would be accumulated in
6 your budget balance. But, again, through a year's time, some-
7 times you're owing us money in there.

8 MR. McANDREW: Yes, yes. I understand that.

9 MR. LINGENFELTER: Okay.

10 MR. McANDREW: Let's see. I talked with you on the
11 phone before, Mr. Lingenfelter --

12 MR. LINGENFELTER: Yes.

13 MR. McANDREW: -- about, you know, the extra -- I
14 put a coalstove in the cellar -- the conversation we had about
15 that --

16 MR. LINGENFELTER: Yes.

17 MR. McANDREW: -- to try and cut down on the electrical
18 bill, and like I said, the bill is way out of hand. We even
19 have a gas stove. We don't have an electric stove. We have
20 a gas range here, and I still can't understand why the damn
21 bill is so high. I still can't understand it.

22 MR. LINGENFELTER: Well, we haven't been able to deter-
23 mine that at this point, either.

24 MR. McANDREW: Yes.

25 MR. LINGENFELTER: With your complaint, that was the

1 first time we ever had any notification that you were in-
2 quiring about your high usage.

POOR ORIGINAL

3 MR. McANDREW: Yes.

4 MR. LINGENFELTER: But you do have electric heat in
5 there. You told me you, I think, converted that in maybe the
6 mid-'70's.

7 MR. McANDREW: Yes, and now it's almost impossible to
8 put pipes back in the wall to get another kind of heat.

9 MR. LINGENFELTER: Right, but you are using electric
10 heat in there.

11 MR. McANDREW: Yes. Now, like I said, it's almost
12 impossible, because all the insulation was blown in the walls
13 and everything and you can't get the pipes up.

14 MR. LINGENFELTER: Right.

15 MR. McANDREW: Yes. You said about this is the first
16 time you heard about me complaining. Me and my wife com-
17 plained I don't know how many times when the bills started
18 going up and up and up to, I guess, one of the receptionists,
19 and that's all we got. We didn't get any satisfaction, just
20 that that's the rate and that's what we had to pay.

21 MR. LINGENFELTER: Well, when you --

22 MR. McANDREW: In front of me there's a letter I guess
23 from your attorney, Mr. Dulick, and it has "new matter," and
24 about never receiving any complaints except for the ones, you
25 know, that I turned in to the PUC. But we complained numerous

ORIGINAL

1 times with no satisfaction.

2 MR. LINGENFELTER: Okay. I don't know if you're re-
3 ferring to the inquiries you had back -- the records I have
4 show that you inquired back in mid-1981 to the Mediation Unit
5 of the PUC to work out the payment arrangements on the
6 balances at that time. But even at that point, we had no
7 indication that you were disputing the amount of the bill,
8 just that you were trying to make payment arrangements for it.

9 MR. McANDREW: Oh. Well, no. This is long before
10 that.

11 MR. LINGENFELTER: We would have been out on a billing
12 inquiry. At any time in the last five years or whatever,
13 whenever you inquired about it, it is our policy -- we will
14 check readings. If we have to, we'll have someone come out
15 and review your billing with you. That's part of the service.
16 But we never had that. From any records that I could come
17 across, there was no indication of a billing inquiry as such.

18 MR. McANDREW: Well, this isn't the first time they
19 came around to check the meter. They were around in about
20 1976. That was, I guess, about the first complaint. They
21 came around and had some kind of meter hooked up to the meter.
22 This was about 1976.

23 MR. LINGENFELTER: Okay. Possibly --

24 MR. McANDREW: When the bill started going up.

25 MR. LINGENFELTER: I do not have records.

ORIGINAL

1 MR. McANDREW: Oh. Well, that's -- they had a meter
 2 hooked up to our meter, you know, with thin wires. They were
 3 checking out our meter and they said it was all right. That's
 4 when our bills started, you know, really going up from \$39.00,
 5 and they started going choop! choop! choop! -- you know, big
 6 steps and not short, little steps, big steps.

7 MR. LINGENFELTER: Did you also change over from coal
 8 heat back then?

9 MR. McANDREW: Yes. That was back in early -- '70,
 10 '71, somewhere around in there. We changed from coal, and we
 11 were using, like, seven tons with no insulation in the house,
 12 and bad windows in it, no siding. I put vinyl siding on the
 13 rear.

14 MR. LINGENFELTER: I can't really answer for back at
 15 that time or anything even prior to now, because from what I
 16 have seen, I don't have any records that anyone was down, al-
 17 though it's very possible, they did check the meter back in
 18 '76 like you said. I wouldn't have that record.

19 MR. McANDREW: Well, I imagine the office probably
 20 has it because --

21 MR. LINGENFELTER: No. I checked in the office. Now,
 22 the records have a life code and we would not have those.
 23 But it's very possible, yes.

24 MR. McANDREW: I remember the man out there with a
 25 meter checking our meter. He left it on for I don't know how

300 ORIGINAL

1 long, he left it on. I came back, and he said, "Everything
2 is okay. It checks out right." In fact, I can describe the
3 meter. It was in a brown, wooden box, and I seen it sitting
4 there on the pavement.

5 MR. LINGENFELTER: Okay. I don't know -- well we
6 can't deny that there was a man testing the meter in '76. He
7 may have done so.

8 MR. McANDREW: I probably have the letter here some-
9 where, but I can't look through all these right now.

10 JUDGE BANZHOFF: Well, you know, I am perfectly
11 willing to allow this conversation to continue. We do have
12 a reporter here taking this conversation, and I'm just won-
13 dering if all parties may be better served if you discussed
14 these questions with the Company, with their customer repre-
15 sentative at another time.

16 The issue that we have before us this morning, of
17 course, is the arrearages, the amount, and arriving at a
18 method of payment.

19 MR. McANDREW: Your Honor, I didn't file my complaint
20 about payments or the amount I owe. I filed about the high
21 bill.

22 JUDGE BANZHOFF: Well, the problem that I have is we
23 have no evidence that the billing is incorrect, and in the
24 absence of such testimony on your part, we will always come
25 down to that final figure: The arrearages. You're saying

1 that your electric bill is high.

POOR ORIGINAL

2 MR. McANDREW: Very, yes.

3 JUDGE BANZHOFF: And so we concede that point. But
4 the real issue is: Is it incorrect? At this point in time,
5 there is no indication from you that you have any evidence
6 that the bill is, in fact, incorrect. I believe the Company
7 would be willing to work with you in any way possible to not
8 only answer your questions but endeavor to provide you with
9 information that would enable you to reduce your consumption.
10 But the Company does have a tariff on file. They are required
11 by law to charge you in the same manner as their other cus-
12 tomers in your class, so much per kilowatt usage, and in the
13 absence of any errors, we must deal with those figures.

14 MR. McANDREW: While we're still on the record here,
15 I would like to ask Mr. Lingenfelter another question, please.

16 MR. LINGENFELTER: Go ahead.

17 MR. McANDREW: The paper stated, about a week and a
18 half, two weeks ago, that FF&L has a \$90 million deficit from
19 unpaid bills. That -- I guess, does that make my bill go
20 up also?

21 MR. LINGENFELTER: \$90 million? I didn't see that.
22 I wasn't aware of that.

23 MR. McANDREW: It was when the 10,000 --

24 MR. LINGENFELTER: From what I can recall, there is
25 in that area a deficit on our fuel collection that carries

1 from 1981. That has to be carried forward into 1982 and even
2 into 1983.

3 MR. McANDREW: Does that interfere with --

4 MR. LINGENFELTER: No. That's not unpaid bills,
5 unless you read something I'm not familiar with.

6 MR. McANDREW: Well, that's what I got out of it,
7 unpaid bills.

8 MR. LINGENFELTER: Well, I think the only deficit
9 that they were talking about was the fuel deficit, where we
10 haven't yet collected all that we have spent in fuels for 1981.

11 MR. McANDREW: Uh-huh -- and another question; that
12 these grants that PP&L gives to, like, Berwick to fix up
13 their -- the downtown area -- I guess that affects my bill
14 also, right?

15 MR. LINGENFELTER: I'm not -- I can't even answer
16 that. I'm not familiar with any grants going to any municipi-
17 palities.

18 MR. McANDREW: Yes, to Berwick, Bloomsburg, I think
19 's in line for one, 35,000.

20 MR. LINGENFELTER: A grant, okay. I can't answer
21 that for you. I'm not familiar with it.

22 MR. McANDREW: I imagine it affects my billing, though.
23 It was on the radio a month and a half ago. There was three.
24 I just can't think of the other town.

25 JUDGE PANZHOFF: Do any of the parties present for

ORIGINAL

1 the Company have any information concerning these grants?

2 MR. DULICK: Your Honor, I'm not aware of these.

3 I can't deny from my own knowledge that there are any such
4 grants. However, perhaps I should just say to Mr. McAndrew:
5 There are two kinds of expenses a utility company does have.
6 One is what's typically called above the line, which means
7 that those kinds of expenses are charged to ratepayers. There
8 is a second kind of expense which is called below the line,
9 which means that those expenses are not charged to ratepayers;
10 they are charged to stockholders.

11 Now, these grants -- I'll be honest with you. I
12 really don't know. I could find out and give you an answer
13 or perhaps bring someone else in here to try to answer your
14 question. However, you must realize that we were not aware
15 that you were going to present that issue, and therefore, I
16 myself did not do any research to determine if any such
17 grants are made and how they are accounted for. But if you
18 like, we can find out that information for you.

19 MR. McANDREW: Well, while we're still on the question,
20 don't you think the ratepayer should be taken care of first
21 or to take care of the stockholders?

22 MR. DULICK: Well, as I have said --

23 MR. McANDREW: That's -- you know, I'm just asking you
24 a question on that matter.

25 MR. DULICK: Well, our general -- our statutory duty

CC. ORIGINAL

1 is to serve our customers.

POOR ORIGINAL

2 MR. McANDREW: Right.

3 MR. DULICK: And in making any company decision
4 affecting service or affecting anything, we naturally have to
5 take into consideration our responsibilities to our rate-
6 payers, but we also have responsibilities to our stockholders
7 and we have a responsibility to the public in general.

8 MR. McANDREW: Well, the ratepayers pay the dividends
9 to the stockpayers -- to the stockholders. That's what I'm
10 trying to get. To take care of the ratepayers a little
11 better, I think, instead of taking care of, like you said --
12 well, like I said, that the grants that they give to the
13 towns in this area.

14 MR. DULICK: Well, as I said, if you want to know the
15 source of the money to do that, I can find that out for you.
16 I'm not sure I can find it out right now. I could check.

17 But as I said, I cannot say at this time whether, a, whether
18 those grants were made, and I will not deny that anything was
19 made because I don't know, but secondly, I do not know who
20 paid for them. The stockholders may have and they may not
21 have. I'm not sure. If you want that information, I can
22 perhaps find that out. I could find that out. Whether I
23 could find it out in a short span of time, I'm not sure.

24 MR. McANDREW: For your own satisfaction, maybe
25 you'll want to, but I really don't need it. I can get it

1 myself.

2 MR. DULICK: Well, I can also -- if we don't want to
3 disrupt the hearing here, I can find that out for you and
4 perhaps mail it for file it as a late-filed exhibit if you
5 would like.

6 MR. McANDREW: All right. It's all right with me.

7 MR. DULICK: Okay.

8 MR. McANDREW: Sure. Now, I talked with Mr. Lingen-
9 felter on the phone and I refused to have a man come in to,
10 I guess, survey my house to see if I'm using the right amount
11 of power, if they can help me out in any way. The reason I
12 refused is because I was remodeling the upstairs. I changed
13 the bathroom from one part of the house to the next, and I
14 had walls tore out, and I was under the impression that they
15 might use this in a hearing, that, "Hey, the man has his
16 walls tore apart. No wonder his bill is so damn high." I
17 wanted to get that off my chest right away, right now. But
18 when I have it finished -- it wasn't tore apart for five
19 years. It was just tore apart for maybe a month and a half.
20 When I have it finished, I would like PF&L to come in and
21 survey my house and help me out. I am referring to Mr. Lin-
22 genfelter right now.

23 MR. LINGENFELTER: Sure. Yes. Well, you would have
24 to let us know when you would like us to --

25 MR. McANDREW: Do you understand why -- that's why I

3000 ORIGINAL

1 didn't want the man to come in, so he wouldn't use it against
2 me in the hearing right now.

3 MR. LINGENFELTER: Well, first of all, when I talked
4 to you on the phone, and I wrote to you twice --

5 MR. McANDREW: Yes.

6 LINGENFELTER: -- we weren't with the intent of
7 trying to put any information against you. We're still
8 trying to help you, and I would like you to understand that.

9 MR. McANDREW: Yes.

10 MR. LINGENFELTER: And not to pick up information
11 that can prove or disprove anything, but just that, whether
12 you asked for the help of your neighbor, or my neighbor or
13 myself -- you know, I can have someone come into my house,
14 too, and look it over.

15 MR. McANDREW: Yes.

16 MR. LINGENFELTER: You know, it was to help you, and
17 if we had that inquiry long before this, maybe we would have
18 had it resolved. I don't know. But that's all we wanted to
19 do, is to make a survey to see where you might be using it,
20 because as I said when I talked to you on the 11th of January,
21 we just want to test the meter, and you had no objection to
22 that. I also said you could be present with the meter test,
23 but you didn't -- that wouldn't be necessary, and we did test
24 the meter.

25 MR. McANDREW: Yes, and this new demand that you put

BOOK ORIGINAL

1 in now --

POOR ORIGINAL

2 MR. LINGENFELTER: Yes.

3 MR. McANDREW: If I'm not using all that power, why
4 was this demand meter put in? I'm always getting credit for
5 the demand meter. Why is that in?

6 MR. LINGENFELTER: Well, the demand meter is in there
7 for all customers whose previous to the meter going in 12
8 months of electric use was over 50,000 kilowatt hours. All
9 customers received a demand meter.

10 Now, you were over 50,000 kilowatt hours in 1981.

11 MR. McANDREW: Yes.

12 MR. LINGENFELTER: Now, that demand meter is really
13 at this point for PP&L's purpose only a survey or a study
14 device, although you do receive credit whenever your demand
15 is below what would be the normal demand for the amount of
16 kilowatt hours you used, and every time that that demand meter
17 is in, you've been under the normal, so you've received a
18 \$3.00 credit for every KW under the normal, and this last
19 time, you would have received a \$15.00 credit --

20 MR. McANDREW: Yes, I did.

21 MR. LINGENFELTER: -- on the bill.

22 MR. McANDREW: I did.

23 MR. LINGENFELTER: Now, if you want that demand meter
24 taken out, we can take that out. You won't get the credits,
25 though.

POOR ORIGINAL

1 MR. McANDREW: Right.

2 MR. LINGENFELTER: There is nothing there that's
3 hurting you. It's only benefiting you.

4 MR. McANDREW: Yes, but I don't know how it works.
5 Now, if I use more than the demand --

6 MR. LINGENFELTER: Than the normal.

7 MR. McANDREW: Yes.

8 MR. LINGENFELTER: There is a formula for that. If
9 you use -- in fact, this last billing, your norm would have
10 been 23 KW for 6,591 kilowatt hours. Your demand was actually
11 18.

12 MR. McANDREW: If I would go over that --

13 MR. LINGENFELTER: If you would go over it, nothing
14 happens. There's no extra billing.

15 MR. McANDREW: Oh.

16 MR. LINGENFELTER: You know, there is no detriment
17 to you with that demand meter.

18 MR. McANDREW: I see.

19 MR. DULICK: Perhaps I could clarify just a bit,
20 Mr. McAndrew. There are two terms that we're throwing back
21 and forth here. One is kilowatt hours and one is kilowatt
22 demand. Kilowatt hours -- Mr. Lingenfelter can help me if
23 I mischaracterize this -- but kilowatt hours is a usage over
24 time. In other words, in a month, you'll use so many kilo-
25 watt hours.

✓✓✓ ORIGINAL

1 MR. McANDREW: Yes.

2 MR. DULICK: Okay. Kilowatts or demand is basically
3 a measure of usage at a particular time, and it's a way to
4 try and help PP&L manage its demand at one time, at its peak,
5 and so at one time, your kilowatt usage would be so much,
6 but the demand meter will help you if you cut down your usage
7 at one point in time. So in other words, what you're doing
8 is basically using less energy at one time also, besides
9 cutting down over the whole month. Your peak requirement on
10 PP&L's system at any 15-minute interval has been decreasing,
11 and that's why the credit comes in, because if PP&L can change
12 when everybody demands their most usage, if we can shift some
13 people away from using at the same time as everyone else,
14 we'll have to have fewer, less generating capacity built to
15 serve the demand, all right?

16 MR. McANDREW: Yes. I understand that.

17 MR. DULICK: Okay.

18 MR. McANDREW: Between 1971 and now, I can't imagine
19 how -- why the bill is so high, though. That's my whole com-
20 plaint. I don't know.

21 MR. LINGENFELTER: Well, you have to be looking at
22 the total kilowatt hours, first of all, that you're using and
23 that's going through the meter, and you really have to be
24 alert to your equipment in your own house, because that's
25 what's going through that meter and that's what's making the

POOR ORIGINAL

1 bill what it is.

2 In addition, of course, we've had several rate in-
3 creases over that period of time, and as recently as January
4 1 of this year, we've had that increase plus the increase in
5 the energy charge. So you really have to be looking at
6 kilowatt hours.

7 MR. McANDREW: I mean, you can tell by the bill.

8 MR. LINGENFELTER: Well, you look at your kilowatt
9 hours. I don't have any records.

10 MR. McANDREW: Well, my kilowatt hours are going down
11 but the bill isn't going down.

12 MR. LINGENFELTER: Okay. Well, you are, then, cutting
13 back on electrical use but, unfortunately, the rate is wiping
14 that gain out or keeping it neutral.

15 MR. McANDREW: Yes, and I can't understand it.

16 MR. LINGENFELTER: So whatever you can do still to
17 conserve, it's going to save you dollars.

18 MR. McANDREW: I understand that. I want to get my
19 bill back down where it's not a burden.

20 MR. LINGENFELTER: Well, you are going to see it. If
21 you look back into your summer months, the general use with
22 whatever: light, TV and so on and so forth, is about 1,000
23 kilowatt hours, 1,000-1,200. As soon as the heating season
24 starts, it goes flying.

25 MR. McANDREW: Yec. I understand that.

300 ORIGINAL

1 MR. LINGENFELTER: If that's electric heat, that's
2 being put on the load. That load that's coming on with the
3 electric heat is taking your bill up, and whatever you can do
4 to reduce that type of heating load is going to save you kilo-
5 watt hours, and there's no other way to say it or to cut it
6 back.

7 MR. McANDREW: I know, and what really gripes me is,
8 when I first put the heat in, they used to send -- PP&L used
9 to send flyers out: "Buy electricity. It's cheaper than
10 ever." So I did convert over. Now I'm screwed.

11 MR. LINGENFELTER: In '71, it was.

12 MR. McANDREW: Now I'm screwed. Even '73, right
13 before the oil embargo.

14 MR. LINGENFELTER: This is true, and you hit it right
15 on the -- the nail on the head there.

16 MR. McANDREW: And now I'm screwed. I can't get any
17 pipes in my walls to convert. If I do, it's going to cost me
18 a mint just to convert.

19 I guess there's not any -- there won't be any drop in
20 the bill in the near future, I imagine, right?

21 MR. LINGENFELTER: Well, your kilowatt hours should
22 go back to a summertime use. You should see it coming down.

23 MR. McANDREW: No. I mean the cost of the --

24 MR. LINGENFELTER: The cost of electricity?

25

POOR ORIGINAL

1 MR. McANDREW: Yes.

2 MR. LINGENFELTER: I would not count on the cost of
3 electricity coming down unless the cost of fuel takes a
4 drastic decrease in the near future, over the next five to
5 ten years.

6 MR. McANDREW: I have a friend in Mount Carmel. He
7 put it in around the same time. He was paying \$35.00 a month.
8 Now he's paying \$50.00 a month. He lives in a half a double,
9 closed in on both sides. We were both paying around the same
10 bill in 1971. Now he's paying 55 and I'm paying 189.

11 MR. LINGENFELTER: Well, it's almost impossible to
12 make comparisons between houses and families. You can do it
13 on the bill, obviously, when you look at the dollars and
14 cents, but the applications are obviously different. Other-
15 wise, your bill wouldn't be up to \$343. It's all in the use.
16 It's all in those kilowatt hours going through the meter, and
17 this is where, when you're ready for us to, you know, survey
18 your home, we might be able to help you save -- not to cut
19 it in half, possibly, but to reduce the kilowatt hours usage
20 wherever it's reasonable.

21 MR. McANDREW: In other words, I'm getting nowhere
22 again.

23 MR. LINGENFELTER: Well, I wouldn't --

24 MR. DULICK: PP&L will offer to audit your -- we
25 can't -- we have to charge for electricity what it costs us

1 plus a reasonable rate of return. We just can't -- and we
2 have to charge everybody within the same rate class basically
3 the same amount per kilowatt hour. That's true. So every
4 customer we have will have to pay what it costs.

5 I think, if you found that you just had oil heat, for
6 example, I think you would also find a drastic increase in
7 cost, and gas is going to be going up because of decontrol,
8 too. It's part of the phenomenon that's happened in the United
9 States and the world. The cost of energy is rising.

10 However, we would be able to work with you and have
11 some residential consultant, Ms. Keefer here, come out and
12 audit your house and look at it and say where you might possibly
13 take certain steps to save some money, and we would agree to
14 do that.

15 However, I think if you're not contesting the accuracy
16 of the bill -- and we can present evidence on the meter test
17 and your general usage -- I think that what we could do is,
18 if you would, if we could make some arrangement for bill pay-
19 ments, we would agree to come out and audit your house and
20 let you know where you might have an opportunity to cut down.

21 MR. McANDREW: Yes. Well, like I say, when I'm
22 finished upstairs, I will have them come out.

23 MR. DULICK: All right. Your Honor, if Mr. McAndrew
24 is getting near the end of his questions, of course, under
25 general hearing procedures, I would have some questions for

ORIGINAL

1 Mr. McAndrew which may help clarify the record, and I also
2 have these witnesses who are here today who I would hope to
3 get on the record and tell what they know about this matter.

4 MR. McANDREW: Yes. I'm finished.

5 JUDGE BANZHOFF: Well, again, during our prehearing
6 discussion, it appeared that there is an amount due of \$439.03,
7 according to Company records, and I was under the impression
8 that Mr. McAndrew did not dispute the accuracy of that amount.
9 Is that a correct statement, Mr. McAndrew?

10 MR. McANDREW: I do not dispute it, no. It's correct.
11 That's the correct amount.

12 JUDGE BANZHOFF: Therefore, I see no reason for the
13 Company to put on witnesses to support that figure. The ques-
14 tion that I would like to resolve with the parties is to
15 arrive at a payment arrangement that would be suitable to
16 both parties.

17 MR. DULICK: All right. If Mr. McAndrew concedes
18 that the bills are correct, as he had, we will be willing to
19 talk about any reasonable settlement arrangement that he would
20 propose.

21 MR. McANDREW: All right. Like I said before, I will
22 get back the \$150 every two weeks until that bill is brought
23 down.

24 JUDGE BANZHOFF: Now, is that an amount that you feel
25 you're able to --

ORIGINAL

ORIGINAL

1 MR. McANDREW: It's not, but I'll squeeze, because
2 I made that promise. But I was on unemployment. Then I went
3 off and I couldn't pay it. Now I'm on extended benefits, and
4 I will get back on the payments again.

5 JUDGE BANZHOFF: Then it's my understanding that you
6 are willing to pay the current bills as they become due plus
7 a payment of \$150 every two weeks on the arrearages.

8 MR. McANDREW: I couldn't -- I would just be able to
9 pay the \$150 every two weeks. See, that would be \$300 a month.

10 JUDGE BANZHOFF: All right. This is what I wanted to
11 clarify. Your bills are running at approximately \$190 a month,
12 is that correct?

13 MR. McANDREW: Right -- well, 189, so that would be
14 a hundred over --

15 JUDGE BANZHOFF: And you are speaking about a capa-
16 bility of paying approximately \$300 a month?

17 MR. McANDREW: Yes. That would be --

18 JUDGE BANZHOFF: I am suggesting that you pay current
19 bills as they become due plus \$50.00 every two weeks on your
20 arrearages until the unpaid balance --

21 MR. McANDREW: That sounds good, but it's going to
22 take a while to get the unpaid balance down, then.

23 JUDGE BANZHOFF: Well, as I look at it, it will take
24 about nine months.

25 MR. McANDREW: Yes.

300 ORIGINAL

1 JUDGE BANZHOFF: My thought is that I would rather
 2 suggest a payment arrangement that you can live with, that you
 3 can meet, rather than arrive at something unrealistic that you
 4 would be unable to pay. Let me address this suggestion to
 5 Mr. Dulick.

6 MR. DULICK: Yes.

7 JUDGE BANZHOFF: Would that be satisfactory to the
 8 Company?

9 MR. DULICK: Well, it's certainly -- \$100 per month
 10 plus his budget would certainly be acceptable to us. You said
 11 50 every two weeks, or, I would assume, \$100 a month.

12 JUDGE BANZHOFF: That's right. I would rather arrive
 13 at a more realistic figure in view of the fact that Mr. Mc-
 14 Andrew has endeavored to arrive at a payment arrangement in
 15 the past, but he hasn't been able to meet that commitment,
 16 and I am suggesting that this may be a more realistic approach.

17 MR. DULICK: I think so, too, and I agree, and I think
 18 that the amount is certainly acceptable to us, as Mr. Lingen-
 19 felter has suggested to me. He has the authority to say
 20 whether he accepts it or not, and he does.

21 Just one statement I think we should make to Mr. Mc-
 22 Andrew is we want to work basically with you. If you're having
 23 a problem, for example, in a certain month, you know, we're
 24 certainly willing to work with you. We're not -- and as long
 25 as you're trying and you're living up to your arrangements

1 that you can make, you know, we will work with you.

2 MR. McANDREW: Yes.

3 MR. DULICK: So just so you realize that that's our
4 philosophy. As long as you're making a good faith effort and,
5 you know, are suggesting an arrangement that you feel you can
6 meet, that's fine. If you do have a certain problem at some
7 point, you know, we would talk about it with you again, but
8 I think we're saying that we will accept this, and if you are
9 dealing, you know, in good faith, which we have no reason to
10 doubt you are, that's certainly fine with us. But if you have
11 problems, we can work with you.

12 We would also agree at some point in the future, when-
13 ever you would like to have a residential consultant come out
14 and suggest perhaps, you know, some ways in which you might
15 cut your bills down -- some which readily come to mind would
16 be, for example, a caulking around windows or insulating your
17 water heater, things like that which might cost very little,
18 but in a particular instance, may cut down quite significantly.

19 MR. McANDREW: Yes. I understand. In the long run,
20 it does add up.

21 MR. DULICK: Yes, but it might cut down, for example --
22 for example, if you have a large family, you're probably using
23 a lot of hot water, and if you were to insulate your water
24 heater, you would be able to cut down on the amount of heat
25 loss from the water heater and thereby save -- oh, it would

COOK ORIGINAL

COPIES ORIGINAL

1 depend on how much hot water you use for all your domestic
2 purposes, but there, for example, you know, an insulation kit
3 might cost \$10.00, but it might save, depending on how many
4 people are in your family, maybe three times that over a year.
5 So things like that, we would be able to do if we have some-
6 body come out to the home.

7 MR. McANDREW: All right.

8 JUDGE BANZHOFF: To wrap --

9 MR. McANDREW: I don't want that big guy coming around
10 -- you know, "Pay or disconnect." I don't want to see him
11 around here again.

12 MR. DULICK: Okay. Well, as I said -- I don't know
13 who you are referring to, but as I said, if you are going to
14 have some problem, you know, with your bill or meeting your
15 arrangements, the thing to do would be to contact Mr. Lingen-
16 felter and explain whatever the problem is and see if we can
17 work something out. We don't just automatically send somebody
18 out to somebody's house to knock on doors. But the arrange-
19 ment you suggested is certainly reasonable to us, and if, you
20 know, you live up to that and don't advise us of any problems,
21 you won't be hearing from us at all except for we'll be ex-
22 pecting to hear from you whenever you want your home checked
23 to see where you can save energy.

24 MR. McANDREW: Okay. That was -- I was back 15 days
25 on the payment a couple of times, and this big guy came around

200 ORIGINAL

1 knocking on the door: "Pay or I am disconnecting you this
2 afternoon." I don't need something like that.

3 MR. DULICK: Well, as I said, you know, if you live
4 up to the arrangement you've got now, we certainly will not be
5 sending anyone around, and if you would have a problem, con-
6 tact Mr. Lingenfelter and, you know, you and he can work
7 something out.

8 JUDGE BANZHOFF: All right. Mr. McAndrew --

9 MR. McANDREW: Yes.

10 JUDGE BANZHOFF: I want to review the proposal that
11 we have discussed to make certain that you understand it. It
12 would appear that the arrearages amount to \$439.03.

13 MR. McANDREW: Yes.

14 JUDGE BANZHOFF: I am suggesting that the parties
15 agree that you will pay current electric bills as they become
16 due plus \$50.00 every two weeks toward the arrearages. Do you
17 understand that proposal?

18 MR. McANDREW: Yes, I do.

19 JUDGE BANZHOFF: Do you believe that it is one that
20 you can comply with?

21 MR. McANDREW: Well, it would be easier to pay that
22 than it would like I said, the \$150 every two weeks.

23 JUDGE BANZHOFF: This is why I'm saying. I think this
24 is a somewhat lesser payment schedule, but maybe more realistic
25 in the long run.

ORIGINAL

1 MR. McANDREW: Yes.

2 JUDGE BANZHOFF: Mr. Dulick?

3 MR. DULICK: Yes.

4 JUDGE BANZHOFF: I'm sure you understand what I am
5 suggesting. Is that satisfactory to the Company?

6 MR. DULICK: Yes, it is, your Honor, and from what
7 I understand now, this will settle Mr. McAndrew's complaint
8 and will satisfy that complaint for purposes of the Commission.

9 JUDGE BANZHOFF: Well, we've had the hearing on the
10 complaint and I'm going to be issuing a decision, and the
11 decision is going to basically follow the lines that we've
12 discussed.

13 MR. DULICK: Yes.

14 MR. McANDREW: Yes. I understand.

15 MR. DULICK: That is acceptable to us.

16 JUDGE BANZHOFF: All right. Is there anything further?

17 MR. LINGENFELTER: May I make one clarification, of
18 Mr. McAndrew?

19 JUDGE BANZHOFF: Yes.

20 MR. LINGENFELTER: You are going to pay your current
21 bill plus \$100 a month. Your budget balance right now is
22 \$189.

23 MR. McANDREW: Yes.

24 MR. LINGENFELTER: You are probably going to see that
25 increase. The budget year ends in June. You start a new

1 budget year, and no doubt that amount will increase.

2 MR. McANDREW: It will increase?

3 MR. LINGENFELTER: With the fuel charges that will be
4 effective for the remainder of that year. Now, I don't know
5 what that will -- what that increase will be at this point.

6 MR. McANDREW: Even though I end up, say I end up
7 with a balance --

8 MR. LINGENFELTER: A credit balance? Well, that's all
9 factored in. It will be recalculated based on what you use
10 and projected costs for this coming budget year for you. So
11 it's all calculated quite accurately based on history, the
12 history here.

13 Now, the only thing I'm saying is you would -- I guess
14 you would still be in the boundaries of the \$300 you're
15 talking about a month, anyway, and I just want you to be
16 aware that that \$189 will not likely hold through the next
17 year, your next budget year, which will start in June. Your
18 last bill for this budget year will be May.

19 MR. McANDREW: Yes.

20 MR. LINGENFELTER: And you'll start another budget
21 year for 12 months. So you're going to see some changes on
22 your bill, and the only thing I can say is, if you have any
23 questions when you get those changes is to call me and we can
24 discuss it and what it means.

25 MR. McANDREW: Okay.

ORIGINAL

1 MR. LINGENFELTER: Right now, we're saying current
2 bill plus \$100 a month.

3 MR. McANDREW: Yes.

4 MR. LINGENFELTER: Now, you can either -- do I under-
5 stand you also that you are going to be paying really 50 bucks
6 every two weeks, or could you pay the \$100 with the current
7 bill in one payment?

8 MR. McANDREW: I think it would be easier to pay \$50.00
9 every two weeks.

10 MR. LINGENFELTER: Okay. Fine.

11 JUDGE BANZHOFF: Gentlemen, is there anything further?

12 MR. DULICK: One other thing, your Honor. As I said,
13 we would agree, whenever Mr. McAndrew likes, we would have
14 someone come out and look at his house and suggest ways we
15 can cut down on energy, and if Mr. McAndrew likes, I will mail
16 him a letter explaining his question to me concerning grants
17 to municipalities and who pays for it.

18 MR. McANDREW: Yes. I would like that.

19 MR. DULICK: Okay. Well, I will agree to do that.

20 JUDGE BANZHOFF: All right.

21 MR. DULICK: That's all I have, your Honor.

22 JUDGE BANZHOFF: Mr. McAndrew, do you have anything
23 further?

24 MR. McANDREW: Not really, just I would like to have,
25 like I said, a transcript of this sent to me at my cost.

1 MR. DULICK: Yes. Your Honor, I would like to order
2 one, too.

3 JUDGE BANZHOFF: Okay. If there is nothing further,
4 this hearing is adjourned. The record is closed. Thank you
5 very much.

6 (Whereupon the hearing concluded at
7 12:10 p.m.)

8 --oOo--

9
10 I hereby certify that the foregoing is a true and cor-
11 rect transcript of my stenotype notes taken by me during the
12 hearing on the above cause, at the herein indicated time and
13 place, before the Pennsylvania Public Utility Commission.

14 (The foregoing certification of this transcript does
15 not apply to any reproduction of the same by any means unless
16 under the direct control and/or supervision of the certifying
17 Reporter.)

18
19 MOHRBACH & MARSHAL, INC.

20
21 By Rita Hallock

22 Rita Hallock

23 REPORTED BY:

24 RITA HALLOCK, RPR
25 Mohrbach & Marshal, Inc.
27 North Lockwillow Avenue
Harrisburg, Pennsylvania