

US Utilities Face Prospect Of Blackout Penalties

US power companies are facing sharp criticism and the threat of costly, regulatory action following a series of blackouts which left millions of consumers without electricity for days last month. Utilities including Exelon Corp's PECO in Pennsylvania, New York's ConEd and St. Louis' Ameren Corp have all come under pressure following the outages. In New York City, record electricity demand during last week's heat wave stressed ConEd's system, causing several electrical feeder cables to fail, which left 25,000 customers without power. The week-long outage left the company open to possible sanctions from regulators. "Once the restoration is complete we will conduct a very thorough investigation," said David Flanagan, spokesman for the New York Public Service Commission. "We will go through this hour by hour and feeder by feeder." Flanagan says the commission will examine whether ConEd met reliability targets required in its rate structure. "If they don't meet the targets in that rate plan they could be subject to a US\$9 million adjustment in revenue on an annual basis," Flanagan said. Customers who lost power have already begun taking legal action against ConEd.

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