

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket U-110808

SETTLEMENT AGREEMENT

I. INTRODUCTION

1 This Settlement Agreement is entered into in order to compromise and settle all
issues in this proceeding. It is a "Full Settlement" pursuant to WAC 480-07-730(1).

II. PARTIES

2 This Settlement Agreement is entered into by: Puget Sound Energy, Inc. ("PSE");
the Staff of the Washington Utilities and Transportation Commission ("WUTC Staff"); the
Public Counsel Section of the Attorney General's Office ("Public Counsel"); and The
Energy Project (collectively referred to hereinafter as the "Parties" and each individually
referred to as a "Party").

III. BACKGROUND

3 On October 12, 2010, in Docket U-100182, the Commission issued a penalty
assessment against PSE for violations of the Commission's refusal of service rules related to
the proper handling of accounts that are disconnected for nonpayment. The Commission's
refusal of service rules are WAC 480-90-123(2) and WAC 480-100-123(3), respectively, for

natural gas and electricity service. These rules prohibit a regulated natural gas or electric company from refusing to provide new or additional service to a residential applicant or existing customer who owes the company a prior obligation, which is the amount billed at the time the applicant or customer was disconnected for nonpayment.

4 On December 28, 2010, in Order 01 in Docket U-100182 ("Order 01"), the Commission granted a Joint Motion filed by WUTC Staff and PSE resolving all issues in that proceeding. Order 01 required PSE to (1) pay an assessed penalty; (2) promptly complete its investigations into twenty-six specific accounts more fully described in Attachment A to the Joint Motion; and (3) continue implementation of the plan described in Attachment B to the Joint Motion. PSE was also required to submit quarterly reports commencing in April 2011. Order 01 and the Joint Motion, along with the respective Attachments, in Docket U-100182 are included in Appendix A.

5 On October 26, 2011, the Commission issued a complaint in Docket U-110808 alleging that PSE failed to comply with Order 01 by not promptly completing an investigation into 26 specific accounts identified in Docket U-100182. PSE answered the complaint, denying that PSE had violated Order 01. On December 19, 2011, the Commission held a prehearing conference, at which time Public Counsel entered an appearance and the Commission granted The Energy Project's petition to intervene. The Parties conducted discovery. PSE filed initial and response testimony, and WUTC Staff filed direct and rebuttal testimony. No other Party filed testimony.

6 The Parties undertook settlement discussions on July 18, 2012 and August 2, 2012, for the purpose of resolving contested issues in this proceeding. The Parties have reached a full settlement and now wish to present their settlement agreement for the Commission's

consideration and approval. The Parties therefore adopt the following Settlement Agreement, which is entered into by the Parties voluntarily to resolve matters that were in dispute. This Settlement Agreement is filed in the interest of expediting the orderly disposition of this proceeding.

7 The Parties understand that this Settlement Agreement is subject to Commission approval, and hereby respectfully request that the Commission issue an order approving this Settlement Agreement in its entirety. If the Commission wishes to conduct a hearing on this Settlement Agreement, the Parties request that the Commission hold such hearing on September 11, 2012, the date currently scheduled for the evidentiary hearing in this proceeding. The Parties will separately file supporting documentation, as required by WAC 480-07-740(2).

IV. AGREEMENT

A. Admission of Violations and Process Changes

8 To achieve a settlement, PSE admits that PSE's past practices violated the Commission's refusal of service rules, particularly as they related to ensuring payments were applied to a customer's current service account balance rather than prior obligation amounts. In April 2012, PSE completed implementation of process changes for its handling of prior obligations that remedy these past practices by enhancing the separation of prior obligation balances from current balances. The Parties agree that PSE's process changes are satisfactory and resolve their concerns going forward. An overview of PSE's revised process is included as Appendix B to this agreement. The Parties agree WUTC Staff will not recommend new enforcement actions regarding PSE's past practices in light of PSE's April 2012 process changes, and this settlement resolves all pending, planned, known or

unknown prior obligation violations based on past practices. Nothing in this Settlement Agreement waives WUTC Staff's ability to investigate PSE's current or future practices for compliance with applicable Commission statutes and rules, and to recommend to the Commission appropriate enforcement action, as necessary.

9 In recognition that PSE will be migrating from its existing billing system (CLX), PSE agrees to maintain the processes described in Appendix B as long as PSE utilizes its existing billing system (CLX). Upon transition to the new billing system (SAP), PSE agrees to retain the key elements of the process outlined in Appendix B, including:

Accounts disconnected due to non-payment will be closed and a new account will be opened (except in the case of medical emergency) consistent with the April 2012 process changes in order to provide a clear separation of the prior obligation balance and current charges.

In addition, PSE will file with the Commission and serve on all Parties a new summary of the process PSE uses for prior obligations, similar to the summary provided in Appendix B, within 30 days of completing its transition to the new billing system (SAP).

B. Customer Credits and Refunds

10 With respect to the twenty-six customer accounts identified in Docket U-100182, and for purposes of achieving a settlement and resolving all outstanding issues, PSE has applied credits or refunds to those customer accounts based on the amounts identified in Exhibit VE-5, which is attached to the pre-filed rebuttal testimony of Vicki Elliott. The credit or refund was applied in the following manner:

- If the customer is currently receiving service from PSE, that customer was credited the amount identified in Exhibit VE-5 on their current, active account.
- If the customer is no longer receiving service from PSE, then the former customer's account was credited the amount identified in Exhibit VE-5.

- PSE provided print screens in a format similar to that shown in Appendix C of this agreement to demonstrate how each credit or refund was applied, in accordance with this agreement and such documentation is acceptable to the Parties.

C. Monetary Penalty

11 Within ten business days of Commission approval of this Settlement Agreement, PSE will pay to the Commission a monetary penalty in the amount of \$250,000. PSE agrees not to seek recovery of this amount from its ratepayers.

D. Pledge Agreements

12 PSE agrees to maintain its current pledge payment process as outlined in Appendix D to this agreement.

E. May 20, 2011 Report Filed by PSE

13 PSE concedes that its May 20, 2011, report in Docket U-100182, on its face and without further explanation, could be interpreted to contain inaccurate information.

F. Contribution to PSE HELP

14 PSE agrees to contribute \$75,000 to PSE HELP within ten business days of Commission approval of this Settlement Agreement. PSE agrees not to seek recovery of this amount from its ratepayers.

G. Customer Bill Information

15 PSE's April 2012 process change results in customers who have been disconnected for nonpayment receiving two separate bills: one bill that contains the amount of the customer's prior obligation ("Prior Obligation Bill"), and another bill containing the customer's service affecting balances ("Current Bill"). PSE agrees, within 60 business days of the date an order approving this Settlement Agreement is entered, to include language in the customer's Prior Obligation Bill indicating that the customer cannot be disconnected for

non-payment of that amount. Recognizing that PSE will be migrating from its existing billing system (CLX) and working within the preconfigured parameters of PSE's new billing system(s), PSE agrees to include similarly-worded messaging upon migration to the new billing system. PSE agrees to provide the Parties a reasonable opportunity to review and provide input regarding the new billing system messaging including language, font size and the location of such messages.

H. Docket U-100182

16 WUTC Staff and PSE agree, and Public Counsel and The Energy Project do not object, to eliminating PSE's reporting and other process requirements provided in both the Joint Motion and Order 01 in Docket U-100182. WUTC Staff and PSE agree, and Public Counsel and The Energy Project do not object, that this Settlement Agreement supersedes and replaces the process commitments contained in Docket U-100182 – including Order 01, the Joint Motion, and Attachments A and B to the Joint Motion. WUTC Staff and PSE agree, and Public Counsel and The Energy Project do not object, to cooperating with regard to reopening Docket U-100182 and filing any motion or testimony necessary to effectuate this agreement.

I. Miscellaneous Provisions

17 a. The Parties agree to support the terms and conditions of this Settlement Agreement as a settlement of all contested issues in the above-captioned proceeding. The Parties understand that this Settlement Agreement is subject to Commission approval.

18 b. This Settlement Agreement represents an integrated resolution of the matters at issue in this case. Accordingly, the Parties recommend that the Commission adopt this Settlement Agreement in its entirety.

19 c. The Parties will cooperate in submitting this Settlement Agreement promptly to the Commission for approval, and will cooperate in developing supporting materials as required in WAC 480-07-740(2)(a). The Parties agree to support the Settlement Agreement throughout this proceeding, provide witnesses to sponsor such Settlement Agreement at a Commission hearing, and recommend that the Commission issue an order adopting the Settlement Agreement in its entirety.

20 d. In the event the Commission rejects this Settlement Agreement, WAC 480-07-750(2) shall apply. In the event the Commission accepts the Settlement Agreement upon conditions not proposed herein, each Party reserves the right, upon written notice to the Commission and all Parties to this proceeding within ten (10) days of the Commission's order, to state its rejection of the conditions or differing provisions. In such event, WAC 480-07-750(2)(a) will apply and the Parties agree to cooperate in the development of a schedule that concludes the proceeding on the earliest possible date.

21 e. The Parties enter into this Settlement Agreement to avoid further expense, uncertainty, and delay. By executing this Settlement Agreement, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Settlement Agreement, and except to the extent expressly set forth in this Settlement Agreement, no Party shall be deemed to have agreed that this Settlement Agreement is appropriate for resolving any issues in any other proceeding, except as expressly stated above. Nor shall the facts, principles, methods, or theories employed in arriving at the terms of this Settlement Agreement be deemed to have any precedential effect in any subsequent proceeding.

22 f. Each Party retains the right to provide information to the public about this Settlement Agreement after it is filed with the Commission. The Parties each agree to provide the other Parties a copy of each news release or similar communication (hereafter “public communication”) that any Party intends to make regarding this Settlement Agreement, two business days in advance of publication. The Party receiving such public communication may review the public communication and make a reasonable request to the issuing Party to change the text of such public communication. Notwithstanding anything else in this paragraph, the Parties agree that each such public communication shall include a statement to the effect that this Settlement Agreement is subject to Commission approval and WUTC Staff’s signing of this Agreement and/or WUTC Staff’s recommendation that the Commission approve this Settlement Agreement is not binding on the Commission itself.

23 g. This Settlement Agreement may be executed in counterparts, through original, electronic, and/or facsimile signature, and each signed counterpart shall constitute an original document.

24 h. In support of this Settlement Agreement, the Parties further stipulate that the testimony and exhibits that were pre-filed by PSE on April 3, 2012 and June 1, 2012, by WUTC Staff on May 3, 2012 and July 6, 2012, and the documentation of the Parties filed in support of this Settlement Agreement, should be admitted into evidence in the record of this proceeding.

DATED: August 30, 2012

PUGET SOUND ENERGY, INC.

By Tom DeBoer
Tom DeBoer
Director Federal & State Regulatory
Affairs

PUBLIC COUNSEL SECTION,
OFFICE OF THE ATTORNEY
GENERAL OF THE STATE OF
WASHINGTON

By _____
Lisa Gafken
Assistant Attorney General

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION
STAFF

By _____
Michael Fassio
Robert Cedarbaum
Assistant Attorney General

THE ENERGY PROJECT

By _____
Ronald L. Roseman
Attorney for The Energy Project

DATED: August ^{30th} __, 2012

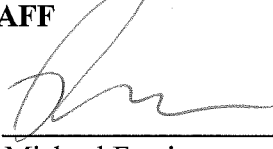
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By _____
Lisa Gafken
Assistant Attorney General

THE ENERGY PROJECT

By 

Ronald L. Roseman
Attorney for The Energy Project

APPENDIX A

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Penalty Assessment)	DOCKET U-100182
Against)	
)	ORDER 01
PUGET SOUND ENERGY, INC.)	
)	ORDER GRANTING JOINT
In the Amount of \$104,300)	MOTION AND TERMINATING
)	PROCEEDING
.....)	

1 **NATURE OF PROCEEDING:** On October 12, 2010, the Washington Utilities and Transportation Commission (Commission) issued a penalty assessment against Puget Sound Energy, Inc. (PSE) in the amount of \$104,300, finding 1,043 violations of Washington Administrative Codes (WACs) 480-90 and 480-100.

2 **APPEARANCES:** Sheree Strom Carson, Perkins Coie, Bellevue, Washington, represents PSE. Sally Brown, Senior Assistant Attorney General, Olympia, Washington, represents Commission Staff.

3 **PROCEDURAL HISTORY:** On October 27, 2010, PSE filed with the Commission an application for mitigation, admitting the specified violations and requesting that the matter be set for hearing and a decision by an administrative law judge. PSE also indicated that it was continuing its review of the alleged violations and anticipated engaging with Commission Staff after completing its investigation, and prior to the hearing, to attempt to resolve any areas of disagreement.

4 On November 15, 2010, Commission Staff filed its Response, opposing mitigation of the penalty amount. On November 17, 2010, the Commission entered a *Notice of Brief Adjudicative Proceeding; Setting Time for Oral Statements*, and scheduled a hearing for Monday, December 20, 2010.

5 On December 16, 2010, the parties filed a *Joint Motion to Accept Full Payment of Penalty; Require Investigation of Twenty-Six Specific Accounts; Require Continued Plan Implementation; and Terminate Proceeding*. The parties submitted two supporting documents with the *Joint Motion* that are now part of the record in the case.

6 The Joint Motion explained that PSE had agreed to pay the full amount of the penalty and perform various other internal corporate processes, including an investigation into more than two dozen accounts. The parties requested an order obligating PSE to pay the penalty, taking the agreed upon actions, and terminating the brief adjudication. That same day, the Commission issued a Notice striking the scheduled hearing.

7 **COMMISSION DECISION:** The Commission grants the joint motion and requires PSE to pay the full amount of the \$104,300 penalty originally assessed and promptly complete its investigations into twenty-six specific accounts more fully described in Attachment A to the *Joint Motion*. The Commission also requires PSE to continue implementation of its plan to meet all of its prior obligations, as more fully set out in Attachment B to the *Joint Motion*.

8 This proceeding shall be terminated upon the Commission's receipt of PSE's payment of the assessed penalty.

9 The Secretary has been delegated authority to enter this Order on behalf of the Commissioners under WAC 480-07-904(1)(h).

DATED at Olympia, Washington, and effective December 28, 2010.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER
Executive Director and Secretary

NOTICE TO PARTIES: This is an order delegated to the Executive Secretary for decision. Under WAC 480-07-904(3), you may seek Commission review of this decision. In addition to serving you a copy of the decision, the Commission will post on its Internet Web site for at least 14 days a listing of all matters delegated to the Executive Secretary for decision under WAC 480-07-904(1). You must file a request for Commission review of this order no later than fourteen (14) days after the date the decision is posted on the Commission's Web site. The Commission will schedule your request for review for consideration at a regularly scheduled open meeting. The Commission will notify you of the time and place of the open meeting at which the Commission will review the order.

The Commission will grant a late-filed request for review only on a showing of good cause, including a satisfactory explanation of why the person did not timely file the request. A form for late-filed requests is available on the Commission's Web site.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of a Penalty Assessment
Against

PUGET SOUND ENERGY, INC.

In the Amount of \$104,300

DOCKET U-100182

JOINT MOTION TO ACCEPT FULL
PAYMENT OF PENALTY; REQUIRE
INVESTIGATION OF TWENTY-SIX
SPECIFIC ACCOUNTS; REQUIRE
CONTINUED PLAN
IMPLEMENTATION; AND
TERMINATE PROCEEDING

I. BACKGROUND AND DECISION

1 On October 8, 2010, the Commission issued a penalty assessment against Puget Sound Energy, Inc. (PSE or the company), in the amount of \$104,300, for violation of several commission rules primarily pertaining to the proper handling of prior obligation. On October 27, 2010, PSE filed its Application for Mitigation, in which it admitted the violations and requested a hearing. On November 15, 2010, Commission Staff filed its response to PSE's Application, in which staff did not oppose setting the matter for hearing, but opposed mitigation of the penalty. On November 17, 2010, the Commission issued a Notice of Brief Adjudicative Proceeding set for December 20, 2010. On December 10, 2010, the parties met to discuss the issues. Following discussion, the Company agreed to: (1) pay the full penalty amount, (2) allow the Company's December 10, 2010, PowerPoint presentation summarizing the actions it has agreed to take to ensure compliance with commission rules to be entered into the record, (3) investigate twenty-six specific accounts,

JOINT MOTION TO ACCEPT FULL PAYMENT OF PENALTY;
REQUIRE INVESTIGATION OF TWENTY-SIX SPECIFIC ACCOUNTS; REQUIRE CONTINUED
COMPLIANCE WITH PLAN IMPLEMENTATION; AND TERMINATE PROCEEDING - 1

and (4) continue to comply with plan implementation.¹ That plan includes extensive process improvement, training, and quality assurance.


II. CONCLUSION

2 For the above reasons, Puget Sound Energy, Inc., and Commission Staff jointly request that the Commission enter an Order: (1) accepting full payment of the penalty, (2) requiring investigation of twenty-six specific accounts, (3) requiring continued plan implementation, as described in the Company's PowerPoint presentation, and (4) terminating this proceeding. We wish to proceed on this paper record.

DATED this 16th day of December 2010.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General



SALLY BROWN
Senior Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

PERKINS COIE

SHEREE STROM CARSON
DONNA L. BARNETT
Counsel for Puget Sound Energy, Inc.

¹ The twenty-six specific accounts are set forth in Attachment A to this pleading. The PowerPoint presentation is Attachment B to this pleading.

and (4) continue to comply with plan implementation.¹ That plan includes extensive process improvement, training, and quality assurance.

II. CONCLUSION

2 For the above reasons, Puget Sound Energy, Inc., and Commission Staff jointly request that the Commission enter an Order: (1) accepting full payment of the penalty, (2) requiring investigation of twenty-six specific accounts, (3) requiring continued plan implementation, as described in the Company's PowerPoint presentation, and (4) terminating this proceeding. We wish to proceed on this paper record.

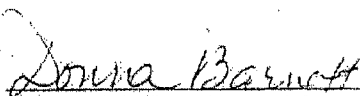
DATED this ___ day of December 2010.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General

SALLY BROWN
Senior Assistant Attorney General
Counsel for Washington Utilities and
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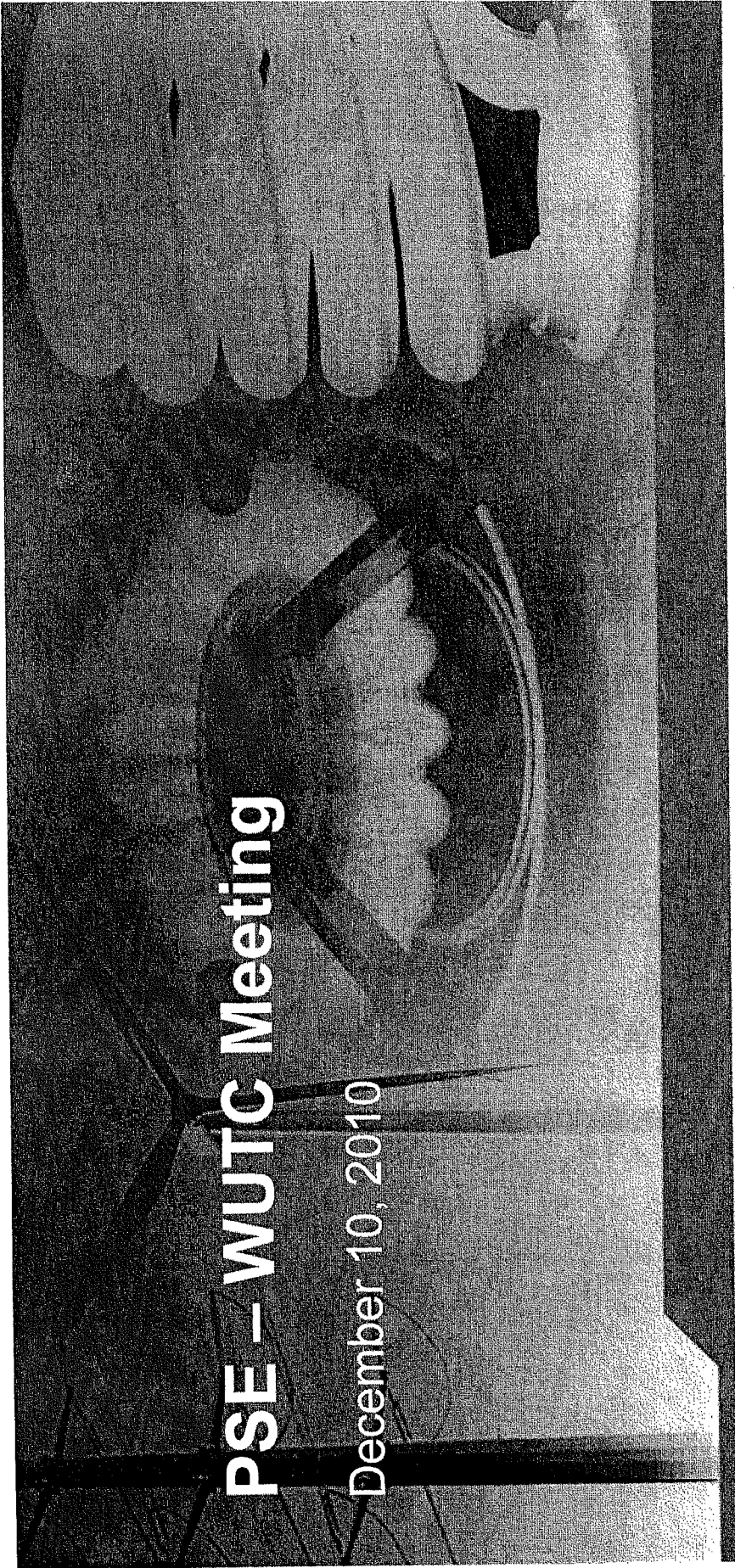
¹ The twenty-six specific accounts are set forth in Attachment A to this pleading. The PowerPoint presentation is Attachment B to this pleading.

ATTACHMENT A

Twenty-six Account Numbers
103-468-893 V. P. A
620-246-000 K. S. B
032-882-350 C. L. C
185-562-000 R. A. D
209-097-100 R. C. E
068-138-000 R. H. F
506-601-221 E. R. G
090-424-800 T. S. H
706-475-098 E. C. I
464-760-703 A. F. C. J
400-013-751 R. M. K
312-868-647 M. H. L
005-582-000 J. C. M

811-395-614 J. R. N
460-081-114 V. D. O
528-347-398 C. C. P
726-645-928 F. T. Q
559-445-988 B. Q. R
287-969-400 A. G. S
110-802-000 J. H. T
248-109-867 M. Z.-F. U
146-225-269 S. R. V
385-114-100 E. J. W
331-358-069 M. D. X
223-606-315 S. R. Y
450-764-430 F. S. Z

ATTACHMENT B



PSE -- WUTC Meeting

December 10, 2010

PSE **PUGET SOUND ENERGY**
The Energy To Do Great Things

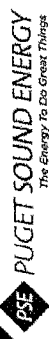
December 10, 2010

Prior Obligation Update

- ✓ Roadmap Review
- ✓ Key Deliverables
- ✓ Final Scripting
- ✓ Prior Obligation Calculation Scenario
- ✓ Next Steps

Prior Obligation Roadmap

OCT Nov Dec Jan



Identify the Underlying Issues

Completed

Refine Processes and Continuously Improve

Document and Improve Pledge Related Processes

Review Prior Obligation process and refine as needed

Review Process of Customers who do not contact immediately after disconnect

★ On-Going

Completed

Completed

Quality Assurance/ Sustainability

Enhance Quality Assurance Process

Quarterly Quality Assurance Self Audit

Quarterly Report of Self Audit (mirror Performance standard)

On-Going

Began 12/3/10

On-Going

Internal Training and Communication

Prior Obligation Communications

Frequent Refresher Training

Testing and coaching

Completed

★ On-Going

Metrics and Reporting

Develop Prior Obligation Scorecard

Develop Method to monitor Pledge application workload

Review Deposit Standard

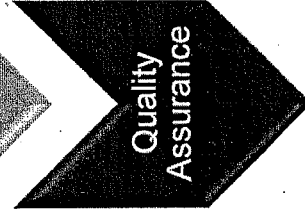
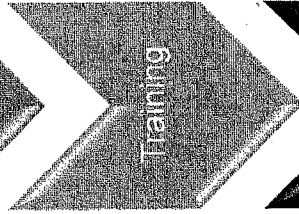
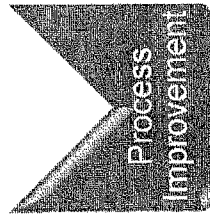
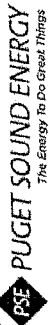
Completed

In Progress

Completed

★ Denotes change in original timeline.

Key Deliverables



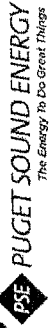
- Revised Prior Obligation processes.
- Established VRU menu option for disconnected customers.
- Implemented a specialized team to handle all calls from disconnected customers.
- Updated scripting for agents.

- Focused training for specialized disconnect team.
- Trained all agents and Customer Care leadership on new processes.
- Curriculum development is in process for training and on-going training.

- Established Quality Assurance criteria to examine end to end Prior Obligation handling.
- Established reporting format for monthly and quarterly QA results.
- Initiated QA reviews on updated processes on 12/3/10.



Updated Scripting



- Scripting was revised through collaborative feedback and testing
- Current version of script provides clarity and consistency
- Delivery time improved 2-3 minutes from previous versions

Let me review your account and then I can advise you on action that are available to you...

Thank you for holding...

It looks like this account was disconnected for:

- Usage charges (and/or a deposit), for a total disconnect amount of \$ _____

We can:

- Reconnect the service for the disconnection amount of \$ _____ + a \$37 reconnection fee, which totals \$ _____

• If you are unable (it isn't possible) to pay the full disconnect amount, we can reconnect your service for a new deposit & a reconnection fee, which appears to total \$ _____ and/or but I need to explain a few details to you about this prior obligation process (if total exceeds disconnection amount, quote 1/2 deposit + reconnect fee)

- We will be closing your account and reopening it right away so that your reconnect can be processed as soon as the payment is received.

- When we do this, it allows your service to be reconnected for a deposit and a reconnection fee

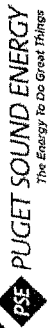
• If you choose to have your service reconnected by paying a new deposit and reconnect fee then this provides PSE the opportunity for us to offer you a payment plan on the prior charges. The changes in the payment arrangement would be for usage of \$XXX and is called prior obligation. What would you be able to pay each month in addition to your current charges? (\$XXX) (Based on customer response process payment arrangement)

- Okay, the prior obligation arrangement is \$XX/month spread out over the next X months starting with your next bill. Is this ok? (Yes) If we noted the arrangement on your account and you will see this arrangement on your next statement in addition to the current charges.

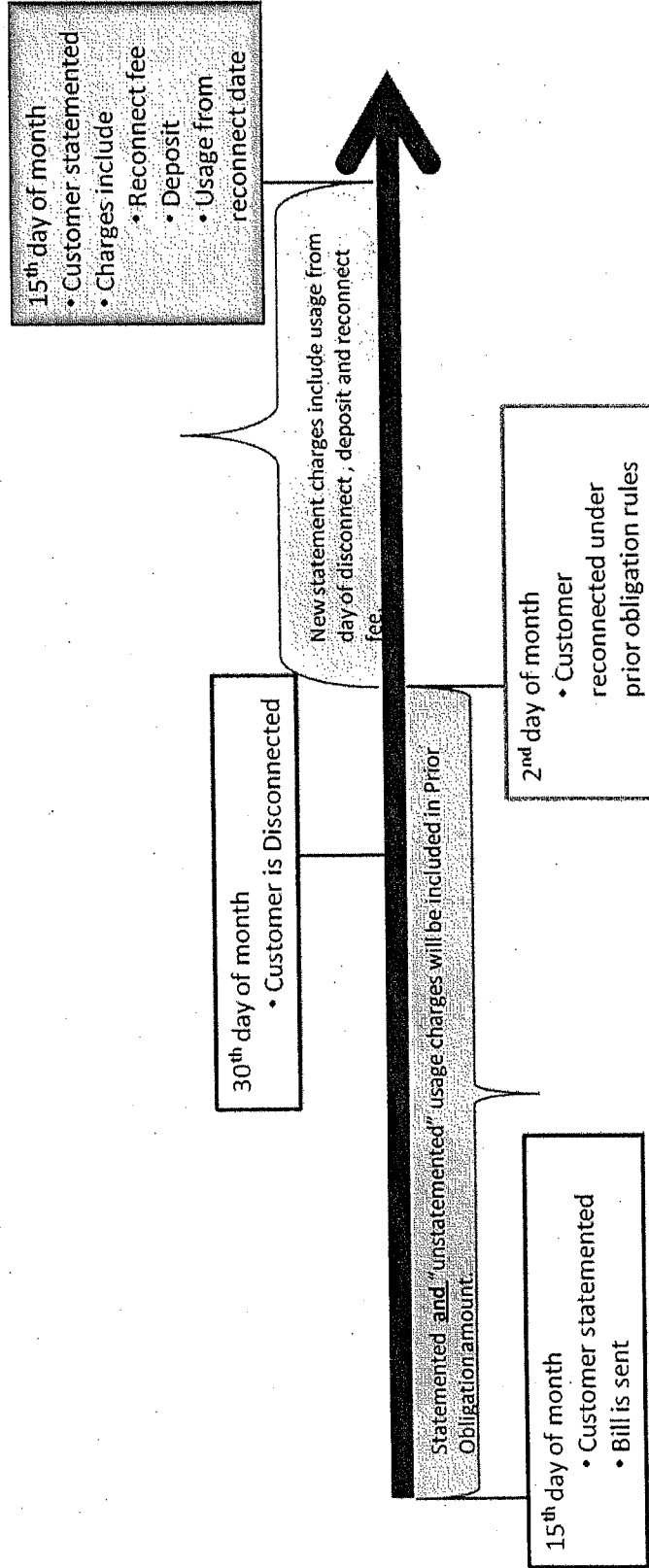
• If you are unable (isn't possible) to pay these arrangements on time, PSE cannot disconnect the service for those charges of \$XXX.XX included in the prior obligation arrangement. However, PSE will send the prior obligation balance owing directly to a collection agency, so it is very important to keep this arrangement.

- Please ensure to continue to pay the current charges to avoid a possible disconnection of service in the future.

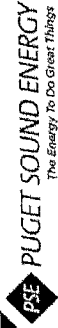
Prior Obligation Calculation Scenario



Calculating Prior Obligation Amount - Scenario



Next Steps



- ✓ Continue work with agencies on pledge process improvement.
- ✓ Perform Quality Assurance against new process and continue to refine.
- ✓ Continue to monitor and mitigate all complaint scenarios.
- ✓ Maintain training curriculum for Pledges and Prior Obligation.
- ✓ Provide quarterly report beginning April 2011.

APPENDIX B

APPENDIX B

Overview of PSE's revamped Prior Obligation Process: Effective April 2012

The Prior Obligation process starts when a residential customer's natural gas and/or electric service is disconnected due to non-payment. Once the meter is physically disconnected, the Customer Service Representative (CSR's) that processes the disconnect service order will end all active product assignments thus "closing" the statement account and isolating it as the "Prior Obligation Statement Account."

When the customer calls in to report the disconnection, the agent will ensure the prior obligation statement account has been ended (all product assignments). All collectibles on product assignments related to the location of the disconnected fuel (i.e., leased equipment, shop, well, etc.) are considered part of the prior obligation balance and eligible for installment arrangements. Those balances will not be transferred to the new statement account nor will they be eligible for future disconnection. Should a credit be created from any deposit application upon ending the product assignments, the credit will be transferred to the new account.

With the implementation of the new process, all trained CSR's will be handling the disconnect calls except in the following situations where the calls must be transferred to the Disconnect Queue:

- o The customer believes their service was disconnected in error
- o Customer paid disconnect amount (based on final notice) before prior obligation was quoted or processed and the amount is **less than** ½ deposit + reconnect fee.
- o Medical Emergency
- o Letter of Intent from Energy Assistance agency
- o Bankruptcy

Except in circumstances where the customer claims medical emergency or the customer believes their service was disconnected in error, the residential customer's original account will be closed and processed as prior obligation. If the customer claims medical emergency, the original account WILL NOT BE CLOSED and the account is not processed as prior obligation. The reconnection order will be processed without requiring an upfront payment and the customer is provided the five business days grace period to submit the medical certificate and to pay 10 percent of the past due balance on the account which is consistent with WAC 480-90/100-128(5).

APPENDIX C

Customer Account

The \$13.00 and \$37.00 credit were applied on July 27th in Line Item 1 below.

Statement Account: []

File Edit Options Windows Help

ConsumerLin X

Company [] Statement Account []

Consumer [] Additional Name []

Account Activity

Creation Date: Nov 10, 1999 Inactive Date: [] Data Retention Date: Dec 2, 2001

Account Activity [+]

#	[+]	Activity Date	Activity Description	Reversal?	Activity Amount	Reallocated Tendered Item?	Total Amount Owning	Statement Date
1		Jul 27, 2012	Residential Credit Adjustment	N	\$50.00	N	\$543.55	
2		Jul 19, 2012	PAYMENT	N	\$509.00	N	\$593.55	
3	+	Jul 2, 2012	Residential Secondary Service	N	\$92.63	N	\$1,102.55	Jul 2, 2012
4	+	Jun 20, 2012	PAYMENT	N	\$607.00	Y	\$1,009.92	Jul 2, 2012
5	+	Jun 1, 2012	Residential Secondary Service	N	\$94.77	N	\$1,616.92	Jun 1, 2012
6	+	May 2, 2012	Residential Secondary Service	N	\$122.97	N	\$1,522.15	May 2, 2012
7	+	Apr 3, 2012	Residential Secondary Service	N	\$184.12	N	\$1,399.18	Apr 3, 2012
8	+	Mar 31, 2012	Miscellaneous Regulatory Asset	N	\$1.33	N	\$1,215.06	Apr 3, 2012
9	+	Mar 12, 2012	Residential Late Pay Fee	N	\$2.01	N	\$1,216.39	Apr 3, 2012
10	+	Mar 9, 2012	Residential Late Pay Fee	N	\$2.09	N	\$1,214.38	Apr 3, 2012
11	+	Mar 5, 2012	Residential Secondary Service	N	\$177.50	N	\$1,212.29	Mar 5, 2012
12	+	Feb 9, 2012	Residential Late Pay Fee	N	\$2.01	N	\$1,034.79	Mar 5, 2012
13	+	Feb 2, 2012	Residential Secondary Service	N	\$205.89	N	\$1,032.78	Feb 2, 2012
14	+	Jan 17, 2012	PAYMENT	N	\$304.99	N	\$826.89	Feb 2, 2012
15	+	Jan 12, 2012	Residential Late Pay Fee	N	\$1.12	N	\$1,131.88	Feb 2, 2012

Reset Cols More

Transaction was successful

Production User Site

APPENDIX D

APPENDIX D:

PLEDGE PROCESS:

The company's standard practice is to post all pledge payments, including LIHEAP and PSE HELP against the new (active) statement account except as described below. In the event that there is an unpaid pledge at the time of disconnection, the agent processing the prior obligation will end and re-post the pledge to the new statement account; this will direct the pledge funds to the new account when they are received.

A limited number of agencies (primarily tribal agencies) do not allow energy assistance funds to be applied toward the deposit and reconnection fee. In that case, the agency may submit a Letter of Intent, and the company will apply the pledge consistent with the Letter of Intent. (Note: the agency's source of funds could be PSE Help dollars)

When the company receives the actual pledge payment, the payment is applied to the active account unless the agency has designated that the payment be applied to the closed (prior obligation) account (either via letter of intent or documentation submitted with the pledge payment listing multiple account numbers that include the customer's prior obligation account number).