

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

ILIAD WATER COMPANY, LLC,

Respondent.

DOCKET UW-190613

JOINT NARRATIVE SUPPORTING
SETTLEMENT AGREEMENT

I. INTRODUCTION

1 This Joint Narrative Supporting Settlement Agreement (Narrative) is filed pursuant to Washington Administrative Code (WAC) 480-07-740(3)(a) on behalf of Iliad Water Company, LLC, (Iliad Water or Company), Public Counsel Unit of the Washington State Attorney General’s Office (Public Counsel), and Staff of the Washington Utilities and Transportation Commission (Staff) (collectively, “the Parties”). The Parties have signed the settlement agreement (Agreement), which is being filed concurrently with this Narrative. This Narrative summarizes the Agreement. It is not intended to modify any terms of the Agreement.

II. PROPOSAL FOR REVIEW PROCEDURE

2 In accordance with WAC 480-07-740, the Parties propose the following settlement consideration procedure for review of the proposed Agreement. The Parties believe that this matter is a less complex matter under WAC 480-07-740(2)(b). Accordingly, the Parties submit that conducting a hearing will not assist the Commission to decide whether to approve and adopt the settlement because the settlement addresses all issues raised in the complaint and because of Iliad Water’s cooperation with Staff. *See* WAC 480-07-740(2)(e).

3 If the Commission conducts a hearing, however, the Parties will present one or more witnesses to testify in support of the Agreement and to answer questions concerning the Agreement’s details, costs, and benefits. *See* WAC 480-07-740(3)(b). In addition, counsel for each party will be available to address any legal matters associated with the Agreement. If the Commission requires supporting documents beyond the Agreement, Narrative, and the other documents on file in this docket, the Parties will provide documentation as needed.

III. APPLICABLE LAW

4 The Commission has jurisdiction over this matter pursuant to RCW 80.01.040, 80.01.060, RCW 80.28.050, RCW 80.28.080, WAC 480-110-431, and Chapter 480-80 WAC. RCW 80.28.080(1)(a) states that no water company may “charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time ...”

IV. SCOPE OF THE UNDERLYING DISPUTE

5 The scope of the underlying dispute is as described in the Staff Investigation Report and complaint filed in this docket on October 16, 2019. The dispute concerns violations of RCW 80.28.080 based on charges to customers not authorized in tariff.

V. DESCRIPTION OF SETTLEMENT AGREEMENT

6 The Agreement resolves all of the issues in dispute. The Parties agree to the following terms set forth in the Agreement:

- Customer refunds: Iliad Water shall refund customers the \$3,859.50 outlined in the complaint, and shall provide Staff and Public Counsel proof of all refunds to customers. If refunds have already been issued prior to this Agreement, Iliad

Water will provide proof of those refunds. Once Staff and Public Counsel verify the prior refunds, they will be acknowledged and counted against the total customer refund amount due.

- Violations: Iliad Water admits to the violations described in the complaint. In the interest of expediency and to avoid the costs associated with a hearing, Iliad Water agrees to pay the penalties associated with the violations as described below.
- Monetary penalty: The Commission will impose a penalty of \$28,240, with \$22,640 suspended for a period of two years from the effective date of the Commission order approving this settlement, based on the above violations. The suspended penalty will be immediately due if Iliad Water commits a violation of the type complained of in this docket. The suspended penalty will be waived after the two year period provided that Iliad Water does not commit violations of the type complained of in this docket during this period.
- Payment plan: \$5,600 of the total \$28,240 in penalties shall be paid by Iliad Water through a payment plan, which will be submitted to this docket within thirty (30) days of a Commission order accepting this settlement.
- Compliance plan: Iliad Water shall work with Staff and Public Counsel to draft and submit a compliance plan, which shall be filed in this docket within thirty (30) days of a Commission order accepting this settlement.
- Future enforcement of allegations set forth in complaint: Staff confirms that it will not pursue further enforcement against Iliad Water arising out of any of the allegations set forth in Docket UW-190613.

VI. STATEMENT OF IMPACT ON THE PUBLIC INTEREST

7 The Parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay inherent in a litigated outcome. Likewise, it is in the public interest that this dispute conclude without the further expenditure of public resources or litigation expenses.

8 In accordance with WAC 480-07-740-750, the Parties believe the Agreement is in the public interest and appropriate for the Commission's acceptance without conditions under WAC 480-07-750(2)(a) for six reasons. First, customers affected by the unauthorized charges will receive refunds. Second, the Company admits the violations, thus taking responsibility for its regulatory non-compliance. Third, to Staff's knowledge, the Company has not committed violations since the incidents outlined in the complaint and investigation report. Fourth, the suspended penalty will create an incentive for the Company to comply with the terms of the settlement and Commission regulations. Fifth, the Company's ongoing compliance awareness will be enhanced by its development with Staff and Public Counsel of a compliance plan to be filed in this docket within thirty (30) days of a Commission order accepting this settlement. Lastly, the penalty amount due and payable through a payment plan under this Agreement balances the need to incentivize compliance without creating a financial burden on the Company that could affect service.

9 The Commission has formally expressed its support for negotiated resolutions of enforcement actions. The rule states, "The commission supports parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest" WAC 480-07-700. For the reasons stated above, the Parties contend that their Agreement is lawful and consistent with the public interest.

VII. CONCLUSION

10 The Agreement resolves all of the issues in this docket and the Parties submit that their resolution complies with applicable legal requirements and is consistent with the public interest. The Parties respectfully request that the Commission issue an order approving the Agreement in its entirety.

DATED this ___ day of January 2020.

ILIAD WATER COMPANY

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

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DATED this 16th day of January 2020.

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VII. CONCLUSION

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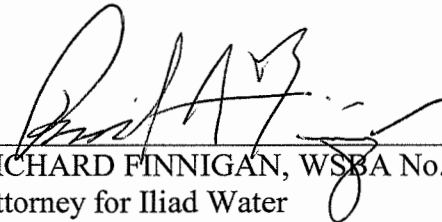
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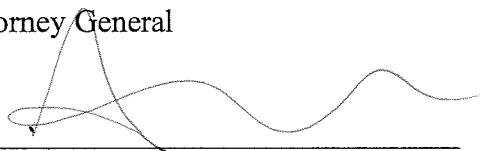
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