

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI**

Jennie Zbinden,)	
Complainant.)	
)	
v.)	
)	Case No. EC-2005-0313
Union Electric Company,)	
d/b/a AmerenUE)	
Respondent)	

STAFF'S INVESTIGATION REPORT

COMES NOW the Staff ("Staff") of the Missouri Public Service Commission ("Commission") and respectfully states as follows:

1. On March 18, 2005, Ms. Jennie Zbinden ("Complainant") filed with the Commission a formal Complaint concerning the electric service provided by Union Electric Company, d/b/a AmerenUE ("AmerenUE" or "Company") at her home located at 708 Summit Drive in Holts Summit, Missouri. The Complaint asserts that Ms. Zbinden experienced problems with her electric service on or about September 1 and 2, 2004, which resulted in damages to certain household appliances. Ultimately, the problem was traced to AmerenUE's defective service wire leading to Ms. Zbinden's house.

2. After filing a claim with AmerenUE and being denied relief, Ms. Zbinden on January 13, 2005 filed a petition in the Associate Circuit Court of Callaway County, Missouri for damages in excess of \$7,065, together with interest and costs. On March 10, 2005, the Court stayed the case in order to allow the Commission to investigate and make a finding as to responsibility.

3. Following the March 18, 2005 filing of Ms. Zbinden's Complaint, the Commission on March 22, 2005 issued its Notice Of Complaint, wherein it ordered AmerenUE

to file, by April 21, 2005, either an answer to the Complaint or notification that the Complaint had been satisfied. On April 21, 2005, AmerenUE filed its Answer, in which the Company, among other things, denied that it had been negligent in this matter and expressed its support for a Staff investigation of the Complaint.

4. The Commission directed the Staff to investigate the incident and to submit a report of its findings and recommendation no later than May 25, 2005. Attached as Appendix A is the Staff's Memorandum reporting the results of its investigation. The Staff found that intermittent power losses and voltage fluctuations resulting from the Company's defective service wire caused the damage to the Complainant's appliances. The Staff also determined that Ms. Zbinden should not have had to call in a third-party electrician to diagnose the problem. For the reasons stated in the Memorandum, the Staff was unable to conclusively assign responsibility for the appliance damages sustained by the Complainant. The Staff concluded, however, that in any event, AmerenUE was not responsible for the mere fact that the service wire was failing prior to the Company's initial on-site inspection.

WHEREFORE, the Staff hereby respectfully submits its report of its investigation of the subject incident.

Respectfully submitted,

DANA K. JOYCE
General Counsel

/s/ Dennis L. Frey

Dennis L. Frey
Senior Counsel
Missouri Bar No. 44697

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Certificate of Service

I hereby certify that copies of the foregoing have been mailed, hand-delivered, transmitted by facsimile or emailed to all counsel of record this 25th day of May 2005.

/s/ Dennis L. Frey

MEMORANDUM

TO: Missouri Public Service Commission Official Case File
Case No. EC-2005-0313, Complainant Ms. Jenny Zbinden vs. AmerenUE

FROM: Alan J. Bax, Energy Department – Engineering Analysis

/s/Lena Mantle 5/25/05 /s/ Steven Dottheim 5/25/05
Energy Department / Date General Counsel's Office / Date

SUBJECT: Staff Report

DATE: May 25, 2005

Ms. Jennie Zbinden (Complainant) filed a Formal Complaint on March 18, 2005, concerning the electric service provided by AmerenUE (Company) at her home located at 708 Summit Drive in Holts Summit, Missouri. In this Complaint, Ms. Zbinden asserts that she experienced problems with her electric service on or about September 1 and 2, 2004. Ms. Zbinden promptly informed AmerenUE of these problems, and the Company dispatched a crew on September 2 to investigate Complainant's report. Company purportedly told Ms. Zbinden to contact an electrician. An electrician's subsequent investigation conducted on September 2 revealed that the problem was being caused by the Company's service wire, which had burned through. Upon receiving this information, the Company returned on September 3 and replaced the defective wire. The Complainant alleges that this defective wire caused severe damage to several household appliances. Complainant filed a petition with the Callaway County Circuit Court to recover the damages in excess of \$7,065, together with interest and costs. The Court stayed the petition pending an investigation by the Missouri Public Service Commission (Commission) to determine responsibility for the defective wire.

The Company filed its Answer to Ms. Zbinden's March 18, 2005, Formal Complaint on April 21. Company acknowledges that Ms. Zbinden experienced problems with her electric service due to the failure of the Company's electric line serving her property. However, AmerenUE contends that the failure of this electric line was not attributable to any negligence on the part of the Company. While not confirming the steps allegedly taken by Complainant to resolve the issues as referenced in the Complaint, the Company asserts that it has no reason to disagree with those allegations. The Company supports the Complainant's request for an investigation by the Commission's Staff. On April 25, 2005, the Commission issued an Order directing the Staff to investigate the issues raised by the Complainant and to file its results no later than May 25, 2005.

Staff visited the Complainant at her residence on May 4, 2005. According to Ms. Zbinden, the home was built in the 1960's. She moved into this property in December 2003, and reports experiencing no problems with the electric service prior to

September 2004. According to Company records, there is no indication of previous work being performed at this residence during calendar year 2004.

The Complainant related that the specific incident that caused her to contact AmerenUE on September 1, 2004, was the dimming and brightening of lights in a portion of her home. The Complainant recounted that, during AmerenUE's September 2 visit, the troubleman measured the voltage at the location where the service wire connects to the overhead transformer outside her home. The Complainant claimed that the troubleman informed her that the voltage was adequate and recommended calling an electrician to inspect the wiring inside the home.

Ms. Zbinden contacted an electrician who inspected the premises later in the afternoon of September 2. She recounted that the electrician determined that the service wire had "burned through" and advised her to call AmerenUE to repair/replace the wire since it was owned by the Company. The Complainant mentioned that the Company was reluctant to dispatch someone again, having already completed an inspection earlier in the day. Ultimately, the Company agreed to make another visit but not until the next morning. The Complainant related that, later that same afternoon, the washer and dryer had quit mid-cycle. Ms. Zbinden made a couple of attempts to restart the machines, but normal operation could not be maintained. She further asserted that, while watching television during the evening of September 2, she was losing power intermittently, and, sometime during the early morning hours of September 3, power was completely lost. The same troubleman returned on September 3 shortly before noon, replaced the failed service wire and restored power to the residence.

The Complainant reports that the troubleman returned on September 4 and delivered a claim form. The Complainant did file a claim with AmerenUE within a couple of weeks of this incident. Claims Management, Inc., the third party administrator which handles claims on behalf of the Company, sent a notice of denial in late October. Subsequent to this denial, in early November, the Complainant petitioned the Callaway County Circuit Court seeking damages. As previously noted, this case was referred to the Commission for determination of responsibility.

In Company responses to Staff Data Requests 1 and 2, received on May 23 and May 24, respectively, were copies of the troubleman's report for both September 2 and 3 as well as the claim submitted by Ms. Zbinden to Claims Management, Inc. According to the claim, Ms. Zbinden notes experiencing problems with appliances on September 1, including the washer and dryer. This conflicts with her oral account given to Staff on May 4, 2005, and discussed above. In addition, in her claim, Ms. Zbinden indicates contacting the Company initially on September 2 around 12:30 p.m., having experienced a temporary loss of power sometime during the late evening hours of September 1, or early morning of September 2 as all alarm clocks malfunctioned. This would seem to indicate that at least a portion of the damages might have occurred before the initial visit of the AmerenUE troubleman. In addition, both the claim and the troubleman's work order/trouble ticket from September 3 indicate that the service wire was found by the

electrician on September 2 not completely burned through. This would be consistent with the assertions that the power was completely lost at some point on the morning of September 3.

The initial report the Complainant made to the Company of dimming and brightening of lights and/or inoperable appliances in only a portion of the residence would be indicative of a problem with one leg (i.e., line/wire) of the electric service. The source of the problem could be either internal or external to the residence. In this case, according to Ms. Zbinden's oral account, on September 2, the AmerenUE troubleman climbed the pole to check the voltage at the point where the service wire is connected to the overhead transformer. The troubleman's September 2 work order/trouble ticket does not mention the point at which the voltage was checked; only that the voltage was within acceptable levels and that the customer should contact an electrician as the problem is internal to the residence. The ticket does not indicate the troubleman found that power was out in any portion of the house. There was also no mention of whether or not a visual inspection of the service wire was conducted. The troubleman should have made a visual inspection of the service wire, and, in all probability, the damaged wire would thus have been identified and repaired/replaced at the time of the troubleman's initial visit. Therefore, it should not have been necessary for the Complainant to have contacted an electrician to diagnose the problem. This would have also prevented any further damage to the Complainant's appliances that may have occurred during the afternoon and evening of September 2 and the morning of September 3.

On Schedule No. 5, 7th Revised, Sheet 138 of the General Rules and Regulations (Part I – Section J) it reads “Company will make all reasonable efforts to provide the service requested on an adequate and continuous basis, but will not be liable for service interruptions, deficiencies or imperfections which result from conditions which are beyond the reasonable control of the Company. The Company cannot guarantee the service as to continuity, freedom from voltage and frequency variations, reversal of phase rotation or singlephasing. The Company will not be responsible or liable for damages to customer's apparatus resulting from failure or imperfection of service beyond the reasonable control of the Company. In cases where such failure or imperfection of service might damage customer's apparatus, customer should install suitable protective equipment.”

By all accounts, intermittent power losses and voltage fluctuations resulting from the Company's failing service wire caused the damage that occurred to Complainant's equipment. There were intermittent power losses and voltage fluctuations on September 1. These losses and fluctuations continued until the service wire completely burned through in the early morning hours of September 3. What is not absolutely certain and is difficult to ascertain is when the damage to the Complainant's equipment occurred, before or after the troubleman's initial visit on September 2. Staff concludes that AmerenUE should have identified and replaced the defective service wire on its initial visit and is therefore responsible for any resulting damages occurring between its initial visit on September 2 and subsequent visit on September 3. Moreover, as noted above, the

Complainant should not have had to contact an electrician to diagnose the problem. On the other hand, the Company could not have predicted the failure of the service wire and thus, per the section of the General Rules and Regulations quoted above, the Company is not responsible for any damage to the Complainant's equipment that may have occurred prior to AmerenUE's initial visit.

AmerenUE is current on all assessment fees and annual report filings. The Staff is not aware of any other matter before the Commission that affects or is affected by this filing; however, the following cases are open:

1. EE-2005-0400 – Meter Variance
2. EC-2005-0110 – Spigal Properties vs AmerenUE
3. EC-2005-0341 – Jewell Turner vs. AmerenUE
4. EO-2005-0369 – Sale of Asset
5. EC-2005-0398 – Damon Anderson vs. AmerenUE
6. EF-2003-0514 – Permission to Secure additional debt
7. EM-96-14 – Experimental Alternative Regulation Plan
8. EM-96-149 – Experimental Alternative Regulation Plan
9. EA-2005-0180 – CCN for Noranda
10. EC-2005-0352 – Ed and Patricia Nelson vs. AmerenUE
11. EO-2004-0108 – Metro East Transfer