Exhibit No. ___ T (VE-1T)

Docket: U-110808 Witness: Vicki Elliott

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

DOCKET U-110808

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

REBUTTAL TESTIMONY OF

Vicki Elliott

STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

July 6, 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 Vicki Elliott. My business address is 1300 South Evergreen Park Drive
5		Southwest, Olympia, Washington 98504-7250.
6		
7	Q.	Where do you work?
8	A.	I work for the Washington Utilities and Transportation Commission (Commission or
9		UTC).
10		
11	Q.	How long have you worked for the Commission?
12	A.	I have worked for the Commission for almost 34 years.
13		
14	Q.	What is your current title?
15	A.	Policy Specialist in the Safety and Consumer Protection Division.
16		
17	Q.	What is your work history at the Commission?
18	A.	I started with the Commission as an accounting assistant in July 1978 in the
19		Commission's budget and finance office. After holding several jobs within that
20		office, I became the Commission's chief financial officer in January 1985, holding
21		that position for eight years. From December 1993 to February 1996, I was the
22		operations manager for motor carrier safety. After that, I held the position of
23		assistant director for the consumer protection section from February 1996 to

1	December 2004. I became assistant director for the transportation safety section in
2	December 2004. In July 2007, I retired from full-time state service. I returned to the
3	Commission in October 2007 as a part-time employee in my current position and
4	have held that position since then.

Q. How do your job history and your current position relate to consumer protection issues and your work on this docket?

A. My almost-nine years in the position as assistant director for consumer protection gave me a solid foundation for working on consumer protection issues. In that position, I worked with customers, companies, and Commission Staff on resolving complaints, identifying problems and finding solutions, implementing and updating Commission rules on consumer protection issues, and investigating companies that violated statutes, rules, tariffs, and orders. In that investigative capacity, I approved Staff reports on company activities and made recommendations to the commissioners for corrective action, up to and including penalties or suspension of operating authority. My background in the budget and finance office provides me with the knowledge, skills, and abilities to conduct an in-depth analysis on each of the accounts in dispute in this docket. In my current position, I am involved in drafting legislation, leading rulemakings, and giving policy advice on consumer protection issues in both transportation and utility matters.

Q. What is the purpose of your rebuttal testimony?

A. The purpose of my testimony is to address statements made in the prefiled response

1		testimony of Puget Sound Energy (PSE), filed with the Commission on June 1, 2012
2		regarding the 26 customer accounts PSE was ordered to investigate in Docket U-
3		100182. In particular, I respond to the prefiled response testimony of Kristina R.
4		McClenahan, Exhibit No (KRM-1T) and her Exhibit No (KRM-3).
5		
6		II. DISCUSSION
7		
8	Q.	Have you reviewed the materials filed in the original investigation and resulting
9		settlement agreement in Docket U-100182?
10	A.	Yes, I have.
11		
12	Q.	Have you also reviewed the materials filed in this docket, including the
13		compliance report, Commission complaint and PSE answer, Commission Staff
14		prefiled testimony, and PSE prefiled response testimony?
15	A.	Yes, I have.
16		
17	Q.	As part of your work in this docket, have you reviewed the prefiled response
18	•	testimony of Kristina R. McClenahan, Exhibit No (KRM-1T), filed on
19		behalf of PSE on June 1, 2012?
20	A.	Yes, I have. Ms. McClenahan's testimony relates to PSE's investigation into 26
21		customer accounts.
22		

1	Q.	As part of your preparation for your testimony in this docket, did you conduct
2		your own analysis of each of the 21 of the 26 accounts that Ms. McClenahan
3		discusses?
4	A.	Yes, I did. In Docket No. U-100182, the Commission ordered PSE to investigate 26
5		accounts. In the current docket, Docket No. U-110808, Staff alleged violations in 21
6		of those 26 accounts. See "Commission Order Compliance Report," filed in Docket
7		U-110808, dated August 2011, which is Exhibit No (RP-3) with Rayne
8		Pearson's prefiled direct testimony filed May 30, 2012. My account analysis is
9		based on the 21 accounts in which Staff alleged violations in Docket No. U-110808.
10		
11	Q.	Please describe the steps you took to analyze each of the 21 accounts.
12	A.	In my analysis of each customer account, I started with account data that PSE
13		provided to Staff on January 5, 2012, in response to a formal Staff Data Request No.
14		01 in this docket. See Exhibit No (VE-2) for the attachment that PSE provided
15		in response to the data request. PSE represented that the materials were "complete
16		statements, by account, of debits and credits from October 1, 2009 through
17		November 30, 2011 for Accounts A through Z in this proceeding" and "include late
18		fees, current charges, pledges, payments, reconnect fees, disconnect fees, etc.
19		resulting in any balances owing." I took the information from that data response and
20		conducted my own account analysis for each of the 21 accounts. See Exhibit No.
21		(VE-3).
22		

1	Q.	Referring to your account analysis in Exhibit No (VE-3), did you organize
2		the data in a particular manner?
3	A.	Yes, I did. See Exhibit No VE-4 for a description of the way in which I
4		organized the data for each account analysis.
5		
6	Q.	Does your account analysis include all data reported by PSE in its response to
7		Staff's data request?
8	A.	It includes all financial data associated with every account. I did not enter comments
9		that were not relevant to this docket. I entered comments regarding prior obligation
10		or disconnections, for example, but did not enter comments when the customer
11		called to simply ask when a bill was due.
12		
13	Q.	Identify which parts of Ms. McClenahan's testimony, Exhibit No (KRM-
14		1T), that you disagree with.
15	A.	On page 4 of her testimony, beginning on line 1, Ms. McClenahan states, "PSE's
16		initial investigation determined that it would not have made a material difference in
17		the ultimate amounts owing PSE by the customer" On page 5, beginning at line
18		7, Ms. McClenahan states, "PSE determined that the majority of the accounts would
19		not require corrections because the balances owing would be unchanged." I disagree
20		with the accuracy of PSE's determination in these instances. My analysis showed
21		that in 14 of the 21 accounts, PSE owed the customer credits for misapplication of
22		prior obligation, misapplication of pledges, and other improper account transactions.
23		The credits owed range from \$13 for three different customers (Accounts D, H, and

1		L), up to \$187 for two other customers (Accounts X and Z). In one additional
2		account, PSE undercharged the customer by \$0.10 (Account S). This means the
3		account balance would have changed in 15 instances, or in 71 percent of the 21
4		accounts, not a minority of the accounts as Ms. McClenahan asserts. In the
5		remaining six accounts, the account balance would have remained unchanged. See
6		Exhibit No (VE-3). While reasonable people may disagree about what a
7		"material difference" is in the amounts owed to PSE, I believe these individual
8		customers, particularly the two customers that should be credited \$187, would
9		believe this is a material difference in their utility bill budgets.
10		
11	Q.	Is there any other part of the prefiled response testimony of Ms. McClenahan in
12		Exhibit No (KRM-1T) that you disagree with?
13	A.	Yes, there is. On page 8 of her response testimony, beginning on line 5, Ms.
14		McClenahan states, "Correcting these accounts [A, G, H, J, K, L, M, N, P, Q, U, W,
15		and Z] would have been an internal accounting correction only, with no impact to the
16		customer." I disagree with that statement. I did not include Accounts A, M, and U
17		in my analysis. My analysis of the remaining accounts shows that corrections to four
18		would not result in a monetary impact to the customer (Accounts G, J, N, and P).
19		However, the remaining six accounts should have received, in total, a credit of
20		\$448.73 (Accounts H, K, L, Q, W, and Z). See Exhibit No VE-5, Summary of
21,		Account Analysis.

1	Q.	Is there any other part of the prefiled response testimony of Ms. McClenahan in
2		Exhibit No (KRM-1T) that you disagree with?
3	A.	Yes, there is. On page 4 of her response testimony, beginning on line 13,
4		Ms. McClenahan states, "Staff's requirement to reconstruct and reallocate payments
5		seems to ignore that some accounts involve amounts that are still outstanding and
6		subject to late fees." Likewise, on page 4, beginning on line 21, Ms. McClenahan
7		states, "Staff's requirement to recreate the transactional history within CLX meant
8		that all late charges were reversed and the outstanding prior obligation balance is
9		artificially lower than it should be." I disagree with these statements. It appears Ms.
10		McClenahan is saying that the reversal of late charges is a function of PSE's billing
11		system. Staff did not, at any time, require PSE to reverse late charges. It could be
12		argued that the improper billing transactions PSE made to these accounts meant at
13		least some portion of the late charges were applied to amounts that were not even
14		owed by the customer. I discuss the improper accounts transactions later in my
15		testimony. In detail, I discuss two accounts, B and X, that are representative of the
16		improper account transactions I found in most accounts. It may be that some of the
17		late fees PSE originally charged were, in fact, correct charges and should be
18		collected by the company. However, it was apparently PSE's billing system that
19		credited all late fees back to the accounts. Staff did not require PSE to credit late
20		fees.
21		
22	Q.	As part of your work in this docket have you reviewed Exhibit No (KRM-
23 -		3)?

1	A.	Yes, I have.
2		
3	Q.	What appears to be the substance of Exhibit No (KRM-3)?
4	A.	It appears to be an explanation by Ms. McClenahan, in testimony form, of PSE's
5		investigation into 21 of 26 customer accounts.
6		
7	Q.	Exhibit No (KRM-3), page 4, beginning at line 8, contains a description of
8		PSE's investigation into Account B. Do you agree with the testimony of Ms.
9		McClenahan regarding Account B?
10	A.	No, I do not.
11		
12	Q.	Please describe your disagreement with Ms. McClenahan's testimony regarding
13		Account B.
14	Α.	In Exhibit No (KRM-3), page 4, beginning at line 19, Ms. McClenahan states
15		"therefore the August 2010 disconnection would have still occurred." I believe this
16		is inaccurate. In completing my account analysis for each customer, including
17		Account B, I found that PSE included prior obligation amounts when it the notified
18		customer of impending disconnections. When PSE notifies a customer that it will
19		disconnect service if the customer does not pay a specific amount, PSE may not
20		include any prior obligation in that notice amount, because PSE may not disconnect
21		a customer because of a prior obligation amount. See Exhibit No (VE-3),
22		account analysis for Account B, on Lines 44, 47, and 49. On lines 44 and 47, PSE
23		notified the customer of an impending disconnection if the customer did not pay

	\$375.62. The actual amount of the notice should have been \$40.51. PSE failed to
	account for the prior obligation of \$324.14 incurred when PSE disconnected the
	customer for \$848.56 on October 26, 2009 (line 9), less payment of \$524.42 made on
	November 25, 2009 (line 17). Because PSE misapplied the prior obligation rules, it
	improperly disconnected Account B on August 2, 2010.
Q.	Do you disagree with the testimony of Ms. McClenahan regarding Account B in
	any other way?
A.	Yes, I do. In Exhibit No (KRM-3), page 5, beginning at line 3, Ms.
	McClenahan states "Staff alleges that PSE did nothing on the account until May 31,
	2011, stating an additional 11 violations. However, Staff failed to recognize that the
	detailed comments show that on May 19, 2011 there was a 'Pending Account
	correction, requested pullback of bad debt balance." While the mentioned account
	notation exists, I fail to see how this reflects any correction of prior obligation.
	There is no mention of prior obligation in the account notes made on May 19, 2011.
	In addition, Column H, PSE current balance, and Column J, PSE Total Owed, are the
	same on May 19, 2011. If PSE made any kind of account correction for prior
	obligation on May 19, 2011, it should be reflected in the account balances. It is not.
Q.	Do you disagree with the testimony of Ms. McClenahan regarding Account B in
	any other way?
A.	Yes, I do. In Exhibit No (KRM-3), page 4, beginning at line 20,
	Ms. McClenahan states, "This finding led PSE to the conclusion that reprocessing
	A. Q.

l	the transactions would have merely moved the amounts between prior obligation
2 .	balances, and PSE believed that reprocessing every transaction to redo history was
3	unnecessary." In my analysis of Account B, on the various lines that I reference
4	below, I conclude that PSE made a number of improper account transactions in this
5	account, many of which are based on misapplication of pledge payments and
6	misapplication of prior obligation amounts. In three instances, PSE added improper
7	charges to the customer's account. See Exhibit No (VE-3), account analysis
8	for Account B. Correcting these improper account transactions would result in more
9	than merely moving amounts around, but in actual savings to the customer of \$47.42
10	The improper account transactions PSE made that resulted in improper charges are:
11	1) On line 29, PSE improperly charged a disconnect visit fee of \$13. PSE did not
12	notify the customer of a possible disconnection prior to this date, so it could not
13	charge for a disconnect visit.
14	2) On line 53, PSE improperly charged a \$37 reconnect fee. PSE did not properly
15	notify the customer of a possible disconnection. The amounts of the notice (lines
16	44 and 47) included a prior obligation amount of \$324.14. Because of the
17	improper amounts in the notices, PSE's disconnection on August 2, 2010, (line
18	49) was an improper disconnection. Since PSE disconnected the customer
19	improperly, it could not charge for the reconnection.
20	3) On lines 66 and 67, PSE has addition errors. On line 66, PSE showed a debit of
21	\$2.58, but added a debit of \$5.42 to the account. On line 67, PSE showed a debit
22	of \$2.84, but added a credit of \$2.58 to the account.

1	Q.	Did you find additional improper account transactions that PSE made in
2		Account B's account - improper transactions that did not result in improper
3		charges?
4	A.	Yes, I did. In addition to improper charges, PSE made the following improper
5		account transactions in handling Account B, which are shown in my analysis of
6		Account B, Exhibit No (VE-3), on the lines referenced below:
7		1) PSE included prior obligation in the current amount due for Account B in two
8		instances:
9		a. On line 9, PSE disconnected Account B for \$878.56. PSE should have
0	·	moved this amount out of Column H, current amount due, but it did not.
11		b. On line 78, PSE disconnected Account B for (what should have been)
12		\$304.31. PSE should have moved this amount out of Column H, current
13		amount due, but it did not.
14		2) PSE improperly applied Account B pledge payments to prior obligation in four
15		instances. In each case, PSE applied the pledge payment to both Column H,
16		current balance, and Column J, total amount owed. PSE should have applied
17		these amounts only to Column H, current balance. Pledge payments may only be
18		applied to current balance and not to prior obligation amounts.
19		a. On line 16, PSE applied a pledge of \$848.56 to prior obligation.
20		b. On line 35, PSE applied a pledge of \$263 to prior obligation.
21		c. On line 87, PSE applied a pledge of \$266 to prior obligation.
22		d. On line 92, PSE applied a pledge of \$1,000 to prior obligation.

1	3) PSE improperly charged Account B for a disconnect visit in two instances:
2	a. On line 62, PSE charged a \$13 disconnect visit charge. Because PSE did
3	not notice the customer of an impending disconnection prior to that date,
4	this was an improper charge. PSE credited the account \$13 on May 31,
5	2011.
6	b. On line 69, PSE charged a \$13 disconnect visit charge. Because PSE did
7	not notice the customer of an impending disconnection prior to that date,
8	this was an improper charge. PSE credited the account \$13 on May 31,
9	2011.
10	4) PSE gave Account B improper notice of an impending disconnection in eight
11	instances:
12	a. On lines 44 and 47, PSE notified the customer of an impending
13	disconnection if the customer did not pay \$375.62. The actual amount of
14	the notice should have been \$40.51. PSE failed to account for the prior
15	obligation of \$324.14 incurred when PSE disconnected the customer for
16	\$848.56 on October 26, 2009 (line 9), less payment of \$524.42 made on
17	November 25, 2009 (line 17).
18	b. On line 68, PSE gave a final, 24-hour notice of an impending
19	disconnection. However, PSE did not give an initial or urgent notice
20	prior to the 24-hour notice. Therefore, the 24-hour notice was improper.
21	c. On lines 70 and 73, PSE notified the customer of an impending
22	disconnection if the customer did not pay \$470.47. The actual amount of
23	the notice should have been \$304.31.

1	d. On lines 113 and 118, PSE notified the customer of an impending
2	disconnection if the customer did not pay \$163.86. The correct amount
3	of the notice should have been \$115.56.
4	e. On line 123, PSE notified the customer of an impending disconnection if
5	the customer did not pay \$136.86. The correct amount of the notice
6	should have been \$96.78.
7	5) PSE improperly disconnected Account B in two instances:
8	a. On August 2, 2010, PSE improperly disconnected Account B because the
9	disconnection notice itself was improper (line 49).
10	b. On December 3, 2010, PSE improperly disconnected Account B because
11	the disconnect notice itself was improper (line 77).
12	6) PSE improperly charged Account B a reconnect fee. On line 53, PSE charged a
13	\$37 reconnect fee. Because PSE improperly disconnected the customer (see line
14	49), this was an improper charge. PSE credited the account \$37 on May 31,
15	2011.
16	7) PSE improperly recorded prior obligation in two instances:
17	a. On line 51, PSE recorded a prior obligation of \$261.49. The proper prior
18	obligation amount is \$364.65.
19	b. On line 114, PSE recorded a prior obligation of \$29.44. The proper prior
20	obligation amount is \$668.96.
21	8) PSE issued improper bills, because it added improper charges to Account B's
22	account in 21 instances (see lines 31, 33, 37, 42, 46, 59, 65, 72, 84, 86, 89, 94,
23	97 99 108 111 117 128 131 139 and 147)

- 1		9) PSE made an improper addition to Account B's account in four instances (see
2		lines 63, 64, 66, and 67).
3		
4	Q.	Does this conclude your analysis of Account B?
5	A.	Yes, it does.
6		
7	Q.	Moving on to another account, on page 16 of Exhibit No (KRM-3),
8		beginning at line 16, PSE describes its investigation into Account X. Have you
9		reviewed the testimony contained in the exhibit for Account X?
10	A.	Yes, I have.
11		
12	Q.	Do you agree with the testimony of Ms. McClenahan regarding Account X?
13	A.	No, I do not.
14		
15	Q.	Please describe your disagreement with the testimony of Ms. McClenahan
16		regarding Account X.
17	A.	In Exhibit No (KRM-3), page 17, line 3, Ms. McClenahan's states "therefore
18		the January 2010 disconnection would have still occurred." I believe this is
19		inaccurate. In completing my account analysis for Account X, I found that PSE
20		included prior obligation amounts when it notified the customer of impending
21		disconnections. When PSE notifies a customer that it will disconnect service if the
22		customer does not pay a specific amount, PSE may not include any prior obligation
23		in that notice amount, because PSE may not disconnect a customer because of a price

1		obligation amount. See Exhibit No (VE-3), account analysis for Account X,
2		on lines 14, 17, and 22. On lines 14 and 17, PSE notified the customer of an
3		impending disconnection if the customer did not pay \$240.90. The actual amount of
4		the notice should have been \$13.59. PSE failed to account for the prior obligation of
5		\$227.31 incurred when PSE disconnected the customer for \$227.31 on October 15,
6		2009 (line 2). Because PSE misapplied the prior obligation rules, it improperly
7		disconnected Account X on January 21, 2010.
8		
9	Q.	Do you disagree with the testimony of Ms. McClenahan regarding Account X in
10		any other way?
11	A.	Yes, I do. In Exhibit No (KRM-3), page 17, beginning at line 5, Ms.
12		McClenahan states, "reprocessing the account would not be necessary. Such
13		reprocessing would simply be moving balances. PSE believed that reprocessing all
14		transactions to re-do history was unnecessary." In my analysis of Account X, I
15		conclude that PSE made a number of improper account transactions in this account,
16		many of which were based on misapplication of pledge payments and misapplication
17		of prior obligation amounts. In seven instances, PSE added improper charges to the
18		customer's account. See Exhibit No (VE-3), account analysis for Account X.
19		Correcting these improper account transactions would result in more than merely
20		moving amounts around, but in actual savings to the customer of \$187. Improper
21		account transactions PSE made that resulted in improper charges, and where they are
22 .		shown in the account analysis for Account X are:

- 1 On line 25, PSE improperly charged a \$37 reconnect fee. PSE did not properly
 2 notify the customer of a possible disconnection. The amounts of the notices
 3 (lines 14 and 17) included a prior obligation amount of \$227.31. Because of the
 4 improper notices, PSE's disconnection on January 21, 2010, (line 22) was an
 5 improper disconnection. Since PSE disconnected the customer improperly, it
 6 could not charge for the reconnection.
 - 2) On line 33, PSE improperly charged a \$37 reconnect fee. PSE did not properly notify the customer of a possible disconnection. The only notice PSE gave the customer was a "final notice" (see line 29). PSE is required to notify a customer at least two times before disconnection. In this case, PSE notified the customer only once. Because of the improper notices, PSE's disconnection on February 19, 2010 (line 31) was an improper disconnection. Since PSE disconnected the customer improperly, it could not charge for the reconnection.
 - 3) On line 64, PSE improperly charged a \$37 reconnect fee. PSE did not properly notify the customer of a possible disconnection. PSE sent the customer two notices in the amount of \$258.59 (lines 53 and 58), which included, among other improper account transactions, a prior obligation amount of \$227.31. At the time of the first notice, the customer's current account balance was actually a credit balance of \$40.46. Because of the improper notices, PSE's disconnection on July 23, 2010, (line 62) was an improper disconnection. Since PSE disconnected the customer improperly, it could not charge for the reconnection.
 - 4) On line 74, PSE improperly charged a \$37 reconnect fee. PSE did not properly notify the customer of a possible disconnection. PSE sent the customer two

1	•		notices in the amount of \$139.47 (lines 67 and 70), which included, among other
2			improper account transactions, a prior obligation amount of \$227.31. At the time
3			of the first notice, the customer's current account balance was actually a credit
4			balance of \$161.26. Because of the improper notices, PSE's disconnection on
5			September 10, 2010, (line 72) was an improper disconnection. Since PSE
6			disconnected the customer improperly, it could not charge for the reconnection.
7		5)	On line 92, PSE improperly charged a disconnect visit fee of \$13. PSE sent the
8			customer two notices in the amount of \$227.35 (lines 85 and 88), which
9			included, among other improper account transactions, a prior obligation amount
10			of \$227.31. At the time of the first notice, the customer's current account
11			balance was actually a credit balance of \$146.53. Because the notices were
12			improper, PSE should not have conducted, nor charged for, a disconnect visit.
13		6)	On line 114, PSE improperly charged a disconnect visit fee of \$13. PSE sent the
14			customer one notice in the amount of \$402.85 (line 107), and, after a payment of
15			\$150, a second notice for \$252.85 (line 113). Both notices included, among
16			other improper account transactions, a prior obligation amount of \$227.31. At
17			the time of the first notice, the customer's current account balance was only
18			\$17.10. Because the notices were improper, PSE should not have conducted, not
19			charged for, a disconnect visit.
20		7)	On line 121, PSE improperly charged a disconnect visit fee of \$13. PSE sent the
21			customer two notices in the amount of \$223.02 (lines 116 and 119), which
22			included, among other improper account transactions, a prior obligation amount

of \$227.31. At the time of the first notice, the customer's current account

23

1		balance was actually a credit balance of \$162.77. Because the notices were
2		improper, PSE should not have conducted, nor charged for, a disconnect visit.
3		
4	Q.	Did you find additional improper account transactions that PSE made in
5		Account X's account - improper transactions that did not result in improper
6		charges?
7	Α.	Yes, I did. In addition to improper charges, PSE made the following improper
8		account transactions in handling Account X:
9		1) PSE included prior obligation in the current amount due for Account X. On line
10		2, PSE disconnected Account X for \$227.31. PSE should have moved this
11		amount out of Column H, current amount due, but it did not.
12		2) PSE improperly applied Account X pledge payments to prior obligation in three
13		instances. In each case, PSE applied the pledge payment to both Column H,
14		current balance, and Column J, total amount owed. PSE should have applied
15		these amounts only to Column H, current balance. Pledge payments may only be
16		applied to current balances and not to prior obligation amounts.
17		a. On line 6, PSE applied a pledge of \$200 to prior obligation.
18		b. On line 46, PSE applied a pledge of \$35 to prior obligation.
19		c. On line 47, PSE applied a pledge of \$75 to prior obligation.
20		3) PSE gave Account X improper notice of an impending disconnection in 24
21		instances:
22		a. On lines 14 and 17, PSE notified the customer of an impending
23		disconnection if the customer did not pay \$240.90. The actual amount of

1		the notice should have been \$13.59. PSE failed to account for the prior
2		obligation of \$227.31.
3	b.	On line 29, PSE gave a final notice for \$153.57. However, PSE did not
4		give an initial or urgent notice prior to the final notice. Therefore, the
5		final notice was improper.
6	c.	On lines 53 and 58, PSE notified the customer of an impending
7		disconnection if the customer did not pay \$258.59. The customer's actual
8		account balance at the time of the first notice was a credit balance of
9		\$40.46. PSE's notices for \$258.59 included, among other improper
10		account transactions, a prior obligation amount of \$227.31.
	d.	On lines 67 and 70, PSE notified the customer of an impending
12		disconnection if the customer did not pay \$139.47. The customer's actual
13		account balance at the time of the first notice was a credit balance of
14		\$161.26. PSE's notices for \$139.47 included, among other improper
15		account transactions, a prior obligation amount of \$227.31.
16	e.	On line 79, PSE notified the customer of an impending disconnection if
17		the customer did not pay \$242.68. On line 83, after a payment of \$100,
18		PSE gave the customer a final notice for \$142.68. The customer's actual
19		account balance at the time of the first notice was a credit balance of
20		\$131.47. PSE's notices for \$242.68 and \$142.68 included, among other
21		improper account transactions, a prior obligation amount of \$227.31.
22	f.	On lines 85 and 88, PSE notified the customer of an impending
23		disconnection if the customer did not pay \$227.35. The customer's actual

1		account balance at the time of the first notice was a credit balance of
2		\$146.53. PSE's notices for \$227.35 included, among other improper
3		account transactions, a prior obligation amount of \$227.31.
4	g.	On line 91, PSE notified the customer of an impending disconnection if
5		the customer did not pay \$219.29. The customer's actual account balance
6		was a credit balance of \$153.75. PSE's notice for \$219.29 included,
7		among other improper account transactions, a prior obligation amount of
8		\$227.31.
9	h.	On lines 100 and 103, PSE notified the customer of an impending
10		disconnection if the customer did not pay \$255.21. The customer's actual
11		account balance at the time of the first notice was a credit balance of
12		\$132.09. PSE's notices for \$255.21 included, among other improper
13		account transactions, a prior obligation amount of \$227.31.
14	i.	On line 107, PSE notified the customer of an impending disconnection if
15		the customer did not pay \$402.85. On line 113, after a payment of \$150,
16		PSE gave the customer a final notice for \$252.85. The customer's actual
17		account balance at the time of the first notice was \$17.10. PSE's notices
18		for \$402.85 and \$252.85 included, among other improper account
19		transactions, a prior obligation amount of \$227.31.
20	j.	On lines 116 and 119, PSE notified the customer of an impending
21		disconnection if the customer did not pay \$223.02. The customer's actual
22		account balance at the time of the first notice was a credit balance of

I		\$162.77. PSE's notices for \$223.02 included, among other improper
2		account transactions, a prior obligation amount of \$227.31.
3	k.	On lines 123 and 125, PSE notified the customer of an impending
4		disconnection if the customer did not pay \$261.51. The customer's actual
5		account balance at the time of the first notice was a credit balance of
6		\$137.57. PSE's notices for \$261.51 included, among other improper
7		account transactions, a prior obligation amount of \$227.31.
8	1.	On line 128, PSE notified the customer of an impending disconnection if
9		the customer did not pay \$375.23. On line 131, after a payment of \$160,
10		PSE gave the customer a final notice for \$216.23. The customer's actual
11		account balance at the time of the first notice was a credit balance of
12		\$35.46. PSE's notices for \$375.23 and \$216.23 included, among other
13		improper account transactions, a prior obligation amount of \$227.31.
14	m.	On line 163, PSE notified the customer of an impending disconnection if
15	•	the customer did not pay \$163.77. The customer's actual account balance
16		at the time of the notice was \$52.52. PSE's notice for \$163.77 included,
17		among other improper account transactions, a prior obligation amount of
18		\$227.31.
19	n.	On line 172, PSE notified the customer of an impending disconnection if
20		the customer did not pay \$163.20. The customer's actual account balance
21		at the time of the first notice was \$54.87. PSE's notice for \$163.20
22		included, among other improper account transactions, a prior obligation
23		amount of \$227.31.

. 1		4) PSE improperty disconnected Account X in four instances:
2 ·		a. On January 21, 2010, PSE improperly disconnected Account X because
3		the disconnect notice was an improper account transaction (line 22).
4		b. On February 19, 2010, PSE improperly disconnected Account X because
5		the disconnect notice was an improper account transaction (line 31).
6		c. On July 23, 2010, PSE improperly disconnected Account X because the
7		disconnect notice was an improper account transaction (line 62).
8		d. On September 10, 2010, PSE improperly disconnected Account X
9		because the disconnect notice was an improper account transaction (line
10		72).
11		5) PSE improperly recorded prior obligation in two instances:
12		a. On line 133, PSE recorded a prior obligation of \$413.01. The proper
13		prior obligation amount is \$227.31.
14		b. On line 153, PSE recorded a prior obligation of \$413.01. The proper
15		prior obligation amount is \$227.31.
16		6) PSE issued improper bills, because it added improper charges to Account in 23
17		instances (see lines 27, 36, 40, 44, 49, 55, 61, 69, 77, 82, 87, 95, 102, 110, 118,
18		126, 149, 152, 155, 159, 164, 170, and 175).
19		
20	Q.	Does this conclude your analysis of Account X?
21	Α.	Yes, it does.
22		

1	Q.	You have gone through Account B and Account X in a fairly detailed way.
2		Would you say your experience with these two accounts is fairly typical of the
3		remaining 19 accounts?
4	A.	Yes, I would. To some degree or another, almost every account has the same
5		improper account transactions as Account B and Account X. See Exhibit No.
6		(VE-5) for a summary of the account analysis for all accounts other than Account B
7		and Account X, which are detailed here in my testimony. Only Account C and
8		Account J have no improper account transactions similar to those I found in all other
9		accounts, such as improper charges, improper application of prior obligation or
10	ı	pledge payments, improper disconnects, and improper disconnect visits. In the
11		remaining 17 accounts, PSE made the following improper account transactions:
12		1) Misapplied prior obligation 22 times.
13		2) Misapplied pledge payments 38 times.
14		3) Improperly charged disconnection visit fees 30 times.
15		4) Improperly charged reconnect fees 17 times.
16		5) Sent customers improper billings 217 times.
17		6) Recorded incorrect prior obligation amounts 14 times.
18		7) Made addition improper account transactions 26 times.
19		8) Improperly charged late fees 4 times.
20		9) Improperly noticed customers for disconnection 77 times.
21		10) Improperly disconnected customers 15 times.

1		These improper account transactions resulted in PSE charging customers \$754.50 in
2		improper charges which have not been credited back to the customers' accounts, plus
3		the amounts charged to Account B and Account X, as detailed above.
4		
5	Q.	Does this conclude your testimony?
6	Α.	Yes, it does.
7		
8		