

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET U-111465

PSE'S NARRATIVE SUPPORTING  
SETTLEMENT AGREEMENT

1 Per WAC 480-07-740(2)(a), this Narrative is filed by Puget Sound Energy, Inc. ("PSE") as documentation supporting the settlement agreement filed in this proceeding on October 29, 2012 ("Settlement Agreement"). The Settlement Agreement resolves all issues presented in the Complaint, which the Washington Utilities and Transportation Commission ("Commission") issued December 14, 2011. Because all parties to this proceeding are signatories, the Settlement Agreement represents a "full settlement", pursuant to WAC 480-07-730(1). The Settlement Agreement is subject to Commission approval, and PSE recommends such approval.

2 Each party in this proceeding has agreed to file a separate narrative supporting the Settlement Agreement. WUTC Staff's narrative provides a discussion of 1) the Scope of the Underlying Dispute and 2) a Summary of the Proposed Settlement. PSE has reviewed the discussion and hereby incorporates the same herein.

## I. PARTIES

3           The Parties to the Settlement Agreement are PSE, Staff of the Washington Utilities  
and Transportation Commission ("WUTC Staff"), and the Public Counsel Section of the  
Attorney General's Office ("Public Counsel") (collectively, "the Parties").

## II. INTRODUCTION AND BACKGROUND

4           On December 14, 2011, following a Commission Staff compliance investigation of  
PSE, the Commission issued a complaint in Docket U-111465 alleging that PSE charged  
1,639 disconnection visit fees to customers for visits made for purposes other than  
disconnection during the months of April and May 2011, in violation of WAC 480-90-  
128(6)(k) and/or WAC 480-100-128(6)(k), seeking penalties, and seeking that the  
Commission order refunds of all improper charges during those months, as well as dating  
back two years prior to the filing of the complaint should the Commission find the violations  
representative of a pattern and practice.

5           On December 30, 2011, PSE filed an Answer to the Complaint, in which, among  
other things, it admitted conduct that resulted in it charging a number of customers a  
disconnection visit fee for visits other than for the purpose of disconnection. PSE stated that  
\$13 disconnection visit fees were applied erroneously on days that PSE had determined no  
disconnections would take place ("non-disconnect days"). PSE answered further that it had  
implemented process improvements to ensure customers would not be assessed a  
disconnection visit charge for PSE collection visits on non-disconnect days. PSE also stated  
that customers assessed such charges in calendar year 2011 had been refunded.

6           On January 9, 2012, Public Counsel filed a notice of appearance, and on February 9,  
2012, the Commission held a prehearing conference. No party intervened. An evidentiary

hearing was initially set for September 11, 2012. The Parties conducted extensive discovery. Commission Staff filed direct and rebuttal testimony. PSE filed response testimony. No other Party filed testimony. The Parties engaged in several settlement discussions, and on October 15, 2012 the Parties agreed on a mutually-acceptable basis for resolving this matter.

### **III. PSE'S STATEMENTS IN SUPPORT OF THE AGREEMENT**

7 The issues in this proceeding involve PSE's procedures when making field visits pursuant to a disconnect order for non-payment on days when PSE declares a "non-disconnect day". A non-disconnect day is a day when PSE determines that it will not perform disconnections. PSE may declare a non-disconnect day under limited circumstances, primarily on very cold weather days, storms and holiday periods.

8 Under normal circumstances (when PSE has not declared a non-disconnect day), PSE's standard process when making a field visit on a disconnect order is either (1) disconnect the customer; or (2) if the customer provides payment or, if the customer claims to have made payment, commits to making a payment that day or advises the representative that they have an appointment with a pledge agency, the field representative will leave an additional 24-hour notice in lieu of disconnecting and then PSE bills a \$13 disconnection visit charge. However, on non-disconnect days there is no intent to disconnect. Therefore, PSE should not have charged the \$13 disconnect visit charge for those visits. Unfortunately, PSE did not have an exception process in place to avoid billing the \$13 disconnect visit fee for non-disconnect days.

9 To address this issue, in May 2011, PSE implemented an exception process to prevent billing of \$13 disconnect fees on non-disconnect days. This process includes an

audit of all field visits to ensure fees are not billed to the customer in error. Further, PSE identified and refunded all disconnect visit fees it erroneously charged customers dating back two years prior to the filing of the complaint, or December 14, 2009, with the exception of certain fees charged to 14 customers who have since experienced bankruptcy. In lieu of refunds to such customers, PSE has agreed to contribute the equivalent amount of refunds (\$13/account) to PSE HELP.

10 PSE believes the Settlement Agreement is in the public interest and meets the Commission's pertinent legal and policy standards. The Settlement Agreement fully resolves the allegations made in the Complaint, conserving valuable Party and Commission resources that would otherwise be devoted to litigation. PSE has implemented procedural changes that will ensure customers are not assessed a disconnection visit charge on non-disconnect days, thereby putting PSE in a better position to ensure compliance with WAC 480-90-128(6)(k) and WAC 480-100-128(6)(k). Further, as part of the Settlement Agreement, PSE will discontinue field visits to customers' service addresses for collection purposes on all non-disconnect days.


11 The Settlement Agreement also satisfies PSE's interest. PSE believes the Settlement Agreement reflects a true compromise of the issues in this proceeding. The Settlement Agreement addresses and resolves the Parties' concerns regarding erroneous disconnect visit fees. At the same time, the Settlement Agreement acknowledges work that PSE has already performed in terms of refunds and process changes, including changes that were implemented even before the Commission filed its Complaint.

12 The monetary penalty is significant, but PSE has agreed to settle the case, pay the penalty amount and move forward in the knowledge that past errors have been corrected and

changes have been implemented to prevent their reoccurrence. PSE supports the Settlement Agreement and requests that the Commission approve it.

**DATED:** October 29, 2012

**PUGET SOUND ENERGY, INC.**

By   
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