

June 6, 2013

Ms. Linda Hurd
Assistant Director
Public Service Commission
Office of External Affairs
6 Paul Street
Baltimore, Maryland 21202-6806

RE: MPSC # 413180707-L

Dear Ms Hurd:

We write on behalf of the Carderock Springs Citizens' Association (the Association) to request a further review of our request that the Maryland Public Service Commission (the Commission) undertake an investigation to determine whether a series of fires and other damaging electrical surges experienced in our neighborhood are related to aging or the design of the electrical distribution system, the recent installation of smart-meters, or other electrical service or maintenance problems. While we appreciate the Commission's efforts to obtain a response to our concerns from Pepco, we agree with PSC Administrative Specialist Celeste Middleton that "Pepco has not addressed all the issues [in the dispute] to the fullest extent possible." We again ask that the Commission undertake its own investigation and open a formal case, obtain the data repeatedly requested from Pepco, and to direct all necessary repairs in order to avoid further delay and risk additional harm to public health and safety in our community.

In our April 5 and May 1 letters (see the Attachment for a record of all correspondence) we provided the Commission with documentation related to the recent surge in the numbers of electrical fires that were preceded by flickering lights or power surges, and single-home brownouts or power surges that have destroyed furnaces and other appliances in our community. We requested that the Commission take particular notice of the dramatic increase in frequency of such events in 2012-13, as well as the geographic proximity of the residences that experienced many of these events.

Our letter asked that the Commission undertake an investigation that includes but is not limited to:

- A review of all Pepco work orders related to electrical work performed in the neighborhood, including work performed on service lines at the boundary of the neighborhood.
- A review of Pepco voltage records in the days and hours preceding all recent electrical incidents and electrical fires.
- A review of all Pepco records associated with the installation of all smartmeters in the neighborhood, as well as any other neighborhood maintenance performed by

Pepco that may have been unrelated to a customer-generated service complaint or problem.

Pepco's initial response to the Association's April 5 letter was to provide general information on its reliability efforts that can charitably be described as cursory at best, and to append a print-out of the webpages that describe some reliability requirements it must comply with. In its May 30 letter, the Commission provided the Association with Pepco's response to the Association's May 1 submission. Pepco again failed to provide the Commission with *any* of the requested data, records and information listed above. The Association reiterates its request for these and other relevant documents, and also requests that the Commission open a formal case.

The Association additionally provides the following responses to the materials that Pepco did provide and were submitted to the Association on May 30:

1. Pepco provided the Commission with a reliability study of the three feeders that service our community. While this study summarizes the numbers of sustained outages and momentary outages experienced on each feeder, it does not provide the dates and times at which these outages occurred. The information is thus useless for purposes of establishing or ruling out a temporal correlation between these outages and the electrical surges and fires in our neighborhood. In addition to the materials originally requested by the Association, we ask that the Commission direct Pepco to provide the date, time, cause, and duration of each outage (both sustained and momentary) experienced on each feeder. Since Pepco's response also noted that it had taken specific mitigating reliability measures on these three feeders, we also request a list of each such measure and the date(s) on which each was undertaken. The Association also requests a summary and timeline of all work proposed under Pepco's Reliability Enhancement Plan for Carderock Springs.
2. Pepco asserted in its response to the Commission that it does not "have the capability to retrieve voltage information 'after the fact'." The Association notes that Pepco installed distributed automation and smart meters in our community prior to most of these fires and other incidents, and consequently should have records of voltage surges that occurred subsequent to that installation. It unquestionably would have the sort of service records, work orders and smart meter installation records the Association has also requested. Moreover, COMAR 20.50.04.11 requires utilities to "keep such records of customer complaints as will enable it to review and analyze its procedures and actions as an aid in rendering improved service," and according to a report¹ prepared by Commission staff, "the four investor-owned utilities ("IOUs") investigate and maintain records of customer complaints that allege damages to customer property from electrical surges." Both the Association and Pepco are aware that at least some of the electrical surges experienced in our community

¹ <http://webapp.psc.state.md.us/intranct/Reports/SB%20692%20Report.pdf>

were reported to Pepco, and thus should be part of the records required under COMAR to be kept². The Association asks the Commission to use its authority to obtain all of the materials requested by the Association, which the Association believes Pepco is improperly withholding.

3. Pepco's response states that "Pepco was not contacted by an insurance company claiming any wrongdoing by Pepco or seeking any recovery from Pepco, which is further support that Pepco was not responsible for any of the claimed occurrences." The Commission's May 30 response additionally states that it "lacks the authority of the Courts to grant compensatory damages to parties claiming injury..." The Association notes that while Pepco's statement is inaccurate³, the Association is not a party to any claim of injury, and nor does its request to the Commission include a request that any compensatory damages be awarded. Rather, our sole request is that the Commission open a formal case in order to properly investigate and identify the cause of the recent fires and electrical damages in our community and take any steps needed to protect against further such incidents.

According to the Commission's website, "the mission of the Maryland Public Service Commission is to ensure safe, reliable, and economic public utility and transportation service to the citizens of Maryland. To achieve this, we will: Create standards and policies that protect the safety of the public." We request that you fulfill this mission and take steps to ensure a complete investigation and direct any necessary remedies to prevent future harm to public health and safety in our community that could be caused by additional electrical failures. We trust that the Commission will launch its own investigation and formal case, obtain the appropriate records from Pepco and make its own determinations. Our community deserves nothing less.

Thank you very much for your consideration of this request. For more information, please contact Dr. Phil Rider at pmrbthmd@yahoo.com or phone 301-469-0231 or Dr. Michal Freedhoff at michalilana@earthlink.net or 301-767-9721.

Sincerely,



Dr. Phil Rider
President
Carderock Springs Citizens' Association



Michal Freedhoff, Ph.D.
Fire Safety Liaison
Carderock Springs

² Specifically, on August 11 2012, Teresa Magone at 8015 Glenmore Spring Road experienced a major electrical disruption before the fire at 8015 Glenmore Spring Road was reported to 911, and she called Pepco to report it at 3:09 PM that day.

³ According to communications from one of the relevant insurance providers, it has not released Pepco from any involvement in the fire.

STATE OF MARYLAND



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PUBLIC SERVICE COMMISSION
OFFICE OF EXTERNAL RELATIONS

May 30, 2013

Dr. Michal Freedhoff
Fire Safety Liaison
Carderock Springs Citizens' Association
8409 Magruder Mill Court
Bethesda, MD 20817

RE: MPSC# 413180707-L

Dear Dr. Freedhoff:

This is regarding your dispute against Potomac Electric Power Company ("Pepco") filed with this office on April 9, 2013.

In accordance with Code of Maryland Regulations (COMAR) 20.32.01.04G our office provided you a copy of the company's response on April 19, 2013 and you were given until May 3, 2013 to provide additional comments and/or enclose any new or additional evidence to support your position.

Based upon careful review and consideration of all the information provided by both parties, it has been determined that a study of the three (3) feeders that service the Carderock Springs Community was completed by Pepco's Reliability Engineering and Analysis Department. The study showed that in the past 24 months, Feeder 14977 had three (3) sustained outages and 12 momentary interruptions. Most of the outages were tree and/or storm related, and the corrective action of vegetation management work was done.

The Feeder 14943 study showed that in the past 24 months, there were eight (8) sustained outages and 31 momentary interruptions. The corrective actions taken were replacement and installation of tree wire, lightning arrestors, cross arms, poles, animal guards, fuses and transformers.

Feeder 15111 study shows in 36 months, shows eight (8) sustained outages and 30 momentary interruptions. Vegetation management was done, and Pepco installed and/or replaced tree wire, lightning arrestors, cross arms, remote control switches and animal guards.

The Company reports that the voltage records requested in your rebuttal for recent electrical problems prior to the outages/interruptions cannot be supplied because there were no requests from the customers to provide this type of information at any time. Pepco has provided the breakdown of each incident for each address listed in the dispute.

Two of the addresses were fire-related incidents, and the meters were disconnected and/or removed per the request of the Montgomery Fire Department. The insurance company for 8015 Glenmore Spring Road contacted Pepco, and advised they found nothing that warrants a claim against Pepco. The other two addresses associated with this situation, called stating they had no lights. However, when Pepco arrived, the electric service was working. One incident was in 2004, and the outage information is no longer available. One incident was a feeder problem, but the cause is unknown. Six incidents were not reported to Pepco. According to Pepco none of the incidents can be attributed to Pepco.

WILLIAM DONALD SCHAEFER TOWER
410-767-8028

6 ST. PAUL STREET

BALTIMORE, MARYLAND 21202-6806

MDRS: 1-800-735-2258 (TTY/Voice)

Toll Free: 1-800-492-0474 Press "3"

FAX: 410-333-6844

Website: www.psc.state.md.us/psc/

The Commission shares your concerns with this issue as it pertains to all Maryland utilities, including Pepco. Outages are caused by a number of reasons. Adverse weather and subsequent system damage, equipment failure and/or tree and wildlife interference are the most common reasons for service interruptions. It is impossible to eliminate outages entirely.

The Code of Maryland Regulations (COMAR) 20.50.07.05 states that "[e]ach utility shall make reasonable efforts to avoid interruptions of service, but when interruptions occur, service shall be re-established within the shortest time practicable, consistent with safety."

COMAR 20.50.07.05D further states that "[e]ach utility shall keep records of interruptions of service on its primary distribution system and shall make an analysis of the records for the purpose of determining steps to be taken to prevent recurrence of the interruptions."

The Commission regulates this company under the provisions of the Public Utility Companies Article of the Annotated Code of Maryland ('PUC Article'). In appropriate cases, the PSC's Technical Staff may advocate, and the Commission may impose, a civil penalty if (and only if) a utility it regulates violates the PUC Article, or any PSC regulations or orders. Any money collected under the PSC's civil penalty procedures must be paid to the General Fund of the State of Maryland.

The Commission lacks the authority of the Courts to grant compensatory damages to parties claiming injury resulting from a utility's violation of the PUC Article (or PSC regulations or orders), or from any other actions of the company or its employees that do not involve such violations. You also should be aware that most telephone, gas and/or electric companies have a certain level of protection from civil liability under their tariffs. Such tariff provisions often bar consumers from collecting money damages for any loss or damage caused by a failure to supply service, interruption of service, equipment failure, or for any other reason, unless the evidence demonstrates a willful default or neglect of the utility or its employees that is in conscious disregard of a clear duty.

In reviewing the documents presented by both sides, I find that Pepco has not addressed all the issues in your dispute to the fullest extent possible. I believe that the utility should consider reaching out to the community and provide the Association with a better reliability plan, and give the customers a chance to discuss the concerns of past and future situations. Corrective action has been taken, however, I feel that not all the issues are being addressed as they should be, even though I have found no violation of the Code of Maryland Regulations.

The file concerning this matter has been closed. Any party may request further review of my findings and conclusions according to COMAR 20.32.01.04L (also enclosed) by sending a letter to Linda Hurd, Assistant Manager, within 10 days. The regulations require that the request for further review include: (1) An explanation of the need for further review; (2) the action or relief you are requesting; and (3) new or additional information or documentation relevant to the dispute in support of your position. Moreover, your request must be made in writing to Ms. Hurd, at the address shown on the letterhead. Your letter must be postmarked no later than June 9, 2013 or my determination will become final and this office will take no further action concerning this dispute.

Very truly yours,



Celeste Middleton

Administrative Specialist

Cc: Potomac Electric Power Company ("Pepco")

CM20

Code of Maryland Regulations

20.32.01.04

L. Request for Further Review.

(1) Parties may request further review of an inquiry or dispute by filing a written request with the Assistant Manager of OER within 10 days after receiving OER's summary of its findings or conclusions, or notice that a file has been closed.

(2) A request for further review shall include:

- (a) An explanation of the need for further review;
- (b) The action or relief requested; and
- (c) New or additional information or documentation relevant to the dispute.

(3) The Assistant Manager may further investigate, as warranted, or convene an informal conference among the parties, to mediate or resolve the dispute.

(4) The Assistant Manager shall advise the utility and the customer of the disposition of the request for further review.

M. The Assistant Manager's disposition may be appealed to the Commission within 10 days of its receipt by filing a complaint under Public Utility Companies Article, §3-102, Annotated Code of Maryland, and COMAR 20.07.03.

N. Pending the disposition of a customer's inquiry or dispute by the Public Service Commission, a utility:

- (1) May require a customer to pay only the undisputed portion of a bill; and
- (2) May not terminate a customer's service, except for reasons permissible under COMAR 20.31.02.03.

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20.31.02.03

03 Terminations Without Notice.

A utility may terminate service without notice to a customer for any of the following reasons:

- A. A condition on the customer's premises determined by the utility to be hazardous;
- B. The customer's use of equipment in such a manner as to affect adversely the utility's equipment or the utility's service to others;
- C. The customer's tampering with equipment furnished and owned by the utility;
- D. The customer's unauthorized use of service by any method, including diversion of gas or electricity around a meter.



A PHI Company

Special Investigations Department
701 9th Street, NW, 7th Floor
Washington, DC 20068

SCANNED

MAY 22 2013

EXTERNAL RELATIONS
MD PUBLIC SERVICE COMMISSION

SPECIAL INVESTIGATIONS SUMMARY REPORT

DATE:	05/22/2013	Representative Name:	
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Type of Inquiry

District of the Columbia	Public Service Commission	<input type="checkbox"/>	Maryland	Public Service Commission	<input checked="" type="checkbox"/>	Other Agency (Name)	
	Office of the Peoples Counsel	<input type="checkbox"/>		Office of the Peoples Counsel	<input type="checkbox"/>		

Contact : Celeste Middleton

Part I: Customer Information

Customer Name:	Dr. Michal Freedhoff				
Address:	8409 Magruder Mill Court				
City:	Bethesda	State:	MD	Account No.:	2722-3033-3-4
Zip Code:	20817				

Part II: Type of Investigation

Initial Bill:	<input type="checkbox"/>	Final Bill:	<input type="checkbox"/>	High Bill:	<input type="checkbox"/>	Multi-Month Bill:	<input type="checkbox"/>	Meter Test Request:	<input type="checkbox"/>	
Other:	<input checked="" type="checkbox"/>	Rebuttal: Outages, Hazardous Conditions								
Additional Comments:										

Part III: Billing Inquiry

Bill Adjustment:	Yes <input type="checkbox"/>	No <input type="checkbox"/>							
			Meter Test Results						
Meter Test:		Test Date:		Overall Average:					
Meter Reading:	<u>Date:</u>	<u>Type of Reading</u>	<u>Meter Reading</u>						

Part IV: Credit Inquiry

<input type="checkbox"/> Payment Arrangements		<input type="checkbox"/> Reconnect Requirements		<input type="checkbox"/> Time Payment Arrangements (TPA)			
Total:		Arrears:		Total Amount:			
Installment Amount	Date	Current Amount:		Initial Payment:			
		Reconnect Fee:		Due Date:			
		Deposit:		No. of Installments:			
		Total:		Installment Amount:			
		Payment Required:					



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Part V: Summary Statement

Rebuttal Response:

To provide a more comprehensive review of the customer's concerns, our Reliability Engineering and Analysis Department has conducted a study of the feeders (supply lines) that service the residences addressed in the customer's complaint:

Feeder 14977: This feeder services 3 Carderock Court and 8409 Magruder Mill Road. During the last 24 months, the customers serviced by this feeder experienced 3 sustained power interruptions (duration lasting longer than 5 minutes). 1 outage was tree related, 1 occurrence was the result of the derecho and the cause of the third interruption was unknown. In addition, there were 12 momentary outages (duration less than 5 minutes) which were primarily tree/storm related. Vegetation Management work has been completed as a means of corrective action.

Feeder 14943: This feeder services 13 Persimmon Court. During the last 24 months, customers serviced by this feeder experienced 8 sustained power interruptions. 4 of these outages were the result of equipment/cable failures, 3 outages were tree related and 1 outage was the result of an animal's interference with the lines. In addition, there were 31 momentary interruptions primarily due to equipment failure or unknown causes. Corrective action includes the following: The replacement/installation of tree wire (which is more robust and can better withstand incidental tree contact), lightning arresters, cross arms, poles, animal guards, fuses and transformers.

Feeder 15111: This feeder services the 6 addresses on Glenmore Spring Road, 8220 Hamilton Spring Court, 8110 Lilly Stone Drive, 8203 Stone Trail Drive and 7402 Mackenzie Court. A 36 month review of this feeder's performance revealed 8 sustained power interruptions. 4 of these outages were storm/lightning related, 3 of these interruptions were equipment related, and the cause of the remaining outage was unknown. 30 momentary outages occurred with the majority being storm related. Vegetation Management work has been completed on this feeder. We have also installed/replaced tree wire, lightning arrestors, cross arms, remote control switches and animal guards.

The customer's rebuttal also requests voltage records "in the days and hours preceding all recent electrical incidents and electrical fires". As stated in our initial response, a request to check a customer's voltage is issued at the time such a request is made. We do not have the capability to retrieve voltage information "after the fact".

The customer provided a list of addresses in which notable electrical incidents/fires occurred in Carderock Springs. We have reviewed our operational records for each address and have attached a complaint report for further clarification.

I trust this additional information will assist you in responding to Dr. Freedhoff's rebuttal concerns.

Part VI: Delivery Method

Date:	05/22/2013	Recipient's Name:	Celeste Middleton
<input type="checkbox"/> Mailed			
<input checked="" type="checkbox"/> E-Mailed			
<input type="checkbox"/> Faxed			

Carderock Complaint Report			
Date	Address	Outage Report	Cause Attributable to Pepco
12/29/2004 Feeder # 15111	7714 Glenmore Springs Way	2004 outage information not available.	*No
3/31/10 Feeder # 15111	8011 Glenmore Springs Road	Assisted Montgomery County Fire Department with a house fire. Meter disconnected for safety.	*No
8/11/12 Feeder # 15111	8000 Glenmore Spring Road	See 8015 Glenmore Spring Road	*No
8/11/12 Feeder # 15111	8015 Glenmore Spring Road	Assisted the Montgomery County Fire Department with a working house fire. Pulled meter per Montgomery County Fire Board.	The customer's insurance carrier (USAA) notified Pepco that their investigation did not reveal any exposure that would warrant them filing a claim against Pepco.
8/11/12 Feeder # 15111	8013 Glenmore Spring Road	See 8015 Glenmore Spring Road	*No
8/11/12 Feeder # 15111	8220 Hamilton Spring Court	Nothing reported to Pepco	*No
8/11/2012 Feeder # 15111	8203 Stone Trail Drive	Nothing reported to Pepco	*No
8/11/2012 Feeder # 15111	8110 Lilly Stone Drive	Nothing reported to Pepco	*No
9/14/2012 Feeder # 15111	7402 Mackenzie Court	Nothing reported to Pepco	*No
12/14/2012 Feeder # 14943	13 Persimmon Court	Feeder operation. Cause unknown.	*No
1/31/2013 Feeder # 15111	7704 Glenmore Spring Road	Nothing reported to Pepco	*No
2/10/2013 Feeder # 14977	3 Carderock Court	Nothing reported to Pepco	*No

3/16/2013 Feeder # 15111	7402 Mackenzie Court	Nothing reported to Pepco	*No
<p>* As the Commission is aware, homeowner insurance companies are very aggressive when it comes to attempting to recover property damage losses paid to their insureds, whether caused by an alleged fire or otherwise. As such, the insurance companies devote significant resources to investigating the claims and pursuing their respective subrogation interests whenever deemed possible. In each of these instances, Pepco was not contacted by an insurance company claiming any wrongdoing by Pepco or seeking any recovery from Pepco, which is further support that Pepco was not responsible for any of the claimed occurrences.</p>			