

090041-EI

Exhibit A

"CONFIDENTIAL"

Revised Pages 52, 76 – 78
(FPSC Review of Customer Property Damage Claims)

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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Exhibit 14 shows the ten most frequent causes, from highest to lowest, for customer property damage claims filed against PEF in 2007. Of PEF's current cause codes, these top ten causes accounted for 90 percent of the total claims filed in 2007. As shown, the greatest number of customer property damage claims filed were the result of outages (761), followed by open neutral (637), transactions (312), irregular voltage (289), and feeder operations (260).

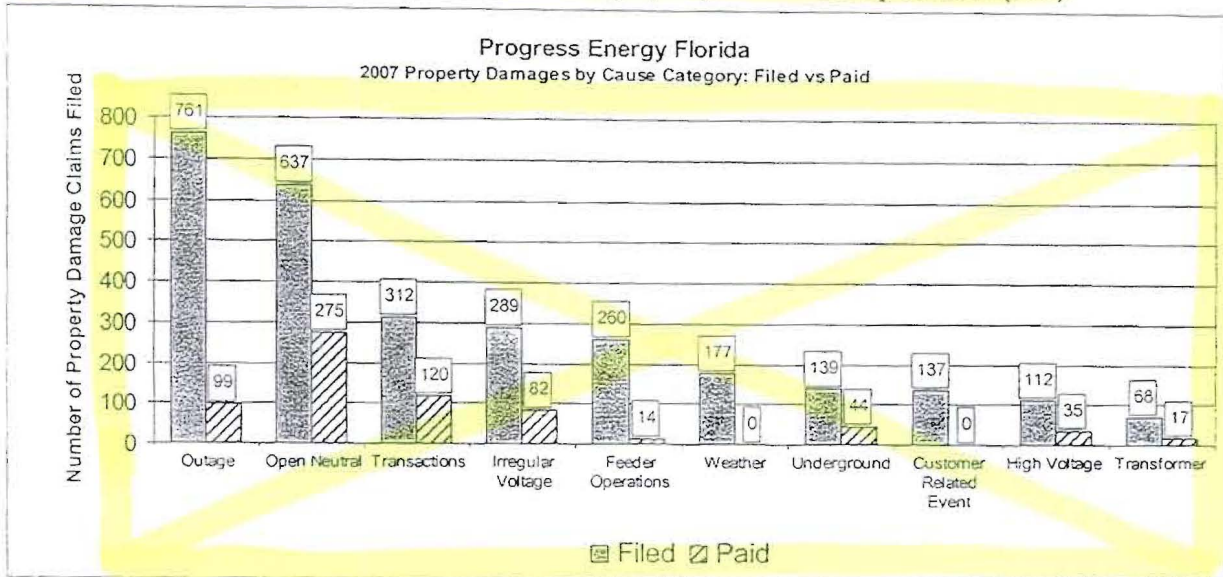


EXHIBIT 14

Source: Document Request 2-2

4.3 Claims Handling

How does a customer file a property damage claim with PEF?

According to the company, PEF customers may file a property damage claim by telephone, mail, or the Internet. Most customer property damage claims begin with a telephone call from the customer. Customers are generally familiar with contacting the company through the Customer Care Call Center or Business Office for any service-related problem.

Customer property damage claims may also be received from PEF's Consumer Affairs department, by e-mail to the claims team, or by a property damage referral from another internal department identifying a potential customer claim situation requiring investigation. Upon occasion, claims are also received by the company through an attorney or agent. Generally, those claims will be negotiated by legal representation or litigated in the court system.

If the property damage claim call comes through the Call Center to a customer service agent, basic claim details are entered into the Customer Service System (CSS) and a property damage claim is constructed. CSS then generates a claim in STARS, where an investigator is assigned the claim.

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Survey of 2008 Claims Payment Policies

structions: For each listed damage cause, indicate whether or not a claim would be paid. Also provide any information in company comments that would be considered during the claim investigation to determine if the claim will be paid.

Damage Cause		Claim Paid?		Company Explanation
		Yes	No	
1	Acts of God or Nature (lightning, wind, flood)		PEF	
2	Normal operation of electrical system (e.g. feeder relay)		PEF	
3	Utility "normal" equipment failure:			PEF: The claim payment matrix bases payment on evidence of fault. If equipment was properly installed and maintained and if maintenance is appropriate, the claim is denied. If the standard of care for installation and maintenance is not met, the claim is paid.
	Transformer failure		PEF	
	Lightning arresters		PEF	
	Regulator		PEF	
	Hot leg		PEF	
	Wire down		PEF	
	Open neutral	PEF	PEF	PEF: See Matrix 2 and 10.
	Transponder	PEF		PEF: Referred to Load Management. Customer service costs are reimbursable.
4	Service cut in error	PEF		
5	Delayed reconnection of service	PEF	PEF	PEF: Depending on length and reason for the delay.

Damage Cause		Claim Paid?		Company Explanation
		Yes	No	
6.	Failure of utility to maintain equipment:			PEF: If standard utility practice required maintenance and maintenance was not performed in a timely fashion, customer claims are paid.
	Transformer failure	PEF		
	Lightning arresters		PEF	PEF: Not a maintenance item.
	Hot leg	PEF	PEF	PEF: If underground, Deny.
	Wire down	PEF		
	Open neutral	PEF		PEF: If underground, Deny.
	Transponder	PEF		PEF: Referred to Load Management. Customer service costs are reimbursable.
	Deteriorated/rotten pole	PEF		
7	Malfunctioning service connection:			
	Due to improper hook-up by utility	PEF		
	Due to normal wear and tear		PEF	
	Due to failure of utility-owned equipment		PEF	PEF: Depends on the cause of the failure and if standard utility practice was followed.
	Due to failure of customer owned equipment		PEF	
8	Dig-ins to customer's other utilities	PEF	PEF	PEF: Paid unless improper locate by other utilities or customer.

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Damage Cause	Claim Paid?		Company Explanation
	Yes	No	
9 Utility's contractor's error or damage	PEF		PEF: Paid by utility's contractor pursuant to contracted indemnity. Contractor is required to carry insurance.
10 Customer or customer's contractor error or damage		PEF	
11 Inadequate ground at customer premises:			
On customer's side of meter		PEF	
On utility's side of meter	PEF		PEF: If standard utility practice required inspection and inspection was not performed in a timely fashion, then customer claims are paid.
12 Failed surge protector leased or sold by utility to customer	PEF	PEF	PEF: If device fails, there is a manufacturer warranty. Meter devices are warranted for as long as the customer is in the program. Surge protection strips are warranted for ten years. Warranty covers actual cash value of loss.
13 Three phase customer's power surge			PEF: Three phase customers are responsible for protecting motors. Compensation for lost product depends on cause and fault.
Residential	PEF	PEF	
Commercial/industrial	PEF	PEF	
14 Insufficient generation:			
Due to unforeseen operating event on reporting utility's system		PEF	
Due to lack of sufficient generating capacity on reporting utility's system		PEF	
Due to unforeseen operating event on other than the reporting utility's system		PEF	
Due to lack of sufficient generating capacity on other than the reporting utility's system		PEF	
15 Verifiable consequential and incidental damages resulting from any claim that is otherwise paid (e.g. food, motel, wage and other non-speculative damages)	PEF		PEF: Yes, on a case by case basis if costs incurred were reasonable under the circumstances.

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