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February 6, 2017

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

**RE: John McGee v PPL Electric Utilities Corporation**  
**Docket No: C-2016-2549952**

Dear Ms. Chiavetta:

Enclosed for eFiling in the above-captioned matter are the Memorandum on behalf of PPL Electric Utilities Corporation.

Please note that this filing was eFiled with the Commission on the date indicated above.

Very truly yours,

KIMBERLY G. KRUPKA

KGK/ejm  
Enclosure

cc: Edward Greco, Esquire (w/ enc.); *via email* and first class mail  
Administrative Law Judge Conrad A. Johnson (w/enc.); *via email only*  
Patricia L. Moore (w/enc.) *via email only*  
Kimberly R. Hanson (w/enc.) *via email only*  
Holly M. Groth (w/enc.) *via email only*  
Shelbie Frederick Bayda (w/enc.) *via email only*

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BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOHN MCGEE,

COMPLAINANT,

VS.

PPL ELECTRIC UTILITIES CORPORATION,

RESPONDENT.

COMPLAINT DOCKET

NO. C-2016-2549952

**MEMORANDUM OF PPL ELECTRIC UTILITIES CORPORATION**

PPL Electric Utilities Corporation (PPL Electric), by its attorney, hereby files the following memorandum as directed by the Honorable Administrative Law Judge Conrad Johnson following an initial hearing of December 7, 2016:

I. Findings of Fact/Background:

Complainant, John Greco, is the owner of multiple rental properties, which are the subject of his underlying Complaint. While at one time he entered into an installment sale agreement for several of the properties with Steven Grebas, the properties were never formally transferred. (NT. at 12). At all times relevant to this Complaint, Mr. Greco was the owner of record, and as of the date of the hearing, remained the owner of record. (N.T. at 12).

Beginning in 2014, PPL Electric began receiving concerns from tenants concerning the existence of foreign load within some of the multiunit rental properties owned by Complainant McGee. As a result of those complainants, and in accordance with the requirements of 66 Pa.C.S. §1529.1, PPL Electric, through its Customer Contact Representative, Ronald Hoffman, performed in-person field investigations of the properties. (N.T. at 36). Such in-person

investigation revealed the existence of foreign wiring. Upon confirmation for of the foreign load, PPL Electric provided Mr. Greco with notice of the foreign wiring, an explanation of the tenant's account and balance being placed in his name as a result, and information on how to notify PPL Electric when the foreign load was removed.

Complainant McGree has contended that the transfer of several accounts to his name were improper. First, Complainant asserts objections to the transfer of an account servicing Tenant **John Hubler at 1100 Centre Street, Apartment 1 Fl. Rear, Ashland, Pennsylvania** into his name. PPL Electric Customer Contact Representative Hoffman visited this property on June 3, 2015. (Exhibit 3A-1) At that time, he found the third floor light on this customer's meter for his first floor rear apartment. (Exhibit 3A-1). Upon confirmation of this foreign load, notification was sent to Mr. McGee on June 17, 2015 advising him of the nature of the load, the transfer of the account and balance into his name, and provided instructions for fixing the foreign load and having the account placed back into the name of the tenant. (N.T. 72, Exhibit 3A-3, 3A-4). Mr. Huber was also supplied with a copy of Act 1993-54, (Exhibit 3A-5, 3A-6), and a blank Foreign Load/Wiring Fixed Form (Exhibit 3A-7). At the time the account was removed from the name of Mr. Hubler, the outstanding balance was \$3702.01. (N.T. at 73, Exhibit 6). This balance was then transferred to Complainant as the owner. (Exhibit 7). The account was then removed from Complainant's name as of August 28, 2015, with an outstanding balance of \$3829.61. (N.T. at 76, Exhibit 7). Complainant continues to owe this amount to PPL Electric.

Second, Complainant contends that he has corrected the foreign load in the property servicing **Robert Martin** on July 1, 2015, but the account remains in his name. (N.T. 21-22). It is believed by PPL Electric that this is the property located at **1001 Centre Street, Ashland,**

**Pennsylvania** as PPL Electric has this address connected to tenant Heidi Martin. (Exhibit 3D-2). Mr. Hoffman also completed a foreign load investigation on this property on December 14, 2014, discovering that wiring for the light in a common use basement and two back rooms was connected to the meter servicing this tenant. (Exhibit 3D-1, 3D-2). Based on the tenant notifying Mr. Hoffman that Mr. Grebas was the landlord, (Exhibit 3D-2), notification of the foreign wiring and transfer of account was sent to Mr. Grebas on January 4, 2014. However, when it was discovered that the actual record owner was Complainant McGee, all notifications were then sent to him on June 27, 2014. (Exhibit 3D-5; 3D-6, 3D-7, 3D-8, and 3D-9). At the time the foreign wiring was discovered, tenant Martin had a balance of \$1357.09. (Exhibit 8). However, only \$848.40 was accumulated at that service address. Accordingly, the \$848.40 was transferred to Stanley Grebas (account number 98870-40056) (Exhibit 9) and then to John McGee upon discovery of his ownership (account Number 98870-40065) (Exhibit 10). This account remains in the name of Complainant and has an outstanding balance of \$13,433.03. PPL has no documentation of a fixed wiring form submitted on this account, and cannot take the account out of the name of Complainant until it receives the same.

Third, Complainant contends that he has corrected the foreign wiring in the property serving **Steve Bakum** on January 1, 2014, but that he continues to receive bills for this property. (N.T. at 22). However, while Complainant has mentioned the name of Mr. Bakum, he has not identified an address or account number associated with this tenant's name. Without more information, there can be no finding of wrongdoing by PPL Electric. It is possible that Mr. Bakum is related to an address such as 6 North 10<sup>th</sup> Street Second Floor, Ashland, Pennsylvania

for which PPL Electric did not have an associated tenant name. Such account is addressed below as Complainant's Fifth account.

Fourth, Complainant contends that he has corrected the foreign wiring in the property serving **Linda Ennis at 1100 Centre Street, Apartment 2, Ashland, Pennsylvania**, but that he continues to receive bills for this property. Mr. Hoffman performed a foreign load investigation of this property on June 3, 2015. (N.T. at 37, exhibit 3B-1). At such time, he found wiring for the first and second floor hallway light connected to the meter servicing Apartment 2. (N.T. at 38; Exhibit 3B-1). At this time, Ms. Ennis' total outstanding bill to PPL Electric was \$4,726.68. (N.T. at 39, Exhibit 13). However, of that amount, only \$1,757.44 was accumulated at this service address. Therefore, on June 17, 2015, PPL Electric sent notification to Mr. McGee that it was transferring the account into his name, as well as \$1,757.44 of Ms. Ennis' outstanding balance. (N.T. at 38; *see* Exhibit 3B-3). This account was last billed to Complainant on September 1, 2015, with a total outstanding balance of \$2080.81. (N.T. at 40; Exhibit 1D).

Fifth, Complainant contends that he has corrected the foreign wiring in the property at **6 North 10<sup>th</sup> Street Second Floor, Ashland, Pennsylvania** as of February 1, 2014, but that he continues to receive bills for this property. This was an investigation performed by Mr. Hoffman on December 14, 2013. (N.T. at 43, Exhibit 3C-1). During this investigation, Mr. Hoffman was advised by a tenant that the owner of the property was Stanley Grebas. (N.T. at 43, Exhibit 3C-2). As a result, all information concerning the detection of foreign wiring and transfer of the account was sent to Mr. Grebas. However, upon receipt of information that Mr. Grebas was not the actual owner of the property, all foreign wiring information was sent to Mr. McGee on January 3, 2015. (N.T. at 44, Exhibit 3C-3; 3C-4, 3C-5, 3C-6, 3C-7). This account was then

placed into Mr. McGee's name. Unfortunately, PPL Electric has sent an access letter to Mr. McGee on January 3, 2015 to confirm whether or not the foreign wiring remains. However, Mr. McGee did not respond to PPL Electric and did not provide access to PPL Electric to confirm whether any foreign wiring has been fixed. (Exhibit 2A; see also contact of August 17, 2015 on Exhibit 2A). As Mr. McGee has not notified PPL Electric that the foreign wiring has been fixed, the account remains in his name with a balance of \$3695.92. (Exhibit 1A).

Sixth, Complainant contends that he has corrected the foreign wiring in the property serving **8 North 10<sup>th</sup> Street, Ashland, Pennsylvania**, but that he continues to receive bills for this property. (N.T. at 30-31). PPL Electric received a concern on this property as well as to a foreign load. However, PPL Electric was not granted access to the building. (N.T. at 57). PPL Electric sent an access letter to Complainant on January 3, 2015. (N.T. at 57, Exhibit 2C). As PPL Electric was never granted access, the account was placed in Complainant's name on January 9, 2015. (N.T. at 58, Exhibit 1C) At the time of the hearing, the account remained in Complainant's name with a balance of \$1,172.87.

## II. ACT 54 and its Applicability:

Complainant has asserted his Complaint against PPL Electric alleging improper transfer of services and billing pursuant to Act 54. As the proponent of an Order, the Complainant has the burden of proof pursuant to Section 332(a) of the Public Utility Code. 66 Pa.C.S. 332(a). The burden is placed on Complaint to demonstrate that PPL Electric was responsible for the problem alleged through a violation of the Public Utility Code, Regulation, or Order of the Commission by a preponderance of the evidence. 66 Pa. C.S. § 701.

The law on foreign load is established in 66 Pa.C.S. § 1529.1. Section (a) specifically provides “*It is the duty of every owner of a residential building or mobile home park which contains one or more dwelling units, not individually meters, to notify each public utility from whom utility service is received of their ownership and the fact that the premises served are used for rental purposes.*”(Emphasis added). Complainant clearly never complied with this burden, which the statute places on the Landlord.

Several cases interpreting the meaning of key words in this provision make it clear that Act 54 applies in the instant case. It cannot be disputed that the residences owned by Complainant are “residential buildings” under the statute. A “residential building is defined by statute as “[a] building containing one or more dwelling units occupied by one or more tenants.” 66 Pa.C.S. § 1521. So long as the structure itself contains more than one dwelling unit, whether or not occupied, it remains a “residential building.” Equitable Gas Co. v. Schwartzmiller, 744 A.2d 277 (Pa. Super. 1999). Moreover, the Court in Equitable Gas Co. specifically addressed who the owner of a residential building in instances of installment agreement of sale. The Court found that where the deed owner retains all ownership in the property until the sales installment contract is completed, the deed owner is the “landlord” for purposes of Act 54. Id. Accordingly, in the instant case, the fact that Complainant may have entered into an installment agreement of sale with Steven Grebas is irrelevant; until such time as the installment agreement of sale was satisfied (which it never was), Complainant remained the landlord for purpose of Act 54.

Further, our Courts have found a “foreign load” exists when a tenant’s electric meter is registering usage not exclusive to the tenant’s home. 1-A Realty v. Pa. Public Utility Commission, 63 A.3d 480 (Pa. Cmwlt. 2013). Clearly, in the instant case, Mr. Hoffman has

provided credible and substantial evidence of foreign load. Complainant did not even contest such.

Section (b) of the Act further provides “**(b) History of account.**—Upon receipt of the notice provided in this section, if the mobile home park or residential building contains one or more dwelling units not individually metered, an affected public utility shall forthwith list the account for the premises in question in the name of the owner, and the owner shall thereafter be responsible for the payment for the utility services rendered thereunto. In the case of individually metered dwelling units, unless notified to the contrary by the tenant or an authorized representative, an affected public utility shall list the account for the premises in question in the name of the owner, and the owner shall be responsible for the payment for utility services to the premises.”(Emphasis added).

Our Commonwealth Court has explained the meaning of “individually metered” in 1-A Realty v. Pa. PUC as “the unit’s electric meter is registering foreign wiring. In other words, ‘the existence of foreign wiring precludes a premise from being considered ‘individually metered’ for purposes of [Section 1529.1 of the Code].” Id. A residence is not individually metered when the unit has attached to it foreign wiring or is registering usage not exclusive to the dwelling unit or its occupants. Moreover, our Courts have consistently found that the term “shall” is mandatory, such that once foreign wiring is discovered, the utility has no option but to place the account in the name of the landlord. See Dep’t of Transp. v. McCafferty, 758 A.2d 1155 (Pa. 2000).

Moreover, Section (c) provides “**Failure to give notice.**—Any owner of a residential building or mobile home park failing to notify affected public utilities as required by this section shall nonetheless be responsible for payment of the utility services as if the required notice had

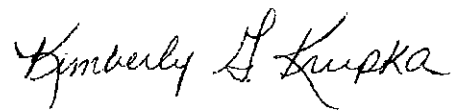
*been given.*” The words of this provision are clear. The duty rests with the landlord to notify PPL Electric of the affected public utilities, and the failure of the landlord to so notify PPL Electric does not relieve the landlord of responsibility. In the instant case, Complainant has alleged he should not be responsible for some of the balances as the initial notifications of foreign load and transfer of the account balances was sent to Mr. Grebas, rather than himself. However, this argument ignores the landlord’s responsibility, as a landlord, to comply with the law. There is zero evidence that Complainant ever notified PPL Electric of ownership of the buildings and the absence of individual metering. Rather, it was the tenants who notified PPL Electric. Unfortunately, several of the tenants provided the name and contact information of Mr. Grebas as their landlord. In initially transferring service with regard to two of the premises, PPL Electric relied on the tenants and sent the notifications to Mr. Grebas. It is reasonable for a utility to rely upon a tenant to know the identity of their landlord, specifically where the landlord has failed to notify the utility in compliance with Section 1529.1(a). Further, the Act 54 letter sent by PPL Electric clearly notifies the recipient *“If you are not the owner of this property, please call us immediately.”* See Exhibit 3A-3. The affirmative duty of notification rests with Complainant. Complainant clearly failed to comply with this notification requirement and now seeks to shift the responsibility to PPL Electric. Such is not permitted by the Statute.

III. Conclusion:

PPL Electric respectfully requests Complainant's Complaint be dismissed.

Respectfully submitted,

GROSS MCGINLEY, LLP



BY: \_\_\_\_\_  
KIMBERLY G. KRUPKA, ESQUIRE  
*Attorney for Respondent, PPL Electric Utilities  
Corporation*

Dated: 02/06/17  
In Allentown, Pennsylvania

BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION

JOHN MCGEE,

COMPLAINANT,

VS.

PPL ELECTRIC UTILITIES CORPORATION,

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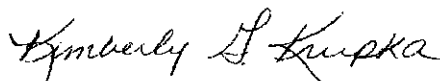
**CERTIFICATE OF SERVICE**

This is to certify that the MEMORANDUM on behalf of PPL ELECTRIC UTILITIES CORPORATION was mailed to counsel/complainant of record on behalf of Respondents by First Class United States Mail, postage on this the 6<sup>th</sup> day of February, 2017

EDWARD GRECO, ESQUIRE  
660 CHESTNUT ST  
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ADMINISTRATIVE LAW JUDGE  
CONRAD A JOHNSON  
PENNSYLVANIA PUBLIC UTILITY  
COMMISSION  
PIATT PLACE  
301 5TH AVENUE, SUITE 220  
PITTSBURGH PA 15222  
**VIA EMAIL ONLY**

GROSS MCGINLEY, LLP



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