

ORIGINAL 1 (7)

COMMONWEALTH OF PENNSYLVANIA

PUBLIC UTILITY COMMISSION

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 :
Elizabeth Santos versus Metropolitan Edison : Docket No.
Company (Complaint Appellant) : C-00967757
 :
 Initial Hearing :
 :
 -----X

Pages 1 through 37

Hearing Room No. 1
North Office Building
Harrisburg, Pennsylvania

Thursday, June 13, 1996

Met, pursuant to notice, at 10:00 a.m.

DUCKETED
JUL 09 1996

BEFORE:

ALLISON K. TURNER, Administrative Law Judge

APPEARANCES:

JANET E. ARNOLD, Esquire
 Ryan, Russell, Ogden & Seltzer
 1100 Berkshire Boulevard
 P.O. Box 6219
 Reading, Pennsylvania 19601
 (For Metropolitan Edison Company)

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P R O C E E D I N G S

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2 ADMINISTRATIVE LAW JUDGE ALLISON K. TURNER: Now is
3 the time and place for an initial hearing in the matter of
4 Elizabeth Santos, Complainant, versus Metropolitan Edison
5 Company, Complaint Appellant, docketed at C-00967757. The
6 court reporter has handed me the appearance sheet and it
7 shows the appearance of Janet E. Arnold for the Complaint
8 Appellant.

9 Is Elizabeth Santos in the hearing room?

10 (No response.)

11 JUDGE TURNER: We have not heard from her, to my
12 knowledge, we didn't get a request for a continuance and we
13 didn't get a response from her that she couldn't be
14 available, so I'm inclined to wait maybe 15 minutes and then
15 proceed.

16 How would you like to proceed?

17 MS. ARNOLD: Your Honor, that's fine if you'd like to
18 wait. The last time I spoke with Ms. Santos was a few weeks
19 after we had filed the appeal, and I was under the
20 impression from the way she spoke that she probably would
21 not attend the hearing, but I did inform her that she would
22 be getting a hearing notice and then she could decide
23 whether or not she would want to appear. So she is apprised
24 of the Commission's procedures and what she has the option
25 to do.

1 JUDGE TURNER: Often we would have held a hearing
2 like this telephonically with a consumer, particularly one
3 who doesn't live in the immediate area -- I'm not sure what
4 her address is -- but there was no request for a telephonic,
5 so I assume we just scheduled it.

6 Before we do have a recess, would you tell me how the
7 company would like to proceed?

8 MS. ARNOLD: Your Honor, I have one witness here, who
9 will lay out the facts on the record. Then it's my
10 understanding that PP&L has intervened in this proceeding
11 and would like to file briefs on the Act 54 legal issues, so
12 I think once the record has been settled, we'll probably go
13 to briefing then.

14 JUDGE TURNER: Fine. So you do want to make a record
15 today?

16 MS. ARNOLD: Yes, ma'am.

17 JUDGE TURNER: I would also note that we served the
18 two landlords that we joined at your request. One of them
19 is Loan Phan, I believe, and the other is Cesar Pomales.
20 Neither of them seems to be here today, nor did they call or
21 respond.

22 Finally, I would like to note that there are some
23 representatives from the Bureau of Consumer Services here
24 today, and I welcome their presence because I think this is
25 a policy issue that they should be aware of.

1 I don't know whether you're going to intervene
2 formally or just observe, --

3 MR. SMITH: Just spectators, Your Honor.

4 JUDGE TURNER: -- but you are welcome.

5 Let's go off the record for about 15 minutes, and
6 then we can reconvene at about 10:20.

7 (Recess.)

8 JUDGE TURNER: Let's go back on the record.

9 We've waited about 15 minutes to see if Elizabeth
10 Santos or Cesar Pomales or Loan Phan would arrive. None of
11 them have. During the recess I checked with our scheduling
12 office and reviewed their files. We did serve all of those
13 persons by first class mail with notice of this hearing, and
14 we've received no return mail, so we are entitled to presume
15 at this point that they had notice of the hearing, and
16 therefore we can proceed without denying them due process.
17 Of course, if we hear later that there was some failure of
18 notice, we'll have to deal with that at the time.

19 The other thing I would like to note formally, Ms.
20 Arnold raised it earlier, is that Pennsylvania Power and
21 Light Company seeks to intervene in this proceeding for the
22 purposes of briefing. I issued an order granting that
23 petition to intervene conditionally in order to allow
24 opposition from parties other than Met-Ed, who had agreed to
25 the intervention. Since there is no opposition being made

1 at hearing today, then PP&L's intervention will be fully
2 granted as requested.

3 Now, Ms. Arnold.

4 MS. ARNOLD: Yes, Your Honor.

5 JUDGE TURNER: How do you want to proceed?

6 MS. ARNOLD: Met-Ed has one witness here.

7 JUDGE TURNER: What is your name?

8 MS. STRASSNER: Rosalyn Strassner.

9 JUDGE TURNER: You'll have to keep your voice up
10 because I will have trouble hearing you.

11 MS. STRASSNER: Okay.

12 JUDGE TURNER: The acoustics in the room are not very
13 good.

14 Whereupon,

15 ROSALYN STRASSNER

16 having been duly sworn, testified as follows:

17 JUDGE TURNER: Will you state your name and spell it
18 for the record?

19 THE WITNESS: Rosalyn, R-o-s-a-l-y-n, Strassner,
20 S-t-r-a-s-s-n-e-r.

21 JUDGE TURNER: What is your business address?

22 THE WITNESS: I'm sorry, Your Honor?

23 JUDGE TURNER: I have to keep my voice up also. What
24 is your business address?

25 THE WITNESS: 2800 Pottsville Pike, Reading,

1 Pennsylvania.

2 JUDGE TURNER: Thank you.

3 Ms. Arnold.

4 MS. ARNOLD: Thank you, Your Honor.

5 DIRECT EXAMINATION

6 BY MS. ARNOLD:

7 Q. Mrs. Strassner, by whom are you employed and in
8 what capacity?

9 A. Met-Ed/Penelec. I'm Administrator of PUC
10 Mediation.

11 Q. How long have you been employed by Met-Ed?

12 A. Twenty-one years.

13 Q. How long have you held your present position?

14 A. Eighteen years.

15 Q. If you would, please, describe the duties and
16 responsibilities of your present position.

17 A. I'm responsible for the tracking, investigating
18 and responding to informal PUC complaints, mediations,
19 formal complaints and Chapter 56 regulations.

20 Q. Mrs. Strassner, are you familiar with the
21 informal complaint of Elizabeth Santos?

22 A. Yes, I am.

23 Q. Is Elizabeth Santos a Met-Ed customer?

24 A. Currently she is not a Met-Ed customer. She had
25 been a ratepayer from January 10 of 1995 through May 10 of

60281 2

1 1995.

2 Q. When she was a Met-Ed ratepayer, to what address
3 was service being provided to her?

4 A. 212 South Ninth Street, Second Floor, in
5 Reading.

6 Q. Under what Met-Ed rate was she charged?

7 A. She was billed on our residential rate.

8 Q. When did Ms. Santos first contact Met-Ed
9 regarding the subject matter of her informal complaint?

10 A. On May 9, Ms. Santos contacted us, indicating
11 that she had reason to believe that there was foreign load
12 on her meter.

13 Q. To clarify the record, that would be May 9 of
14 what year?

15 A. Nineteen ninety-five.

16 Q. What was the company's response to Ms. Santos'
17 call?

18 A. The company went out to the property the
19 following day, May 10, 1995, and confirmed that indeed
20 foreign load did exist on her meter.

21 Q. Would you describe the foreign load situation
22 that existed?

23 A. There was a barber shop and a one-room church
24 that was served off the same meter.

25 Q. Was Ms. Santos' residence an apartment building

1 or a single home?

2 A. It was an apartment building.

3 Q. Once the company discovered the foreign load
4 situation, what did the company do?

5 A. The company immediately contacted or attempted
6 to contact the owner of the property to notify them of our
7 findings. We also immediately took the account out of Ms.
8 Santos' name effective May 10, '95, the date that we
9 verified the foreign load situation.

10 Q. At the time that the company discovered the
11 foreign load situation, was there an outstanding balance on
12 the bill?

13 A. Yes, there was. The balance outstanding at the
14 time when we finalized the account, as of May 10, the final
15 bill was \$348.55.

16 Q. Did the company offer to create payment
17 arrangements with Ms. Santos to pay off that outstanding
18 balance?

19 A. Yes, we did, but Ms. Santos indicated that she
20 was disputing that amount, and because of the foreign load
21 felt that she should not have to pay any of the monies
22 outstanding.

23 Q. When was her informal complaint received by the
24 Commission?

25 A. On May 11, 1995.

1 Q. With regard to the foreign load situation, did
2 Met-Ed take the account out of the name of Elizabeth Santos?

3 A. Yes, we did.

4 Q. Was that account subsequently placed in the name
5 of the landlord?

6 A. Yes, it was. It was placed in the name of Loan
7 Phan.

8 Q. Was the landlord, Loan Phan, advised of the
9 action taken by Met-Ed?

10 A. The company attempted to deliver a letter
11 notifying Loan Phan of the situation and the fact that we
12 were placing the account in his name unless the situation
13 was corrected. We were unable to make contact with Loan.
14 We delivered a letter to a relative of Loan Phan, who
15 indicated they would see that Loan received a copy of the
16 letter. Loan resides in the Allentown area.

17 Q. Now, with regard to the account and placing the
18 account in the name of Loan Phan, why did Met-Ed take that
19 action?

20 A. That is a requirement of Act 54, The Landlord-
21 Tenant Act, and also in accordance with BCS, Bureau of
22 Consumer Services, guidelines.

23 Q. Mrs. Strassner, do you have in front of you a
24 two-page document labeled at the top "PEA Meeting March 7,
25 1995"?

1 A. Yes, I do.

2 MS. ARNOLD: I ask that it be marked for
3 identification as Met-Ed Exhibit No. 1.

4 JUDGE TURNER: It may be so marked.

5 MS. ARNOLD: Thank you, Your Honor.

6 (Whereupon, the document was marked
7 as Met-Ed Exhibit No. 1 for
8 identification.)

9 BY MS. ARNOLD:

10 Q. Mrs. Strassner, are you sponsoring this exhibit
11 for purposes of the hearing today?

12 A. Yes, I am.

13 Q. What does this exhibit direct a utility to do in
14 the event that a utility discovers a foreign load situation?

15 A. This particular document, under II, states that
16 "The pertinent part of this subsection indicates that once
17 the notice required by Subsection (a) is given, 'an affected
18 public utility shall forthwith list the account for the
19 premises in question in the name of the owner, and the owner
20 shall thereafter be responsible for the payment for the
21 utility services rendered thereunder.' "

22 Q. With regard to Ms. Santos' informal complaint,
23 what did the Commission's Bureau of Consumer Services order
24 Met-Ed to do?

25 A. The informal decision of the Bureau of Consumer

1 Services directed the company to transfer the entire balance
2 that accumulated from the time Ms. Santos became the
3 customer of record to the time the foreign load was detected
4 to the landlord's account.

5 Q. Mrs. Strassner, do you have in front of you a
6 three-page document dated December 22, 1995, BCS No.
7 0274904?

8 A. Yes, I do.

9 MS. ARNOLD: I ask that it be marked for
10 identification as Met-Ed Exhibit No. 2.

11 JUDGE TURNER: Have you pre-marked any of these?

12 MS. ARNOLD: No, Your Honor, I did not.

13 JUDGE TURNER: It may be so marked.

14 MS. ARNOLD: Thank you.

15 (Whereupon, the document was marked
16 as Met-Ed Exhibit No. 2 for
17 identification.)

18 BY MS. ARNOLD:

19 Q. Mrs. Strassner, are you sponsoring this exhibit
20 for purposes of this hearing?

21 A. Yes, I am.

22 Q. Is this exhibit the decision of the Bureau of
23 Consumer Services in the informal complaint of Elizabeth
24 Santos?

25 A. Yes, it is.

1 Q. Is the order of the BCS as reflected in Met-Ed
2 Exhibit No. 2 consistent with the position paper dated March
3 7, 1995 that has been marked for identification as Met-Ed
4 Exhibit No. 1?

5 A. No, it is not.

6 Q. How is the BCS order in the informal complaint
7 of Elizabeth Santos inconsistent with the policy document
8 marked as Met-Ed Exhibit No. 1?

9 A. The decision directs us to transfer the balance
10 from the time that Ms. Santos became the customer of record,
11 where the position paper of March 7 states that it would be
12 from the time that we were notified and verified the foreign
13 load situation.

14 Q. Mrs. Strassner, do you have in front of you a
15 document dated January 25, 1994? It is a multi-page
16 document, a letter from Sarah J. Hinton, Compliance
17 Specialist, Bureau of Consumer Services, to David Epple of
18 the Pennsylvania Electric Association.

19 A. Yes, I do.

20 MS. ARNOLD: I ask that it be marked for
21 identification as --

22 JUDGE TURNER: It may be so marked. Three, right?

23 MS. ARNOLD: Three.
24
25

1 (Whereupon, the document was marked
2 as Met-Ed Exhibit No. 3 for
3 identification.)

4 BY MS. ARNOLD:

5 Q. Mrs. Strassner, are you sponsoring Met-Ed
6 Exhibit No. 3 for purposes of the hearing today?

7 A. Yes, I am.

8 Q. Would you please describe this exhibit?

9 A. This was a letter, a response to Dave Epple of
10 the Pennsylvania Electric Association from Sarah Hinton of
11 the Bureau of Consumer Services, providing us with answers
12 to several questions that the individual companies and
13 associations had submitted regarding the new landlord-tenant
14 regulations or Act 54.

15 Q. With regard to foreign load situations in the
16 landlord-tenant context, what does this letter marked as
17 Met-Ed Exhibit No. 3 direct companies to do?

18 A. In this particular letter, on page 2, in answer
19 to question number 5, it directs the company to correct the
20 billing effective September 1, 1993, which is the effective
21 date of the Act.

22 Q. Is the BCS' decision on the informal complaint
23 of Elizabeth Santos more consistent with the January 25,
24 1994 policy statement than it is with the '95 policy
25 statement?

1 A. Yes; that's correct.

2 Q. Mrs. Strassner, do you have in front of you a
3 document entitled at the top "Bureau of Consumer Services'
4 Landlord-Tenant Policy Draft" dated March 4, 1996?

5 A. Yes, I do.

6 MS. ARNOLD: I ask that it be marked for
7 identification as Met-Ed Exhibit No. 4.

8 JUDGE TURNER: It may be so marked.

9 (Whereupon, the document was marked
10 as Met-Ed Exhibit No. 4 for
11 identification.)

12 BY MS. ARNOLD:

13 Q. Mrs. Strassner, is this the most recent policy
14 statement regarding landlord-tenant Act 54 issues that has
15 been issued by the Bureau of Consumer Services?

16 A. To the best of my knowledge, yes, it is.

17 Q. What does this draft policy statement instruct
18 utility companies to do?

19 A. Under number 2 on page 1 it states that "The
20 Bureau of Consumer Services takes the position that utility
21 service at a residential building" --

22 JUDGE TURNER: Excuse me a minute. I see somebody
23 wandering around back here.

24 MS. RUSH: Do you want me to --

25 JUDGE TURNER: Yes. See if it is perhaps one of our

1 participants.

2 We're off the record at this point.

3 (Discussion off the record.)

4 JUDGE TURNER: Back on the record.

5 I did interrupt the hearing because I saw someone at
6 the back of the hearing room that I thought might be one of
7 the participants, and Ms. Rush checked for me and it is not,
8 so let's go ahead, Ms. Arnold.

9 MS. ARNOLD: Very good, Your Honor. Thank you. Let
10 me restate the question to Mrs. Strassner.

11 BY MS. ARNOLD:

12 Q. Drawing your attention to what's been marked for
13 identification as Met-Ed Exhibit No. 4, what does this draft
14 policy statement of the BCS direct utility companies to do
15 in the event of a foreign load discovery?

16 A. This policy statement states that "The Bureau of
17 Consumer Services takes the position that utility service at
18 a residential building where all of the units are not
19 individually metered must be listed in the landlord's name.
20 The effective date of this listing should be the date on
21 which the company received constructive notice of the non-
22 individually-metered situation. Service does not have to be
23 backdated to the effective date of the law," which is
24 September 1, 1993.

25 Q. Mrs. Strassner, at the time Elizabeth Santos'

1 service was placed in the name of her landlord, who was her
2 landlord?

3 A. The name of her landlord was Loan Phan.

4 Q. Is Loan Phan a Met-Ed customer?

5 A. Loan Phan is not a Met-Ed customer. Shortly
6 after we placed the account in Loan's name we received a
7 call from Cesar Pomales, who stated that he had bought the
8 property as an investment and applied for electric service
9 in his name, and the account was subsequently placed in his
10 name effective May 26 of 1995.

11 Q. So when the BCS decision on the informal
12 complaint of Elizabeth Santos was issued, was Cesar S.
13 Pomales the landlord?

14 A. That is correct.

15 JUDGE TURNER: Excuse me; could I hear that question
16 and answer again? The question was?

17 MS. ARNOLD: At the time the BCS decision on the
18 informal complaint was issued, was Cesar S. Pomales the
19 landlord at Elizabeth Santos' residence?

20 JUDGE TURNER: And your answer was no?

21 THE WITNESS: Correct; he was.

22 JUDGE TURNER: He was?

23 THE WITNESS: Cesar Pomales was, yes, at the time the
24 informal decision was rendered.

25 JUDGE TURNER: I thought you said that at the time

1 you placed the account in the landlord's name, the landlord
2 was Loan Phan, and that was in May --

3 THE WITNESS: That was on May 10, 1995, but shortly
4 after that Cesar Pomaes called us.

5 JUDGE TURNER: Thank you. I had the chronology
6 confused.

7 BY MS. ARNOLD:

8 Q. Mrs. Strassner, with regard to Loan Phan, when
9 Ms. Santos filed her informal complaint, did Met-Ed know
10 that Loan Phan was in fact the landlord at that building?

11 A. Yes, we did.

12 Q. Were either Loan Phan or Cesar S. Pomaes
13 involved in any way in the informal complaint process?

14 A. No, they were not.

15 Q. Were either Loan Phan or Cesar Pomaes ever
16 advised that an informal complaint was pending?

17 A. No, they were not.

18 Q. Into whose name was the Elizabeth Santos account
19 balance transferred?

20 A. We did not transfer the balance. We appealed
21 the decision of the Bureau of Consumer Services.

22 Q. So what happened to the balance on Elizabeth
23 Santos' electric service account?

24 A. It is outstanding on our write-off records at
25 this point.

1 Q. Does Met-Ed have a mechanism for collecting Act
2 54 balances from landlords that are not Met-Ed customers?

3 A. No, we do not. We do not have a formal policy
4 for that. We have just been allowing those monies to go to
5 our write-offs.

6 Q. Has Met-Ed ever pursued collection from a
7 landlord that is not a Met-Ed customer in the Courts of
8 Common Pleas in Pennsylvania?

9 A. No, we have not.

10 Q. Mrs. Strassner, do you have a document in front
11 of you labeled at the top "Metropolitan Edison Company
12 Account Statement, Page 1 of 1"?

13 A. Yes, I do.

14 MS. ARNOLD: I ask that it be marked for
15 identification as Met-Ed Exhibit No. 5.

16 JUDGE TURNER: It may be so marked.

17 (Whereupon, the document was marked
18 as Met-Ed Exhibit No. 5 for
19 identification.)

20 BY MS. ARNOLD:

21 Q. Mrs. Strassner, was this document prepared under
22 your supervision and direction?

23 A. Yes, it was.

24 Q. Would you please describe this exhibit?

25 A. This is a statement of the account for Elizabeth

1 Santos from the date that she contracted service, which was
2 January 10, 1995, through the date that we took the account
3 out of her name as a result of the foreign load situation.
4 This shows the billing periods, the consumption that was
5 used, the amount of the bill, the due dates of the bill, and
6 any payments that were made or adjustments to the account.

7 Q. How many payments did Ms. Santos make on this
8 account?

9 A. We received one payment of \$32.60 on February 15
10 of 1995.

11 Q. Was the entire outstanding balance on this
12 account incurred at 212 South Ninth Street, Second Floor,
13 Reading, Pennsylvania?

14 A. No. We had transferred a bill, a final bill,
15 from a prior address in the amount of \$40.06.

16 Q. Did Elizabeth Santos ever challenge the transfer
17 of that \$40.06?

18 A. No, she did not.

19 Q. Was she apprised of the transfer when it
20 occurred?

21 A. Yes, she was.

22 Q. Was the final balance of \$348.55 -- what
23 happened to that outstanding balance?

24 A. That balance is currently sitting in our write-
25 off system.

1 Q. That is the balance that was taken out of
2 Elizabeth Santos' name when the foreign load situation was
3 discovered?

4 A. Correct.

5 Q. Finally, Mrs. Strassner, do you have in front of
6 you a document entitled at the top "Metropolitan Edison
7 Company, Residential Service Rate RS"?

8 A. Yes, I do.

9 MS. ARNOLD: I ask that it be marked for
10 identification as Met-Ed Exhibit No. 6.

11 JUDGE TURNER: It may be so marked.

12 (Whereupon, the document was marked
13 as Met-Ed Exhibit No. 6 for
14 identification.)

15 BY MS. ARNOLD:

16 Q. Mrs. Strassner, are you sponsoring this exhibit
17 for purposes of the hearing today?

18 A. Yes, I am.

19 Q. Would you please describe this exhibit?

20 A. This is our Residential Rate Schedule from
21 Met-Ed's tariff, and this is the rate under which Ms. Santos
22 was billed.

23 Q. And it is a residential rate?

24 A. Yes, it is.

25 Q. Is this a proper tariff rate for the

1 complainant's account at 212 South Ninth Street?

2 A. Yes, it is.

3 MS. ARNOLD: Your Honor, I have no further questions
4 for this witness and I have no further witnesses.

5 JUDGE TURNER: I have some questions of her and some
6 comments also. My first one is: the regulations, Chapter
7 56, provide that when a BCS decision is appealed, the
8 parties nonetheless should comply with it. Now, this is
9 usually applied to customers in that they must pay as
10 directed in the BCS decision. In other words, filing a
11 formal complaint and an appeal doesn't suspend their duty to
12 pay as ordered. I would think the same thing would apply to
13 a utility as a complaint appellant. Therefore, I'm troubled
14 by your not following that. In other words, you were
15 directed to transfer it and you didn't because you're
16 appealing it. I think that's what I understood the
17 testimony to be.

18 Now, she's telling me what happened, but you are the
19 one who would be responsible for the legal policy, so I'm
20 just stating to you that that's my understanding of the
21 regulations. If you have a different understanding, let me
22 know.

23 MS. ARNOLD: Oh, no. I'm absolutely in accord with
24 your understanding of the regulations, Your Honor. There
25 is, unfortunately, an ambiguity here. The BCS decision

1 orders Met-Ed to transfer the account balance into the name
2 of "the landlord." Who are they talking about? Are they
3 talking about Loan Phan or Cesar S. Pomales? It's a very
4 difficult situation and --

5 JUDGE TURNER: They are talking about the landlord at
6 the time their decision was issued, I'm sure.

7 MS. ARNOLD: I understand where you're coming from,
8 and I can certainly interpret it that way, but the decision
9 is not clear in that regard.

10 JUDGE TURNER: It may be not clear to you, but it
11 seems pretty clear to me. That's the first issue that I
12 have.

13 Turning to other issues here, you said that Ms.
14 Santos is no longer a customer, but is she a consumer? Does
15 she still reside at that address and consume electricity
16 even though the account is in someone else's name?

17 THE WITNESS: To the best of my knowledge she is
18 still there, yes.

19 JUDGE TURNER: How is that consumption being billed?

20 THE WITNESS: It is being billed in the name of Cesar
21 Pomales.

22 JUDGE TURNER: So you're sending bills for
23 electricity to Pomales?

24 THE WITNESS: Correct.

25 JUDGE TURNER: Is he paying them?

1 THE WITNESS: I don't know if I have that. Let me
2 just check here.

3 (Witness perusing documents.)

4 THE WITNESS: I don't believe he's current. I didn't
5 really look at his account, Your Honor, this morning, so I
6 really can't answer that.

7 JUDGE TURNER: Now, you said her building was an
8 apartment building?

9 THE WITNESS: Correct.

10 JUDGE TURNER: What kind of an apartment building?
11 Are we talking about a converted house, or are we talking
12 about multi-story, multi-unit?

13 THE WITNESS: I was not out there personally to
14 inspect that building.

15 JUDGE TURNER: Do your records show a description by
16 the person who was out there?

17 (Witness perusing documents.)

18 JUDGE TURNER: Part of the reason I'm asking this is:
19 is the one-room church in the apartment building or in a
20 separate building? And the same for the barber shop.

21 THE WITNESS: From the investigation order, it
22 indicates that the barber shop and the church are both on
23 the first floor of this building.

24 JUDGE TURNER: And Ms. Santos is on the --

25 THE WITNESS: She's on the second floor.

1 JUDGE TURNER: How many other units are in the
2 building? Does it show that?

3 (Witness perusing document.)

4 THE WITNESS: I'm not sure, Your Honor. I can't
5 answer that. I don't see that listed here on this
6 information. Just let me --

7 (Witness perusing documents.)

8 THE WITNESS: On this document it indicates that
9 there would be four units, the four units being Ms. Santos'
10 apartment, the church, the barber shop --

11 JUDGE TURNER: And one other apartment?

12 THE WITNESS: Correct.

13 JUDGE TURNER: But there's no indication or no
14 determination that the fourth unit was also on Ms. Santos'
15 meter?

16 THE WITNESS: No, there's no indication on this
17 information.

18 JUDGE TURNER: Turning to the exhibits. Met-Ed
19 Exhibit 1, who prepared this document, if you know? That's
20 the "PEA Meeting March 7, 1995."

21 (No response.)

22 JUDGE TURNER: Let me see whether I can be a little
23 more specific. Do you know whether BCS prepared this
24 document?

25 THE WITNESS: I can't answer that. I don't know.

1 JUDGE TURNER: All right. Met-Ed Exhibit 3, do you
2 know who prepared that?

3 THE WITNESS: This was prepared by the Bureau of
4 Consumer Services.

5 JUDGE TURNER: Who did you receive it from, from Mr.
6 Epple or from the Bureau of Consumer Services?

7 (Witness shaking head negatively.)

8 JUDGE TURNER: The witness is shaking her head, so I
9 guess you don't know?

10 THE WITNESS: I don't know.

11 JUDGE TURNER: Do you know who you received Met-Ed
12 Exhibit 1 from?

13 (Witness perusing document.)

14 JUDGE TURNER: Not 6, 1. Although I have the same
15 question for 6.

16 THE WITNESS: The PEA Meeting March 7?

17 JUDGE TURNER: Yes.

18 THE WITNESS: That was a joint meeting of the PEA and
19 the Bureau of Consumer Services, and it was a handout at
20 that meeting.

21 JUDGE TURNER: Okay; a handout at a meeting.

22 I referred to a document you were holding up as
23 Exhibit 6 but it's really Exhibit 4. This has "Draft"
24 stamped prominently on each page. Can you tell me who
25 provided you this?

1 THE WITNESS: This was at a collection collaborative
2 that the Bureau of Consumer Services put on this year, and
3 this was also a handout at that meeting.

4 JUDGE TURNER: Since it says "Draft," I have to
5 assume that it's not an effective policy. Would you say
6 that's fair?

7 THE WITNESS: That's fair, yes.

8 JUDGE TURNER: So that in terms of your statement in
9 response to Ms. Arnold's question, you said it directs
10 utilities to do certain things; it really doesn't direct you
11 to do anything because it's not an effective policy. Would
12 you agree with that?

13 THE WITNESS: Yes.

14 JUDGE TURNER: I'm looking at Met-Ed Exhibit 5, and I
15 think I'm correct in reading that no late payment charges
16 were assessed on this account?

17 THE WITNESS: That's correct.

18 JUDGE TURNER: And basically, you read this exhibit
19 up, starting from 1/10 and going up to 4/18, and then you
20 bounce down to 5/10/95; that was the last reading?

21 THE WITNESS: Right. That's the final bill period.

22 JUDGE TURNER: Actual reading.

23 THE WITNESS: Yes.

24 JUDGE TURNER: And finally, on Met-Ed Exhibit 6, I'd
25 really like to know, and I'm not sure that this is going to

1 show it to me, whether Ms. Santos was a heating customer.

2 THE WITNESS: She was not a heating customer.

3 JUDGE TURNER: Is she a hot water customer, or was
4 she?

5 THE WITNESS: No, she was not.

6 JUDGE TURNER: So the consumption reflected on here
7 is only for lighting, and maybe cooking; I don't know.

8 THE WITNESS: Correct.

9 JUDGE TURNER: Does that strike you as high for one
10 person consumption?

11 THE WITNESS: It could be, yes, and that may be
12 reflective of the foreign load on the meter.

13 JUDGE TURNER: Now, your meter readers, since they
14 were actual readings, your meter readers were at the
15 premises to read the meters?

16 THE WITNESS: Correct.

17 JUDGE TURNER: Do you know whether they're inside or
18 outside?

19 (Witness perusing documents.)

20 THE WITNESS: I don't know.

21 JUDGE TURNER: I think those are all of my questions.
22 Do you have any questions you want to ask after that
23 colloquy, Ms. Arnold?

24 MS. ARNOLD: Yes, Your Honor, just to follow up on a
25 couple things.

PC 2

1 JUDGE TURNER: Okay.

2 FURTHER DIRECT EXAMINATION

3 BY MS. ARNOLD:

4 Q. Mrs. Strassner, let me direct your attention to
5 what has been marked as Met-Ed Exhibit No. 1. I believe,
6 and I may have my exhibit numbers wrong here, but I believe
7 you testified that this document was given out at a PEA
8 meeting; is that correct?

9 A. Correct.

10 Q. Were you present at that meeting?

11 A. Yes.

12 Q. Were you led to believe or were you under the
13 impression at that time that this document reflected the
14 policy of the BCS regarding Act 54 landlord-tenant issues?

15 A. Yes.

16 JUDGE TURNER: This isn't cross-examination.

17 BY MS. ARNOLD:

18 Q. Mrs. Strassner, if I could direct your attention
19 to what has been marked for identification as Met-Ed Exhibit
20 No. 4. With regard to this policy statement, has a final
21 policy been issued after this draft was issued?

22 A. No.

23 Q. Do you use this draft document to guide you in
24 handling Act 54 landlord-tenant situations?

25 A. Yes, we do.

1 Q. Is the policy, the draft policy, reflected in
2 Met-Ed Exhibit No. 4 consistent with the policy reflected in
3 what has been marked for identification as Met-Ed Exhibit
4 No. 1?

5 A. Yes.

6 MS. ARNOLD: Thank you, Your Honor. I have no
7 further questions.

8 JUDGE TURNER: I don't have any further questions
9 either, but I would like to hear from you, Ms. Arnold, what
10 is it you want me and/or the Commission to do?

11 MS. ARNOLD: As outlined in Met-Ed's complaint
12 appealing the decision of the Bureau of Consumer Services,
13 Met-Ed would like the Commission to rule that back billing a
14 landlord back in time from the date that the foreign load is
15 discovered is not the appropriate action to take in an Act
16 54 situation. Act 54 is clear. It states that when a
17 foreign load situation is discovered, the account will be
18 forthwith listed in the name of the landlord, and the
19 landlord shall be billed for service thereafter. Back
20 billing is not appropriate. And that's the issue that both
21 Met-Ed and Intervenor PP&L are prepared to brief.

22 JUDGE TURNER: And when you say Act 54, just so that
23 we're all on the same page, you're talking about Section
24 1529(b) of the Public Utility Code; is that right?

25 MS. ARNOLD: I believe it's 1529.1(b).

1 JUDGE TURNER: .1(b). All right. It's set forth in
2 the top of Exhibit 1.

3 MS. ARNOLD: Right.

4 JUDGE TURNER: Not in the top, in the body of the
5 second paragraph.

6 MS. ARNOLD: Right. Yes.

7 JUDGE TURNER: So you are not in fact asking me to
8 recommend adoption of any one of these policies?

9 MS. ARNOLD: No, Your Honor. No, Your Honor, we're
10 not. What we are seeking here is consistency -- we're
11 looking to the Commission to give Met-Ed a definitive
12 direction as to what to do under the terms of Act 54 when a
13 foreign load situation is discovered, and an interpretation
14 that is consistent with the language of Act 54.

15 JUDGE TURNER: But you're also really litigating the
16 BCS policies, right? The result of what you're asking
17 myself and the Commission to do would be to rule what the
18 policy should be; is that right?

19 MS. ARNOLD: The policies, Your Honor, were
20 introduced into evidence solely as background to demonstrate
21 that this is how Act 54 has been interpreted at various
22 points in time.

23 JUDGE TURNER: And you want it to be interpreted
24 differently.

25 MS. ARNOLD: Somewhat, yes; somewhat, no.

1 JUDGE TURNER: Okay.

2 MS. ARNOLD: At issue here is not only the BCS
3 policies, but decisions of the Commission as well, recent
4 Commission decisions that --

5 JUDGE TURNER: And you'll be briefing -- I'm sorry; I
6 didn't mean to cut you off. Go ahead.

7 MS. ARNOLD: That's okay. Recent Commission
8 decisions that were referenced in the PP&L petition to
9 intervene. Those cases are also at issue, I think far more
10 so than the policy statements of the BCS.

11 JUDGE TURNER: All right. You'll be briefing the
12 cases, I'm sure, but I would like you to include the BCS
13 policy issues in your brief as well.

14 MS. ARNOLD: Okay. Will do.

15 JUDGE TURNER: Now, I guess the issue to me in this
16 case is not entirely whose name the bill should be in, but
17 if your position is adopted -- in other words, if I
18 understand your position, the bill should be put in the
19 landlord's name as of May 10, 1995, --

20 MS. ARNOLD: Right.

21 JUDGE TURNER: -- and Ms. Santos should be
22 responsible for everything before that when she lived there.

23 MS. ARNOLD: Right.

24 JUDGE TURNER: Then there is a fairness issue. I
25 realize she didn't pay, but the question is there were two

1 other consumers on that, so is it fair to put the entire
2 bill in her name?

3 MS. ARNOLD: Right.

4 JUDGE TURNER: And I have to tell you that in my
5 opinion it's not. So how do the companies propose to deal
6 with that? 1529.1(b) just deals with how the total foreign
7 load should be billed, but it doesn't deal with how the
8 Commission or the utility should recognize that foreign load
9 has been billed to one consumer and that one consumer isn't
10 responsible for all the use.

11 MS. ARNOLD: Therein lies the problem with 1529.1(b).
12 However, there is a remedy provided for in Act 54 -- it's
13 not 1529.1, it's a later section that was in Act 54 --

14 JUDGE TURNER: Before this amendment?

15 MS. ARNOLD: I believe it actually was part of the
16 amendment, the Act 54 amendment package.

17 -- that does provide specific relief, a specific
18 mechanism for a tenant to seek relief from the landlord.

19 JUDGE TURNER: Can you cite that section for me?

20 We can go off the record.

21 (Discussion off the record.)

22 JUDGE TURNER: Let's go back on the record.

23 We weren't able to locate that exact statutory
24 citation, but I will review the statute and I would suggest
25 that Ms. Arnold and PP&L both address that remedy in their

1 brief. But as I understand it, you're essentially saying
2 that the utility should not have to go against the
3 landlord, --

4 MS. ARNOLD: That's correct.

5 JUDGE TURNER: -- but that the tenant should.

6 MS. ARNOLD: That's right. That is the remedy
7 provided for in Act 54. It is not an exclusive remedy, and
8 the statute doesn't label it an exclusive remedy, but it is
9 a specific remedy provided for in the statute. It is the
10 only remedy that the Legislature saw fit to put on paper,
11 and the decisions of this Commission have suggested that
12 that remedy is not what should be followed. Met-Ed's
13 argument simply being, it's there; it's the only remedy that
14 the Legislature saw fit to put on paper, and --

15 JUDGE TURNER: So let's use it.

16 MS. ARNOLD: So let's use it. The language is clear;
17 it's there. Why direct a utility to do something that (a)
18 is in violation of the plain language of 1529.1(b), and why
19 require a utility to seek damages or recompense for billing
20 from a landlord --

21 JUDGE TURNER: It's not damages; it's debt.

22 MS. ARNOLD: I beg your pardon. But to seek those
23 funds from a landlord when the statute specifically directs
24 that a tenant can do that.

25 JUDGE TURNER: Well, certainly one answer in my mind

1 is that the utility has a much better bargaining position
2 and has much more power vis-a-vis the landlord than the
3 tenant does. The utility is much better able to collect
4 than a tenant. But, as you say, I'll have to look at what's
5 in the statute.

6 MS. ARNOLD: Right. And certainly with that
7 understanding, what you stated, I'm not certain what the
8 Legislative history reflects, but the Legislature was clear
9 in setting forth the language of Act 54 and it was clear in
10 setting out a remedy, and requiring a utility to go after a
11 landlord for debt that is owed is not in the statute.

12 JUDGE TURNER: Of course, this is part of a larger
13 statutory scheme which attempts to allow the utility to deal
14 directly with tenants when the landlord is not paying the
15 bills; is that correct? There are several provisions here.

16 MS. ARNOLD: Yes.

17 JUDGE TURNER: There's a landlord-tenant series of
18 provisions, --

19 MS. ARNOLD: Right.

20 JUDGE TURNER: -- and you have to give the tenants
21 direct notice, and they can use an escrow account and that
22 sort of thing.

23 MS. ARNOLD: Right. Those are in there, I believe.

24 JUDGE TURNER: I don't know how that fits in with the
25 rest of the statutory scheme, this particular provision.

1 MS. ARNOLD: Right. That was not something that we
2 thought was relevant in terms of Ms. Santos' particular --

3 JUDGE TURNER: You don't think it has any bearing on
4 this?

5 MS. ARNOLD: No, I don't believe so.

6 JUDGE TURNER: I'm sorry; we shouldn't both talk at
7 once. She can't get us.

8 Did you get all that?

9 THE REPORTER: Yes.

10 JUDGE TURNER: Thank you.

11 In that case, I don't think I have any further
12 comments. I think I've tried to give you at least my
13 inclinations, not my conclusions or decision.

14 Does the court reporter need anything from us?

15 THE REPORTER: The exhibits need to be moved.

16 JUDGE TURNER: Thank you.

17 MS. ARNOLD: Your Honor, finally, move for the
18 admission of Met-Ed Exhibits 1 through 6.

19 JUDGE TURNER: They will be admitted.

20 MS. ARNOLD: Thank you, Your Honor.

21 (Whereupon, the documents marked as
22 Met-Ed Exhibits Nos. 1 through 6
23 were received in evidence.)

24 JUDGE TURNER: Then we will stand adjourned. Thank
25 you.

1 MS. ARNOLD: Thank you, Your Honor.

2 (Witness excused.)

3 (Whereupon, at 11:10 a.m., the hearing was
4 adjourned.)

5 ***

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8
9
10
11 C E R T I F I C A T E

12 I hereby certify, as the stenographic reporter, that
13 the foregoing proceedings were taken stenographically by me,
14 and thereafter reduced to typewriting by me or under my
15 direction; and that this transcript is a true and accurate
16 record to the best of my ability.

17 COMMONWEALTH REPORTING COMPANY, INC.

18
19 By: Judith A. Valencik

20 Judith A. Valencik

21 ***

Met Ed Exp No. 1
C-967757

4/13/96
Hog
Jan

PEA MEETING MARCH 7, 1995

BUREAU OF CONSUMER SERVICES' POSITION ON LANDLORD TENANT ISSUES

(Act 54, revisions to 66 Pa. C.S. §1521 et. seq.)

I. Interpretation of the Phrase "Individually Metered"

BCS does not consider dwelling units to be "individually metered" if the meter registering usage for a dwelling unit also records usage for something outside the dwelling unit (i.e., hall lighting, furnace fan, or a water heater that supplied hot water to several units). BCS assumes that the term "individually metered" as used at §1529 means more than the fact that each apartment in a residential building has a separate meter. BCS believes that, besides separate meters for each unit, the meter for each unit must register usage exclusively for the unit or it is not "individually metered." The amount of "foreign load" on a meter may be small but has no impact on whether the application of §1529.1(b) is necessary.

II. Placing the Landlord/Owner Onto the Account as the Ratepayer of Record

The utility should place the account in the landlord/owner's name effective the date they become aware of a landlord and tenant situation or a "foreign load" situation. Section 1529(b) states that the landlord's liability for utility payments attaches after the required notice is given by him to the utility. The pertinent part of this subsection indicates that once the notice required by Subsection (a) is given, "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 thereunder. . ." 66 Pa. C.S. §1529.1(b) (emphasis added). BCS has encouraged utilities to notify the landlord, prior to placing the account in his name, so that rewiring or repiping could be a potential response.

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III. Refund of Monies Paid by Renter on the Account Once a Landlord-Ratepayer Has Been Documented

A renter is not entitled to a refund or credit for the monies paid by the renter for the utility service furnished from September 1, 1993 (effective date of §1529) to the date the utility placed the account in the name of the owner.

The tenant has a means of recouping utility service payments made on the landlord's behalf (66 Pa. C.S. §1529). It appears that under the law tenants may withhold rent payments from their landlord to offset the amount paid to the utility on the landlord's behalf since September 1, 1993, the effective date of Act 54. The tenant is protected from retaliation by the landlord and civil remedies are available for the tenant (66 PA. C.S. §1531).

BCS has taken these positions relating to the above-mentioned landlord/tenant issues with the guidance of Law Bureau.

Please be advised that pursuant to 52 PA Code §1.96, these informal opinions are provided solely as an aid to you. It is not binding upon the Commonwealth or the Commission. Informal opinions are subject to withdrawal or change any time to conform with new or different interpretations of the law.

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P. O. BOX 3265, HARRISBURG, PA 17105-3265

Met Ed Egh No. 2

C = 967957

4/13/96

H65 Jan

December 22, 1995

BCS No: 0274904

ELIZABETH SANTOS
1212 S 9TH STREET SECOND FLOOR
READING PA 19602

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96 JUL -5 AM 10:46
PA. P. U. C.
INFO. CONTROL DIV.

The Bureau of Consumer Services (BCS) has completed its investigation into your complaint. Attached is the Bureau's decision resulting from that investigation. Unless you appeal this decision, you are obligated to keep the terms of the decision.

Anyone involved with this complaint may appeal this decision. If you want to appeal you must request a formal hearing. You can do this by filling in the Request for Appeal form on the last page of this letter. You must return this form to the Pennsylvania Public Utility Commission by the appeal date shown on the Request for Appeal form. If you return this form after the appeal date, your appeal may be dismissed by the Commission unless you can demonstrate a good cause for filing late.

You do not need a lawyer to file an appeal.

Please remember that you must pay your current bills for utility service even if you file an appeal.

Very truly yours,

Rexis Rush

Utility Complaints Investigator

Enclosure

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METROPOLITAN EDISON COMPANY
P O BOX 16001
READING PA 19640-0001

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Date: December 22, 1995

ELIZABETH SANTOS
212 S 9TH STREET SECOND FLOOR
READING PA 19602

V.

BCS No: 0274904

METROPOLITAN EDISON COMPANY
P O BOX 16001
READING PA 19640-0001

Acct. No: 731141430058

DECISION ON INFORMAL COMPLAINT BY THE BUREAU OF CONSUMER SERVICES:

STATEMENT OF COMPLAINT:

The above-captioned informal complaint was received by the Bureau of Consumer Services on May 11, 1995 from Elizabeth Santos. In the complaint it was alleged that:

In May 1995 the customer found out she was paying for electric usage for the entire building. She has a bill for \$284.68 which she feels she should not have to pay. The Company removed her name from the bill on May 11, 1995 but she would like the entire balance removed from her name.

INVESTIGATION BY STAFF OF THE BUREAU OF CONSUMER SERVICES REVEALED:

1. That on May 10, 1995 the Company visited the above property and found that there was only one meter (the customer's meter) which serviced not only her residence but a barbershop and a church.
2. That as of that date the account was taken out of the customer's name.
3. That as of the date of this decision the customer's outstanding balance is \$348.55.

BASED ON THESE FINDINGS, THE BUREAU OF CONSUMER SERVICES CONCLUDES THAT:

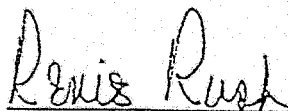
The customer was certainly unaware when she rented the above property that she would be responsible for payment of electric service charges for persons other than herself. When the Company found that foreign load existed, they immediately placed the service in the landlord's name. However, the dispute revolves around the balance that accumulated prior to that transfer.

This decision will require the Company to transfer that balance into the landlord's name.

THEREFORE, IT IS DECIDED THAT:

- 1) That the informal complaint of Elizabeth Santos is sustained.
2. That the Company must transfer the entire balance that accumulated from the time Ms. Santos became the customer of record to the time the foreign load was detected to the landlord's account.

Copies of this decision will be issued to all participants in the complaint. Any questions concerning the terms of this decision or concerning the Public Utility Commission's appeal procedures may be directed to the Bureau of Consumer Services at 1-800-782-1110.



Utility Complaint Investigator
Bureau of Consumer Services
PA Public Utility Commission



Med-Ed Euh No. 3

C-967757

4/13/96
for Hlg

COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

January 25, 1994

DAVID O EPPLE
DIRECTOR REGULATORY AND COMMITTEE AFFAIRS
PENNSYLVANIA ELECTRIC ASSOCIATION
301 APC BUILDING
800 NORTH THIRD STREET
HARRISBURG PA 17102

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 INFO. CONTROL DIV.

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 JUL 09 1996

Dear Mr. Epple:

Over the past several months, individual companies and associations have submitted many questions regarding the revised landlord/tenant regulations. The purpose of this letter is to provide companies with a list of these questions followed by the Bureau of Consumer Services' (BCS) answers. This will help ensure uniformity of application of the revised law.

Question #1. Section 1526, delivery and contents of first termination notice to tenant: The notice required to be given to a tenant "shall be sent by first class mail or otherwise hand-delivered to each affected tenant by name at his individual dwelling unit, or by unit number or unit designation, and shall be posted in common areas." (emphasis on the word "and"). Must the posting occur whether the notice is hand-delivered or mailed first class?

Answer: The regulation states two ways of notifying the tenants. Use of the conjunction "or" shows there is an option. Use of the word "and" later means the posting must occur with either option.

Question #2. Service is in the owner/landlord's name at an individually metered dwelling unit. The owner rents the apartment. The rental agreement says that the utility service is not included in the rent. The renter is responsible for payment of utility service. The renter moves in but does not request utility service in his name. The owner/landlord contacts the utility company and requests discontinuance of service. What notification process should the company follow?

Answer: First, it appears that the renter, in this situation, does not meet the definition of Tenant contained in House Bill 678. The company should request information relating to the rental agreement. For example, the landlord should provide a copy of the written lease. If the landlord advises that a verbal lease exists, the company should call the renter to verify the terms of the rental

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agreement. If the renter is responsible for payment of utility service and if the owner/landlord requested discontinuance of service, the company should proceed with the ten-day posting following 56.72(2). If the lease is verbal and the landlord and tenant disagree on the terms relating to who pays for utility service, then the utility should treat the landlord's request as a termination since the tenant does not agree to the cessation of service.

Question #3. Section 1525(b) states the procedures that constitute effective notice to the landlord. In section 4 it states, "If the landlord ratepayer's place of business is located outside this Commonwealth and no agent of the landlord ratepayer is located in the State, notice by certified mail and notice by first class mail to the landlord ratepayer on the same business day." Should utilities interpret this to mean if the landlord ratepayer and/or agents are located outside their operating service area?

Answer: The regulation clearly says "this Commonwealth" and further indicates "in the State." Clearly the regulation means that the landlord ratepayer is not located in Pennsylvania. In BCS' opinion, the term "service territory" has nothing to do with the requirements in this section.

Questions #4. Section 1526 relates to delivery and contents of the first termination notice to tenants. If a utility does not send the notice by first class mail, they shall hand-deliver the notice. Hand-deliver shall mean two attempts at personal service at the dwelling. In addition, attempts at personal service are explained. Would two attempts during normal working hours by utilities, considering manpower constraints and safety aspects, be sufficient?

Answer: The regulations specifically say that one attempt at personal service must be made between 8:00 a.m. and 5:00 p.m. Monday through Friday. The other attempt must be 6:00 p.m. to 10:00 p.m. Monday through Friday or 8:00 a.m. to 5:00 p.m. Saturday or Sunday. The attempts must be made not less than four hours apart. In other terms, it is quite clear what constitutes two attempts. It cannot be interpreted to mean two attempts during normal working hours.

Question #5. Section 1529 requires a utility company to change the name on the account from tenant to the landlord if applicable. If an arrearage exists then, should that bill remain the responsibility of the tenant?

Answer: The company should correct the billing effective September 1, 1993, the effective date of House Bill 678. Therefore, the tenant may owe some arrearage and the owner/landlord may be billed for some utility service. If there have been several tenants that were in billing until the company is made aware of the situation, the entire billing to September 1, 1993 should be corrected.

Question #6. Section 1529 says that if a utility identifies an owner/landlord situation that service shall be placed in that individual's name. Can the company arbitrarily place service in the owner/landlord's name?

Answer: The regulation does imply that the company can arbitrarily determine responsibility in these instances. However, I believe that the company must completely investigate the situation. They should search records to be sure of the responsible party (deed books etc.). In addition, they should attempt to contact that person before making the billing change to verify their information is accurate. If, after discussion with the apparent owner/landlord, he/she disagrees that he/she is owner/landlord, then the utility should put its position in a §56.152 report and wait until the appeal period expires before placing the account in that individual's name.

Question #7. A renter is to pay for utility service to their apartment, but later finds out they are paying for some service to another apartment. In the past this was considered foreign load. Does this still apply?

Answer: This technically could be a master meter for a multi unit dwelling. Therefore the account would be placed in the owner/landlords' name, until he makes the corrections. After the corrections are made the terms of the lease would indicate that the renter would then be responsible for payment. Service provided before placing the account in the owner/landlord's name should be treated as in the past in cases of foreign load.

Question #8. When a single meter multiple unit has a tenant that pays the electric bill but has no lease, written or oral, to pay rent, what notice type is required? An example is family arrangements.

Answer: There was recently a gas complaint similar to this issue. The house was occupied by a couple who were purchasing the property from the owner (sales agreement). They were responsible for payment of utility service and had service in their name. The utility found out that the upstairs was made into an apartment where the couples' mother resided. There was no rent paid by the mother to the owner of the property or the family members. This appears to just be a single meter dwelling occupied by one family. Therefore, it does not meet the definition of "tenant" and/or "landlord" according to the law. The key point is if rent is paid. In this instant case, it should be handled strictly as a residential account, 56.91-56.96. If there is nonpayment or nonaccess, the 10-day, 3-day, 48-hour, and post termination would apply. The only people affected are the ratepayer and his family.

Question #9. How does a utility treat an application for service, when service is off and a squatter is involved?

Answer: You should look for legal grounds for the person to be residing there; i.e., rent receipts, lease, check stubs, money order receipts, etc. If such evidence is provided, the applicant is to be treated as a "legal tenant." Further, with the new landlord/tenant definitions, you must continue the process to determine if the landlord was to pay for utility service at the property. If proof of occupancy is not provided or if the building has been condemned the company would not be obligated to provide service.

Question #10. How does a utility treat an application for service, when service is on and a squatter is involved?

Answer: The utility cannot immediately terminate if the landlord calls to request service be discontinued because the people living there are squatters. The landlord must provide reasonable information that the persons have no right to be there, such as an eviction notice, or show that the building has been condemned. Without such proof, according to the regulations, the company would determine what the rental terms are and who should be responsible for payment of utility service.

Question #11. When a tenant states they have a verbal lease, can a utility use copies of rent checks or money orders to verify the validity of the claim? (definitions)

Answer: There is nothing in the revisions that say how the company should verify a verbal lease (this only pertains to single metered units, otherwise §1529 is applied). However, copies of rent checks would not verify that the verbal lease includes utility service paid by the landlord. Therefore, by requesting rent checks or money orders one still could not identify the account properly. The utility must also document that the tenant is claiming that utility service is to be provided by the landlord.

The company should request the name and telephone number of the landlord to call and verify the verbal lease and the terms of the lease. Perhaps even a conference call with the "tenant" and "landlord" would provide the necessary information. If the utility is faced with two conflicting positions; that is, landlord claims service is not part of the lease while tenant says it is, the utility should treat it as a landlord-ratepayer since this allows service to remain on provided the tenant pays while the disagreement goes through the proper legal forum.

Question #12. Non-access is now recognized as grounds for shut-off. What access wording should be in the notices and does the utility need to send prewarning letters? (1523(a)).

Answer: The company must still establish the grounds of unreasonable refusal. I believe they should make the two additional attempts to gain access before

pursuing termination. I would suggest the same language used in the normal 10-day notice for nonaccess to be included on the landlord and the tenant notices. For example, service will be terminated for failure to provide access to the company's meter.

Question #13. The regulation states the Landlord must pay undisputed portion of bills. What happens if the Landlord does not pay, what actions does the Company pursue?

Answer: If the landlord does not pay undisputed portions of the bills, I believe the company would issue a 37-day notice for the amount only. After the seven days, etc., then the company would proceed with the 30-day notice to tenant. However, there may then be a problem with multiple notices, and the company according to 56.21(3) would have to go with the later date. I believe this is why most companies feel it is too complicated to pursue termination for undisputed portions of bills while they are addressing a dispute. After the company has answered a dispute by means of a utility company report, they could revive the original grounds for termination. For example, if only the 37-day notice had been issued, the company would start with the 30-day notice to tenants. If the company had issued the 37 day and the 30-day before registration of the dispute and issuance of a utility company report, then issue the 10-day notice to tenants. Finally, if the 37-day, 30 day, and 10 days were all issued and then the landlord registered a dispute, another 10-day notice should be issued to the tenants, after the utility company report expires. This should not become an issue very often.

Question #14. Personal delivery of the notice to the tenants between 6:00 p.m. and 10:00 p.m. for some companies will create a major safety problem. If more than one person is sent between these hours to deliver the notice(s), the cost doubles and then is still a safety issue. The field person could be walking into a "crack" house, or another unsafe situation to obtain names or leave notices (1526(a)(1)(ii)).

Answer: Section 1526(a)(1)(ii) gives two periods to attempt personal contact. If the company does not want to deliver notices between 6:00 p.m. and 10:00 p.m. on any day Monday through Friday, they have another option. They can attempt personal service between 8:00 a.m. and 5:00 p.m. on a Saturday or Sunday.

Question #15. The Notice to the Tenants does not state that a single unit, single meter tenant can put the account in their name(s). Can the tenant apply for service? (1526(b)(4)).

Answer: If there is a rental agreement that indicates the landlord is responsible for payment of the utility service, the tenant cannot place the account in their name. They have the option of paying the preceding billing period and deducting

the amount from their rent. Then they can continue to pay future bills. The right to place the account in their name has been eliminated from the law. The only way it could be placed in the renter's name would be if the terms of the rental agreement change. If the renter becomes responsible, according to the terms of the lease, for payment of utility service, then he would no longer be a "tenant" by definition in the law. If that information is confirmed by the company, then they could put it in the occupants/renter name. The situation would then be a residential ratepayer's account.

Question #16. Many leases say that the tenant pays electric service. How do we handle single tenant single meter dwellings?

Answer: If the rental agreement between the owner of the property and the renter indicates that the renter is responsible for utility service, this situation does not meet the definition of "Landlord ratepayer" or "tenant." Therefore, when the renter applies for service for a single meter dwelling, they become a "ratepayer" of the utility.

Question #17. Once the notices for Landlord/Tenant have been issued and the tenants do not pay the bill in full but make a partial payment, which would be refunded, what notice is needed to resume the termination?

Answer: If a company receives a partial payment it must be refunded to the tenants. Therefore, it would not stop termination. The company should continue with the termination process. If the last action was the 30-day notice, they would go on to the 10-day notice. If they have already given the 10-day notice, they should have advised the tenant(s) that partial payment does not stop termination of service, and they should continue with the termination of service.

Question #18. Would a shared meter such as electric plugs, water heaters, water pumps, lights be considered as a master metered dwelling?

Answer: If more than one premise is affected by wiring or plumbing to one meter, the ratepayer for that one meter should be the landlord-owner. The renter is being billed for that one meter and the lease states he is to pay for utility service to his premises that he is renting. The other premises affected would not be paying rent to him. Therefore this would not meet the definition of a "landlord" as the ratepayer, or "tenant" according to the law. The utility service should be placed in the landlord-owner's name until the wiring or plumbing is changed to eliminate the foreign load situation.

Question #19. Can we reject a tenants request for service at a master metered dwelling? If so, do we automatically put it in the name of the Landlord? What if the Landlord's address/phone number is not known or not on our records?

Answer: The law does not provide the tenant with the right to place the account in his name when a lease includes utility service paid by the landlord. Therefore, the utility should not place service in a tenant's name when there is a master meter situation. The company should place the account in the landlord-owner's name following the earlier suggestion. The company should contact landlord-owner and advise them of the law. In addition, advise the landlord that he will be billed for service. If the landlord then dispute that issue, a utility company report should be provided when the investigation is completed. If the company does not know the landlord's address or phone number, they should investigate to find out who is the responsible party. For example, ask the tenants, check tax record, or deed information to locate the owner of the property.

Question #20. Are medical certificates applicable?

Answer: The company must continue to apply the medical emergency provisions at 52 PA Code §§56.111-56.118 to landlord-ratepayer situations. This is necessary given the September 11, 1986 Commonwealth Court decision at Tenant Action Group V. Pennsylvania Public Utility Commission, 100 Pa. Commonwealth Ct. 468, 514 A. 2d 1003 (1986).

Question #21. What is a good faith attempt to identify landlord?

Answer: A good faith attempt to identify a landlord is using any and all reasonable resources available to obtain that information. There may be different things available for different locations. Some of these are listed in the answer to Questions #19.

Question #22. How do utilities handle situations where CAP, LIHEAP and other arrangements have been made to pay the account of a master metered dwelling?

Answer: First, how many of these situations exist? BCS experience suggests the answer is: not many. Secondly, if an account is in a renter's name that meets the definition of "tenant" (i.e., there is a lease and the landlord is to pay for utility service), the company should place the account in the landlord's name. The billing situation should be corrected back to the effective date of the revisions, September 1, 1993. If anything is still owed by the renter, who is on CAP or payment arrangement, then let them continue to pay that amount on the final bill. If a LIHEAP grant is received and the renter is no longer a ratepayer of record, then I believe the grant should be returned.

Question #23. The LIURP program, by regulations serves eligible ratepayers of record. The utility suspects that many master metered dwellings, served under a residential rate, are occupied by low income customers. Once the utility puts the owner/landlord's name on the account, these "tenants" would not be eligible

to receive LIURP program services unless the "landlord ratepayer" is also income eligible.

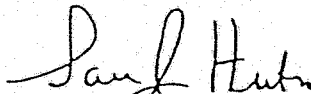
Answer: The LIURP program is available for "ratepayers of record." In addition, it is based on income eligibility. Therefore, if the utility has a "landlord ratepayer" the eligibility would be based on their income.

Question #24: If the tenants elect to exercise their right and pay the preceding thirty-day bill to continue or resume service, the utility company should then notify them of the next current bill. If the tenants fail to pay a succeeding current bill, can that bill plus the new current bill be listed on the notice to tenants as the amount they must pay to continue service? Section 1528(2) reads: "The amount due, which shall include the arrearage on any earlier bill due from tenants."

Answer: The wording of the regulation indicates that the company can include an amount that represents more than the preceding billing period. If the tenants stopped paying the bills, the company can issue a new 30-day notice. If companies have a list of the names of the tenants, they should be permitted to request the missed current bill payments. Keep in mind the tenant can subtract the amount they pay from their rent.

I hope this information is helpful. If you have any questions regarding the above information, please feel free to contact me at 717-783-2067.

Very truly yours,



Sara J. Hinton
Compliance Specialist
Bureau of Consumer Services

cc: Lou Sauers

Met - 61 Eph No. 4
C-967757

6/13/96

Htg Jan

**BUREAU OF CONSUMER SERVICES'
LANDLORD-TENANT POLICY**

DRAFT

MARCH 4, 1996

The Bureau of Consumer Services continues to receive many complaints and questions concerning the proper application of the landlord-tenant provisions of Title 66 (Act 54, revisions to 66 Pa.C.S.A. §1521 et. seq.). In order to provide guidance to BCS personnel and to utility companies, the Bureau adopts the following interpretations and policies:

1. Intent

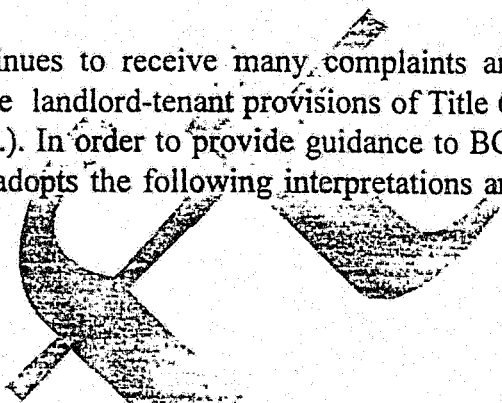
The Bureau of Consumer Services hereby adopts the premise that the goal or intent of Act 54 was to have the owner or landlord, who has a long-range commitment and obligation to a particular property, be responsible for utility service to that property when the individual units are not separately metered. The Bureau believes this approach will prevent situations where tenants, who normally have no ownership interest in the property, are forced to assume responsibility for functions that are primarily the landlord's, i.e., the provision of utility service to the building and to other tenants. Prior to the implementation of Act 54 a "tenant-ratepayer" could have been forced to have utility service in his name long after he had moved out of a particular property. This policy will protect that "tenant-ratepayer" by forcing the service to be in the landlord's name. It will also protect nonratepayer tenants from the potential loss of utility service due to non-payment of bills or discontinuance of service by the "tenant-ratepayer."

It is also the Bureau's contention that Act 54 was not intended to dictate who must pay for every light bulb, pilot light, or faucet in the Commonwealth.

All of the following policies are predicated upon these premises:

2. Placing the Landlord/Owner Onto the Account as the Ratepayer of Record

The Bureau of Consumer Services takes the position that utility service at a residential building where all of the units are not individually metered must be listed in the landlord's name. The effective date of this listing should be the date on which the company received constructive notice of the non-individually-metered situation. Service does not have to be backdated to the effective date of the law, September 1, 1993. This position is taken because the further we get away from that date the harder and more economically unfeasible it becomes for the landlord to comply with the law.



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3. Refunding money to tenants.

It stands to reason that if the company does not have to backdate an account in the landlord's name, then it does not have to issue a refund to the tenant who was previously listed as the ratepayer. Changing the account to the landlord's name is the final action required by the company at this stage of the process. Tenants who wish to dispute this matter may be told that they can file a claim against the landlord in civil court in accordance with appropriate landlord-tenant laws, or that they can file a complaint with the Pennsylvania Public Utility Commission. The Bureau of Consumer Services will not order refunds to tenants under these circumstances. Refunds will have to be ordered by Administrative Law Judges at the formal complaint level until the guidelines for such orders are more clearly defined. This is not to say, however, that the company or BCS cannot issue refunds if the circumstances clearly warrant it.

In addition, tenants should not be told unequivocally that they have the right to withhold rent to offset utility payments. This section of the law is open to argument, and tenants should be told that *if they choose to withhold rent they could possibly open themselves to legal action by the landlord.* This is a decision the tenant will have to make on his own.

4. De Minimus Foreign Load

In certain situations current provisions can create undue economic hardships for landlords. It is illogical to expect a landlord to spend a substantial amount of money to correct a situation where the amount of foreign load is minimal and would have a negligible effect on a bill. For this reason, after a reasonable investigation of the extent of the foreign load, the Bureau of Consumer Services, or the utility company in question, may choose not to transfer the account to the landlord's name.

5. Landlord May Collect From Tenants

One option that may be available to a landlord who has had non-individually-metered service transferred into his name would be to continue to present the bill to the tenant for payment. This option may be explained to the landlord as one possible method of compliance if the landlord requests assistance and if the degree of the foreign load is not extensive. Of course the tenant may not cooperate with this arrangement, and the landlord would have little recourse other than a civil suit, but this option would afford the parties an opportunity to make their own private arrangements and to resolve the matter amicably while maintaining a consistent ratepayer at the property. In addition, it should be

explained to the landlord that this option is untested as a full measure of compliance and should not be taken as legal advice. If such a situation is resolved in this manner, it would be permissible for the utility company to list the bill in the landlord's name and mail it to the service address in care of the tenant.

6. Reestablishing Service in The Tenant's Name After Corrections Have Been Made

If a landlord has made all the necessary corrections, and the company has received certification of the corrections, utility service may be placed back into the tenant's name. This may be done immediately if the company obtains the consent of the tenant. If the tenant does not give his consent, or if the tenant cannot be contacted, the company should follow §56.72 and treat it as a request for discontinuance at other than the ratepayer's residence. If the tenant does not respond the service can be terminated.

The company should make some attempt to verify that the non-individually-metered situation has been corrected. It should not be done on the word of the landlord alone. For instance, the tenant may verify that the work was completed, or the landlord may show receipts or invoices for the repair work or have the contractor verify completion of the work. The utility company reserves the right to demand verification of compliance.

When reestablishing service in the tenant's name in these situations, the company should dispense with the normal application procedures if practicable.

The Bureau of Consumer Services will enforce these provisions on an ad hoc basis. Each case has unique circumstances and may require unique case handling. These provisions are not intended to be the definitive solution to every problem. Rather, they should be used as guidelines to assist in providing consistent case handling whenever possible. In addition, these provisions represent the opinions and interpretations of the staff, and are not necessarily binding on the Commonwealth or the Pennsylvania Public Utility Commission. All procedures are subject to change in order to comply with new or different interpretations of the law.

Met-Ed Ept No. 6

C-969457

6/13/96

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Jan

RESIDENTIAL SERVICE
RATE SCHEDULE RS

AVAILABILITY:

This rate is available to Residential Customers using the Company's standard, single-phase service through a single meter including incidental, non-residential use served through the same meter.

NET RATE PER MONTH:

CUSTOMER CHARGE:

\$6.67 per month

ENERGY CHARGE:

7.458¢ per kWh

MINIMUM CHARGE:

The minimum charge shall be the Customer Charge.

PAYMENT TERMS:

Bills will be calculated on the net rates stated herein, and are due and payable on or before twenty days from the date of mailing of the bill to Customer. The bill is overdue when not paid on or before the due date indicated on the bill. An overdue bill is subject to a late payment charge of 1.50% interest per month on the full unpaid and overdue balance of the bill. Interest charges shall be calculated on the overdue portions of the bill and shall not be charged against any sum that falls due during a current billing period. At the option of the Company or the Pennsylvania Public Utility Commission, the interest per month associated with the late payment charge may be reduced or eliminated in order to facilitate payment of bills under dispute. Company's standard payment terms stated in Rule (19) of the General Rules and Regulations apply to all bills rendered under this rate schedule.

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(I) Increase

Issued: April 16, 1993

Effective for service rendered
on and after January 23, 1993

RATE RS - Continued

BUDGET BILLING:

At the option of the Customer, Company will make an estimate, subject to revisions when conditions warrant, of the total charge for electric service to be billed hereunder for the twelve-month period. A budget bill for approximately one-twelfth of such estimate will be rendered monthly. Any adjustment necessary in applying for the full period the actual charges herein established will be made on the final bill for the period. When budget billing is desired over an initial period of less than twelve months the estimated total charge during such period shall be divided by the number of months in the period and billed accordingly. If a budget bill is unpaid when the next monthly bill is rendered, the budget arrangements for billing may be terminated by the Company.

TERM OF CONTRACT:

Service supplied under this classification shall be for a period of not less than one year. (C)

GENERAL PROVISIONS:

- A. RECONNECT CHARGE: A Customer who requests a disconnection and reconnection of service at the same location within a 12-month period shall be required to pay a reconnect charge equivalent to the monthly Minimum Charge herein multiplied by the number of months between the disconnect and reconnect period.
- B. SUPPLEMENTAL USE OF RENEWABLE ENERGY SOURCES: Renewable energy sources such as wood, solar, wind and water are permitted in conjunction with service supplied hereunder. Any Customer system of this type that produces electric energy may not be operated interconnected with service supplied by the Company except under written agreement setting forth the conditions of such operation.
- C. SERVICE TO EXISTING STRUCTURES CONVERTED FOR MULTIPLE OCCUPANCY: May be supplied through a single meter at Company's option providing Company's prior consent has been obtained. This provision is limited to no more than eight apartments or dwelling units continually served as such prior to September 18, 1978 and no more than two apartments or dwelling units after September 18, 1978.
- D. TEMPORARY SERVICE FOR SINGLE-UNIT HOUSE CONSTRUCTION: Upon application of owner, a temporary service and meter, both of which are to be transferred to the completed building, will be provided upon the payment of \$40.00, in addition to all other appropriate charges.

Continued

(C) Change

Issued: April 16, 1993

Effective for service rendered
on and after January 23, 1993

RATE RS - Continued

E. TYPE OF EQUIPMENT: The type of electric heating and other equipment and controls, building insulation, and any installation thereof shall be subject to the Company's approval. (C)

F. LOADS IN EXCESS OF 25 KILOWATTS: The Company shall install a suitable demand meter to determine the maximum 15-minute integrated demand when Customer's service requires the installation of an individual transformer or when Customer's total monthly consumption exceed 10,000 kilowatthours for two consecutive months or when service entrance requirements exceed 600 amperes.

If the demand so determined under this provision exceeds 25 kilowatts, a monthly demand charge of \$1.72 per kW shall apply to such excess, in addition to the energy charge. The demand charge in no event shall be based upon less than 75% of the highest excess demand during the preceding eleven months.

G. CUSTOMER ASSISTANCE PROGRAM: Customers who are enrolled in the Company's Customer Assistance Program as approved by order of the Pennsylvania Public Utility Commission are authorized to make payments in accordance with the Customer Assistance Program provided that electricity consumption limits and other requirements contained in the Customer Assistance Program are satisfied.

RIDERS:

Bills rendered under this rate schedule are subject to the charges stated in any applicable Rider.

RULES AND REGULATIONS:

The Company's General Rules and Regulations on file with the Pennsylvania Public Utility Commission, subject to change from time to time under the provisions of the Pennsylvania Public Utility Code and regulations promulgated thereunder, apply to electric service provided under this rate schedule.

(C) Change

Issued: September 9, 1994

Effective for service rendered
on and after ~~November 8, 1994~~
November 11, 1994