

Case Summary

Stutman Law Obtains Summary Judgment Against Power Utility in Case of First Impression

In an issue of first impression for the Eastern District of Pennsylvania,

Stutman Law obtained summary judgment in a subrogation action against a power utility alleging that the utility provided defective power to its customer causing equipment losses and a fire resulting in over \$800,000 in losses.

In the matter *Cincinnati Insurance v. PPL, et al.*, Stutman Law established that strict product liability principles apply when a power utility supplies imbalanced power or a power surge, the power passes through the customer's meter and damages the customer's property. Defendant PPL vigorously opposed the motion on both factual and legal grounds. However, the

Honorable Eduardo C. Robreno rejected PPL's arguments and granted summary judgment. PPL argued that electricity was not a product, but rather a service, so negligence standards, not strict liability standards, should apply. PPL also argued that a faulty transformer caused the damages sustained by Cincinnati's insured. However, Stutman Law crafted arguments against both of these positions. Stutman Law argued that electricity becomes a product after it passes through the customer's meter. In addition, Stutman Law established that even if the transformer was faulty, the defendant could still be

held liable so long as its electricity was a substantial factor in causing the plaintiff's damages. Judge Robreno rejected PPL's defenses; agreeing with plaintiff on both points, which served, in part, as the basis for awarding plaintiff summary judgment.

Following the summary judgment decision, the case was resolved. Tom Underwood and Tom Paolini of Stutman Law's New Jersey office argued the case on behalf of the plaintiff. The Court's opinion granting summary judgment can be found at 2013 WL 5786185.

