

Exhibit No. ___ T (RP-1T)
Docket: U-110808
Witness: Rayne Pearson

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET U-110808

TESTIMONY OF

Rayne Pearson

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

May 3, 2012

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1 **I. INTRODUCTION AND SUMMARY OF TESTIMONY**

2

3 **Q. Please state your name and business address.**

4 A. My name is Rayne Pearson. My business address is 1300 S. Evergreen Park Drive
5 SW, P.O. Box 47250, Olympia, WA 98504.

6

7 **Q. By whom are you employed and in what capacity?**

8 A. I am employed by the Washington Utilities and Transportation Commission as a
9 Compliance Investigator.

10

11 **Q. How long have you been employed by the Commission?**

12 A. Two years and four months.

13

14 **Q Would you please state your educational and professional background?**

15 A. I am a licensed attorney. I obtained my undergraduate degree in Journalism and
16 Women's Studies from New York University, and my J.D. from Seattle University
17 School of Law in 2004. I have over five years of experience as an investigator and
18 regulator in various capacities with the state of Washington.

19

20 **Q Have you prepared an exhibit describing your education, relevant employment**
21 **experience, and other professional qualifications?**

22 A. Yes, I have. It is Exhibit No. ____ (RP-2).

1 **Q. Please describe your duties as they relate to this case.**

2 A. I was assigned to conduct an overall investigation into the business practices of
3 Puget Sound Energy, Inc. ("PSE" or "Company"), with a specific focus on the
4 Company's application of refusal of service rules, WAC 480-15-100-123(3) and
5 WAC 480-90-123(2), hereinafter referred to as "prior obligation." I reviewed
6 Commission-referred consumer complaints filed between June 1 and December 31,
7 2009, as well as data provided by the Company in response to Staff's data request
8 regarding accounts that were disconnected for nonpayment between October 15 and
9 31, 2009. The Company provided a list of 847 accounts that were disconnected
10 during that period, and of those 847 accounts, I randomly selected 179 accounts to
11 review in detail. My investigation found 951 violations of the prior obligation rules
12 in 26 of those accounts. The Commission issued a penalty assessment in the amount
13 of \$104,300, which included penalties of \$100 per violation for the 951 violations
14 cited in the 26 accounts, as well as 92 additional violations of other consumer
15 protection rules. Subsequently, PSE and Commission Staff reached a settlement
16 agreement, which provided that the Company would pay the \$104,300 penalty in
17 full, make certain changes to its policies and procedures, and correct the violations
18 cited in the 26 accounts.

19 Part of my responsibilities included following up with PSE to ensure that
20 corrections were made to each of the 26 accounts, and that the affected customers
21 received appropriate remedies. PSE and Staff agreed that the appropriate remedy
22 would be for the Company to go back and correct the error to the account at the point

1 in time when the error occurred (at the time of service reconnection), then adjust the
2 account going forward.

3 It was my responsibility to review the document submitted by PSE entitled
4 "PSE 26 Account Review," and determine whether corrections to each account were
5 made as agreed.

6 I documented the results of my investigation in an Investigation Report, on
7 file in this docket. Exhibit No. ___ (RP-3) is my Investigation Report.

8

9 **Q. Did PSE make corrections to each account as agreed?**

10 A. No. The document entitled "PSE 26 Account Review" proved to be insufficient.
11 Because the document only summarized actions that the Company took on each
12 account in one or two sentences, I asked to see actual account histories reflecting the
13 purported changes. Upon reviewing the detailed account histories, I discovered that,
14 although PSE claimed to have adjusted each of the 26 accounts on or before May 20,
15 2011, no action had been taken on any of the accounts until at least June 2011, which
16 I will discuss in more detail later in my testimony. The inconsistent data provided by
17 PSE led to the follow-up investigation and my determination that the Company had
18 violated Commission Order 01.

19

20 **Q. What will your testimony cover?**

21 A. My testimony will cover the original violations cited in the 26 accounts identified in
22 Docket U-100182, the settlement agreement reached in that case, and whether or not
23 Staff believes the Company complied with the terms of the settlement agreement.

1 **Q. Please summarize your recommendation.**

2 A. Based on my investigation in this docket, I determined that PSE had violated
3 Commission Order 01 because PSE did not correct the customer accounts as agreed.
4 I recommended that penalties of up to \$1,000 per violation be assessed for each of
5 the 515 violations cited in the Investigation Report, which I will identify individually
6 later in my testimony.

7

8

II. DISCUSSION

9

10 **Q. Please provide background regarding the investigation in Docket U-100182, and**
11 **specifically describe the violations related to the 26 accounts described in the**
12 **Investigation Report.**

13 A. In 2010, I conducted an investigation into PSE's business practices, with a specific
14 focus on how the Company applies prior obligation rules to accounts that have been
15 disconnected for nonpayment. In my final investigation report, I cited violations of
16 the prior obligation rules in 26 of the accounts received in response to Staff's data
17 request. Each of these accounts had been mishandled, resulting in subsequent
18 accounting errors, and, in some cases, subsequent erroneous disconnections.
19 Customers A through F had all made prior obligation arrangements on their
20 respective accounts, and then later received pledges that PSE applied to the prior
21 obligation balances in violation of Commission rules. The Company told Customer
22 G that he was not "eligible" for prior obligation "due to name games," and a prior
23 obligation balance was pulled back to "active" status, which is in violation of

1 Commission rules. Customers H through L were told that they could not reconnect
2 service for anything other than the amount on the disconnection notice, despite each
3 customer expressing an inability to pay that amount, which violates Commission
4 rules. Customer M was also told they had to pay the disconnection amount to restore
5 service, in violation of Commission rules. Customers N through X received pledges
6 on their disconnected accounts, which were applied to their prior obligation balances
7 in error, in violation of Commission rules. Customer Y was disconnected in
8 violation of the prior obligation rule because PSE misapplied a payment made
9 toward current charges to the customer's prior obligation balance. Customer Z was
10 reconnected for partial payment of the disconnection amount, which is in violation of
11 Commission rules related to prior obligation.

12
13 **Q. Please describe the outcome of the investigation in Docket U-100182.**

14 A. On October 12, 2010, the Commission issued a \$104,300 penalty assessment against
15 PSE for violations of Commission rules, primarily related to the improper
16 application of prior obligation rules that I have just described. PSE filed an
17 Application for Mitigation. The Commission set the matter for hearing. Staff and
18 PSE met for a settlement conference on December 10, 2010. Following discussion,
19 the parties reached a settlement. Prior to hearing, Staff and PSE filed a Joint Motion
20 to Accept Full Payment of Penalty; Require Investigation of Twenty-Six Specific
21 Accounts; Require Continued Plan Implementation; and Terminate Proceeding
22 ("Joint Motion"). On December 28, 2010, the Commission granted the Joint Motion
23 in its Order 01, requiring PSE to "pay the full penalty originally assessed, *and*

1 *promptly complete its investigation into twenty-six specific accounts more fully*
2 *described in Attachment A to the Joint Motion,”* (emphasis added), as well as
3 continue to implement its plan to come into compliance with prior obligation rules.
4 See Docket U-100182.

5
6 **Q. What was your understanding of how the account errors would be remedied as**
7 **a result of the settlement agreement that was reached in December 2010?**

8 A. PSE agreed to investigate the accounts and make corrections at the point in time
9 when the original error occurred (i.e., when service was reconnected following the
10 October 2009 disconnection), then adjust the accounts forward. Once the adjustment
11 was made, PSE was to contact each customer and explain the outcome of the
12 adjustment. For customers that had received pledges on the accounts, PSE was to
13 inform the customer of any new prior obligation amounts and/or account credits. For
14 customers that did not receive pledges, but were misinformed about their options at
15 the time of reconnection, PSE was to provide the option of implementing the
16 adjustment based on a recalculation of the account from the date of the error forward,
17 or leave the account as is. For the non-pledge customers, the violations stemmed
18 from PSE’s failure to disclose all of the available options for reconnection, including
19 prior obligation, and the customers consequently being unable to make a fully
20 informed decision when the error initially occurred. The remedy, therefore, was for
21 PSE to go back to the customer and provide them with a meaningful choice at a later
22 time. With respect to the customers who had received pledges that were applied to
23 the prior obligation balances in error, the violation occurred when the pledge was

1 misapplied, and did not result from a failure to disclose information. Those
2 accounts, which totaled 16 of the 26 at issue (Customers A through F, and N through
3 X), did not require customers to make a choice, but did require that PSE inform them
4 of the change made to their account. During the settlement conference, PSE agreed
5 to go back and fix each account at the time that the error occurred, and follow the
6 process I described above.

7
8 **Q. What was your understanding of the requirement that PSE complete its**
9 **investigation of these accounts “promptly”?**

10 A. Merriam-Webster’s dictionary defines “promptly” as: “performed readily or
11 immediately.” (See www.merriam-webster.com). Staff interpreted “immediately”
12 to mean within 30 days, which we believed was a reasonable amount of time within
13 which to perform the required account adjustments. A 30-day time frame gave PSE
14 almost an entire business day for each of the 26 accounts. I did not receive any
15 information regarding actions taken on the accounts until PSE filed the document
16 titled “PSE 26 Account Review” on May 20, 2011.

17
18 **Q. When did PSE represent that it had completed the investigation into the 26**
19 **accounts, and how did the Company submit that information?**

20 A. On May 20, 2011, PSE filed a document titled “PSE 26 Account Review.” The
21 document consisted of four pages, with seven columns on each page. The first
22 column was labeled “ID,” and contained the letter code referenced in the
23 Investigation Report (A through Z). The second column was unlabeled, and

1 identified whether there was a pledge on the account. The third column was labeled
2 “Account,” and contained the account number. The fourth column was labeled
3 “Name” and contained the customer’s name. The fifth column was labeled
4 “Payment Type,” and specified the type of pledge or cash payment. The sixth
5 column was labeled “Analysis” and contained account events relevant to the
6 necessary adjustments. The seventh column was labeled “Resolution” and described
7 actions taken to remedy the violations in each account. A copy of this document is
8 Exhibit No. ____ (RP-4C).

9
10 **Q. What specific information was contained in the document “PSE 26 Account**
11 **Review?”**

12 A. The chart listed each of the actions taken to correct the violations identified in the
13 Investigation Report. For example, the notes next to “Customer P” state: “Pledge
14 monies reallocated to new product assignment.... Contacted customer to offer
15 arrangement on prior obligation balance.” See Exhibit No. ____ (RP-4C).

16
17 **Q. Was the information contained in the document “PSE 26 Account Review”**
18 **sufficient to determine whether the necessary corrections had been made?**

19 A. No. Most of the information provided was insufficient for me to determine whether
20 the accounts had been properly adjusted. There were one or two sentences per
21 account explaining the actions the Company took. Because of this, I requested
22 additional information on May 26, 2011, in an email to Tom DeBoer, as follows:

23

1 I have a question regarding the spreadsheet that was provided in connection
2 with Docket U-100182 and the 26 accounts that required correction. Notes
3 on multiple accounts state 'Pledge monies reallocated to new product
4 assignment. Customer payments reallocated to prior obligation balance.'
5 Does this mean that customer payments originally made to pay current bills
6 were reallocated to prior obligation balances without notifying the customer
7 or first obtaining the customer's consent? Please clarify.
8

9 That same day, Mr. DeBoer sent the following email response:

10 For payments, if a correction results in a change to the customer's current or
11 prior obligation account balance; meaning a balance owed, refund or change
12 in collectibles; *we are contacting* the customer, discussing with them the
13 proposed corrections, and *asking* them where they would prefer their
14 payments be applied and/or if they would like arrangements. If a correction
15 results in no impact/change to the customer's balance, the correction is an
16 administrative reallocation of pledge funds to the appropriate charges,
17 resulting in no change to the account status or balance. This *is being done*
18 without notification to the customer since there is no change to their prior
19 obligation or current account (product). For pledges, where necessary, PSE
20 *is reallocating* pledge monies to insure that they *are applied* to the current
21 account and not to the prior obligation. [Emphasis added.]
22

23 I responded to Mr. DeBoer's email that same day, as follows:

24 I would like to see detailed account notes for each of these 26 accounts,
25 particularly those that fall in to the 'no impact/change' category where
26 administrative reallocations of pledges and payments were made. I'd like to
27 see, step by step, how that was done. Please let me know when you think you
28 can get this information to me, and if you need any further clarification." On
29 May 27, 2011, Mr. DeBoer responded: "We are reviewing this request now
30 and will get back to you as soon as possible to discuss timing.
31

32 See Exhibit No. ____ (RP-5).
33

34 **Q. What conclusions did you reach based on your email exchange with Mr.**
35 **DeBoer?**

36 **A.** Mr. DeBoer represented in his emails that PSE was making corrections to each of the
37 customer accounts as agreed, so I concluded that those necessary adjustments were

1 taking place, or had taken place, on or before May 27, the date of the final email
2 from him in that discussion thread.

3

4 **Q. What materials did PSE provide in response to your last email on May 26,**
5 **2011?**

6 A. PSE began submitting spreadsheets for each of the 26 accounts showing the full
7 account history, with notes reflecting changes made to each account. The
8 spreadsheets were sent to me via email between June 2 and June 8, 2011. By June 8,
9 I had received all 26 account histories. See Exhibit No. ___ (RP-6C).

10

11 **Q. Was the information contained in the spreadsheets consistent with the**
12 **information provided in the document “PSE 26 Account Review?”**

13 A. No, it was not. For example, the comments in the “Resolution” column for
14 customers B, G, H, K, N, P, R, and S, on the document entitled “PSE 26 Account
15 Review,” dated May 20, 2011, stated: “pledge monies reallocated to new product
16 assignment. Customer contacted” The comments for those same customers on
17 the detailed account spreadsheet indicated that no action was taken on any of those
18 accounts until on or after May 31, 2011. I found inconsistencies between the
19 documents in relation to each of the accounts in question, which I will discuss more
20 fully below.

21

22 **Q. Were you surprised that the information contained in the spreadsheets did not**
23 **match the information provided in the document “PSE 26 Account Review?”**

1 A. Yes, I was surprised. Because the “PSE 26 Account Review” chart contained a
2 column titled “Resolution,” I was surprised to learn, upon receiving the detailed
3 account histories, that none of the actions listed in the “Resolution” column had
4 actually occurred as of May 20, 2011, the date the document was filed with the
5 Commission. This was particularly surprising in light of the email exchange I had
6 with Mr. DeBoer on May 26.

7

8 **Q. Was it your understanding, based on the meeting with PSE in December 2010,**
9 **that PSE was to investigate a “sample” of the 26 accounts in question, as PSE**
10 **asserts?**

11 A. No. Order 01 adopting the Joint Motion required PSE to “promptly complete its
12 investigations into 26 specific accounts.” There was never any reference to or
13 discussion of a “sample.”

14

15 **Q. Did you expect to be notified of the results of PSE’s investigation into the 26**
16 **specific accounts?**

17 A. Yes. The requirement that PSE investigate the accounts would be meaningless if
18 PSE did not provide the Commission with information about the results of that
19 investigation and how the violations were remedied. From a public policy
20 perspective, Staff’s primary concern is that PSE provide remedies to affected
21 customers.

22

1 **Q. Do you believe that PSE intentionally misled Staff to believe that the accounts**
2 **had been adjusted on or before May 20, 2011, as represented in the document**
3 **“PSE 26 Account Review?”**

4 A. Yes, particularly in light of the email exchange I had with Mr. DeBoer on May 26,
5 2011, documented earlier in my testimony, in which he made additional
6 representations that specific actions had been taken on each of the accounts.
7 Moreover, PSE used past tense language in the document “PSE 26 Account
8 Review,” such as that customers had been “contacted,” which leads the reader to
9 conclude that the contact had already occurred, not that it may occur at a later date.
10 For PSE to characterize the use of past tense language in a column titled “resolution”
11 as a “communication error” is disingenuous.

12
13 **Q. Is PSE’s description, stated in Mr. DeBoer’s direct testimony, Exhibit TAD-1T,**
14 **page 6, lines 2-5, and Mr. Archuleta’s direct testimony, Exhibit GA-1T, page 8,**
15 **lines 16-20, of Staff’s interpretation of PSE’s obligation “to investigate”**
16 **accurate?**

17 A. Yes. PSE led Staff to believe that PSE would reprocess each account and contact
18 each customer regarding any prior obligation balance owed or outstanding credit on
19 their account.

20
21 **Q. How do you believe PSE came to the conclusion that this was Staff’s**
22 **interpretation?**

1 A. Staff's interpretation, as presented by PSE in both Mr. DeBoer's and Mr. Archuleta's
2 testimony, came directly from the terms and conditions of our agreement as
3 memorialized in the settlement agreement, joint motion, and Order approving.
4

5 **Q. Describe how PSE failed to promptly investigate each of the 26 accounts.**

6 A. With respect to Customer B, PSE represented on May 20, 2011: "Pledge monies
7 reallocated to new product assignment. Prior obligation amount owed pulled back
8 from collection agency ... customer contacted to make arrangements on current
9 outstanding balance." See Exhibit No. ___ (RP-4C). Later data submitted by PSE
10 indicated that the purported action was not taken on the account until May 31. PSE
11 did not provide sufficient information to determine whether the account had been
12 corrected. See Exhibit No. ___ (RP-3), page 3. See Exhibit No. ___ (RP-6C), page
13 3. I found that PSE failed to promptly complete its investigation of the account of
14 Customer B as required by Commission Order 01, and I calculated 11 violations
15 related to Customer B.

16 With respect to Customer C, PSE represented on May 20, 2011: "Pledge
17 monies reallocated to new product assignment. Customer payments reallocated to
18 prior obligation balance." See Exhibit No. ___ (RP-4C). Later data submitted by
19 PSE indicated that the purported action was not taken on the account until June 1.
20 PSE did not provide sufficient information to determine whether the account had
21 been corrected. See Exhibit No. ___ (RP-3), page 3. See Exhibit No. ___ (RP-6C),
22 page 8. I found that PSE failed to promptly complete its investigation of the account

1 of Customer C as required by Commission Order 01, and I calculated 12 violations
2 related to Customer C.

3 With respect to Customer D, PSE represented on May 20, 2011: "Pledge
4 monies reallocated to new product assignment. Customer payments reallocated to
5 prior obligation balance." See Exhibit No. ___ (RP-4C). Later data submitted by
6 PSE indicated that the purported action was not taken on the account until June 1.
7 PSE did not provide sufficient information to determine whether the account had
8 been corrected. See Exhibit No. ___ (RP-3), pages 3-4. See Exhibit No. ___ (RP-
9 6C), page 14. I found that PSE failed to promptly complete its investigation of the
10 account of Customer D as required by Commission Order 01, and I calculated 12
11 violations related to Customer D.

12 With respect to Customer E, PSE represented on May 20, 2011: "Pledge
13 monies reallocated to new product assignment. Customer payments reallocated to
14 prior obligation balance." See Exhibit No. ___ (RP-4C). Later data submitted by
15 PSE indicated that the purported action was not taken on the account until June 2.
16 PSE did not provide sufficient information to determine whether the account had
17 been corrected. See Exhibit No. ___ (RP-3), page 4. See Exhibit No. ___ (RP-6C),
18 page 20. I found that PSE failed to promptly complete its investigation of the
19 account of Customer E as required by Commission Order 01, and I calculated 13
20 violations related to Customer E.

21 With respect to Customer G, PSE represented on May 20, 2011: "Pledge
22 monies reallocated to new product assignment. Customer payments reallocated to
23 prior obligation balance ... contacted customer to offer arrangement on prior

1 obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by PSE
2 indicated that the purported action was not taken on the account until June 3. PSE
3 did not provide sufficient information to determine whether the account had been
4 corrected. See Exhibit No. ____ (RP-3), page 4. See Exhibit No. ____ (RP-6C), page
5 23. I found that PSE failed to promptly complete its investigation of the account of
6 Customer G as required by Commission Order 01, and I calculated 14 violations
7 related to Customer G.

8 With respect to Customer H, PSE represented on May 20, 2011: “Pledge
9 monies reallocated to new product assignment. Customer payments reallocated to
10 prior obligation balance ... contacted customer to offer arrangement on prior
11 obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by PSE
12 indicated that the purported action was not taken on the account until May 27, and
13 the customer could not be reached. PSE did not provide sufficient information to
14 determine whether the account had been corrected. See Exhibit No. ____ (RP-3),
15 page 4. See Exhibit No. ____ (RP-6C), page 28. I found that PSE failed to promptly
16 complete its investigation of the account of Customer H as required by Commission
17 Order 01, and I calculated 7 violations related to Customer G.

18 With respect to Customer J, PSE represented on May 20, 2011: “No
19 correction is necessary as customer has moved.” See Exhibit No. ____ (RP-4C). The
20 Company did not provide any information about whether the customer now has
21 service at another location. PSE did not provide sufficient information to determine
22 whether the account had been corrected. See Exhibit No. ____ (RP-3), page 4. See
23 Exhibit No. ____ (RP-6C), pages 29-30. I found that PSE failed to promptly complete

1 its investigation of the account of Customer J as required by Commission Order 01,
2 and I calculated 41 violations related to Customer J, dating to June 30, 2011, because
3 the account had not been corrected as of that date.

4 With respect to Customer K, PSE represented on May 20, 2011: "Pledge
5 monies reallocated to new product assignment. Balance transfer reversed. Customer
6 contacted to offer arrangements on prior obligation balance." See Exhibit No. ____
7 (RP-4C). Later data submitted by PSE indicated that the purported action was not
8 taken on the account until June 3. PSE did not provide sufficient information to
9 determine whether the account had been corrected. See Exhibit No. ____ (RP-3),
10 page 4. See Exhibit No. ____ (RP-6C), page 34. I found that PSE failed to promptly
11 complete its investigation of the account of Customer K as required by Commission
12 Order 01, and I calculated 14 violations related to Customer K.

13 With respect to Customer L, PSE represented on May 20, 2011: "No action
14 required." See Exhibit No. ____ (RP-4C). The Company stated that the customer has
15 moved, but did not provide any information about whether the customer now has
16 service at another location. PSE did not provide sufficient information to determine
17 whether the account had been corrected. See Exhibit No. ____ (RP-3), page 4. See
18 Exhibit No. ____ (RP-6C), pages 39-40. I found that PSE failed to promptly complete
19 its investigation of the account of Customer L as required by Commission Order 01,
20 and I calculated 41 violations related to Customer L, dating to June 30, 2011,
21 because the account had not been corrected as of that date.

22 With respect to Customer N, PSE represented on May 20, 2011: "Pledge
23 monies reallocated to new product assignment. Customer payments reallocated to

1 prior obligation balance ... contacted customer to offer arrangement on prior
2 obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by PSE
3 indicated that the purported action was not taken on the account until June 4. PSE
4 did not provide sufficient information to determine whether the account had been
5 corrected. See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C), page
6 44. I found that PSE failed to promptly complete its investigation of the account of
7 Customer N as required by Commission Order 01, and I calculated 15 violations
8 related to Customer N.

9 With respect to Customer O, PSE represented on May 20, 2011: “Pledge
10 monies reallocated to new product assignment. Customer payments reallocated to
11 prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by
12 PSE indicated that the purported action was not taken on the account until June 4,
13 and no attempt to contact the customer had been made until June 8. PSE did not
14 provide sufficient information to determine whether the account had been corrected.
15 See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C), page 51. I found
16 that PSE failed to promptly complete its investigation of the account of Customer O
17 as required by Commission Order 01, and I calculated 19 violations related to
18 Customer O.

19 With respect to Customer P, PSE represented on May 20, 2011: “Pledge
20 monies reallocated to new product assignment ... contacted customer to offer
21 arrangement on prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data
22 submitted by PSE indicated that no attempt had been made to contact the customer
23 until May 27, and he could not be contacted. No further action had been taken until

1 June 4. PSE did not provide sufficient information to determine whether the account
2 had been corrected. See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-
3 6C), page 54. I found that PSE failed to promptly complete its investigation of the
4 account of Customer P as required by Commission Order 01, and I calculated 15
5 violations related to Customer P.

6 With respect to Customer Q, PSE represented on May 20, 2011: "Pledge
7 monies reallocated to new product assignment. Customer payments reallocated to
8 new product assignment." See Exhibit No. ____ (RP-4C). Later data submitted by
9 PSE indicated that the purported action was not taken until June 7. PSE did not
10 provide sufficient information to determine whether the account had been corrected.
11 See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C), page 60. I found
12 that PSE failed to promptly complete its investigation of the account of Customer Q
13 as required by Commission Order 01, and I calculated 18 violations related to
14 Customer Q.

15 With respect to Customer R, PSE represented on May 20, 2011: "Pledge
16 monies reallocated to new product assignment. Customer payments reallocated to
17 prior obligation balance." See Exhibit No. ____ (RP-4C). Later data submitted by
18 PSE indicated that the purported action was not taken on the account until June 7,
19 and no attempt to contact the customer had been made until June 6. PSE did not
20 provide sufficient information to determine whether the account had been corrected.
21 See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C), page 67. I found
22 that PSE failed to promptly complete its investigation of the account of Customer R

1 as required by Commission Order 01, and I calculated 18 violations related to
2 Customer R.

3 With respect to Customer S, PSE represented on May 20, 2011: "Pledge
4 monies reallocated to new product assignment. Customer payments reallocated to
5 prior obligation balance. Customer contacted to offer arrangement on prior
6 obligation balance." See Exhibit No. ____ (RP-4C). Later data submitted by PSE
7 indicated that the purported action was not taken on the account until June 7, and no
8 attempt to contact the customer had been made until June 7. PSE did not provide
9 sufficient information to determine whether the account had been corrected. See
10 Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C), page 73. I found that
11 PSE failed to promptly complete its investigation of the account of Customer S as
12 required by Commission Order 01, and I calculated 18 violations related to Customer
13 S.

14 With respect to Customer T, PSE represented on May 20, 2011: "Pledge
15 monies reallocated to new product assignment. Customer payments reallocated to
16 prior obligation balance." See Exhibit No. ____ (RP-4C). Later data submitted by
17 PSE indicated that the purported action was not taken on the account until June 7.
18 PSE did not provide sufficient information to determine whether the account had
19 been corrected. See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C),
20 page 79. I found that PSE failed to promptly complete its investigation of the
21 account of Customer T as required by Commission Order 01, and I calculated 18
22 violations related to Customer T.

1 With respect to Customer V, PSE represented on May 20, 2011: “Pledge
2 monies reallocated to new product assignment. Customer payments reallocated to
3 prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by
4 PSE indicated that the purported action was not taken on the account until June 7.
5 PSE did not provide sufficient information to determine whether the account had
6 been corrected. See Exhibit No. ____ (RP-3), page 5. See Exhibit No. ____ (RP-6C),
7 pages 83-84. I found that PSE failed to promptly complete its investigation of the
8 account of Customer V as required by Commission Order 01, and I calculated 18
9 violations related to Customer V.

10 With respect to Customer W, PSE represented on May 20, 2011: “Pledge
11 monies reallocated to new product assignment. Customer payments reallocated to
12 prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by
13 PSE indicated that the purported action was not taken on the account until June 8.
14 PSE did not provide sufficient information to determine whether the account had
15 been corrected. See Exhibit No. ____ (RP-3), pages 5-6. See Exhibit No. ____ (RP-
16 6C), pages 88-89. I found that PSE failed to promptly complete its investigation of
17 the account of Customer W, as required by Commission Order 01, and I calculated
18 19 violations related to Customer W.

19 With respect to Customer X, PSE represented on May 20, 2011: “Pledge
20 monies reallocated to new product assignment. Customer payments reallocated to
21 prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by
22 PSE indicated that the purported action was not taken on the account until June 8.
23 PSE did not provide sufficient information to determine whether the account had

1 been corrected. See Exhibit No. ____ (RP-3), page 6. See Exhibit No. ____ (RP-6C),
2 page 95. I found that PSE failed to promptly complete its investigation of the
3 account of Customer X as required by Commission Order 01, and I calculated 19
4 violations related to Customer X.

5 With respect to Customer Y, PSE represented on May 20, 2011: “Pledge
6 monies reallocated to new product assignment. Customer payments reallocated to
7 prior obligation balance.” See Exhibit No. ____ (RP-4C). Later data submitted by
8 PSE indicated that the purported action was not taken on the account until June 8.
9 PSE did not provide sufficient information to determine whether the account had
10 been corrected. See Exhibit No. ____ (RP-3), page 6. See Exhibit No. ____ (RP-6C),
11 page 101. I found that PSE failed to promptly complete its investigation of the
12 account of Customer Y as required by Commission Order 01, and I calculated 19
13 violations related to Customer Y.

14 With respect to Customer Z, PSE represented on May 20, 2011: “No action
15 required....” See Exhibit No. ____ (RP-4C). The investigation report cited a violation
16 of WAC 480-100-123(3) for failing to apply the rule of prior obligation at the time
17 the account was disconnected. This required a correction to the account, which PSE
18 did not perform. See Exhibit No. ____ (RP-3), page 6. See Exhibit No. ____ (RP-6C),
19 pages 104-109. I found that PSE failed to promptly complete its investigation of the
20 account of Customer Z as required by Commission Order 01, and I calculated 41
21 violations related to Customer Z, dating to June 30, 2011, because the account had
22 not been corrected as of that date.

23

1 **Q. How many violations of Commission Order 01 did you find, in total?**

2 A. I found 113 violations of Commission Order 01 between January 27, 2011 (30 days
3 from Order 01), and May 20, 2011 (the date PSE submitted its "PSE 26 Account
4 Review." This is calculated as one violation per day that PSE failed to complete its
5 investigations into the accounts after a reasonable 30-day time frame to complete the
6 investigations.

7 I found 402 violations of Commission Order 01 related to my findings
8 described directly above, calculated as one violation per day, for each of the
9 accounts, after May 20, 2011, through June 30, 2011, that PSE failed to promptly
10 complete its investigations into each of the accounts.

11 In total, I identified 515 violations of Commission Order 01.

12

13 **Q. Does this conclude your testimony?**

14 A. Yes.