

**Exh. JHJ-1T
Docket UE-240087
Witness: Jacque Hawkins-Jones**

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UE-240087

TESTIMONY OF

JACQUE HAWKINS-JONES

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE's Petition to Modify the Commission's Final Order

April 19, 2024

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1 I. INTRODUCTION

2

3 Q. Please state your name and business address.

4 A. My name is Jacque Hawkins-Jones, and my business address is 621 Woodland
5 Square Loop SE, Lacey, WA 98503. My business mailing address is P.O. Box
6 47250, Olympia, Washington, 98504-7250. My email address is [Jacque.Hawkins-](mailto:Jacque.Hawkins-Jones@utc.wa.gov)
7 Jones@utc.wa.gov.

8

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

10 A. I have been employed by the Washington Utilities and Transportation Commission
11 (Commission) since August 2019. I started at the Commission as a Compliance
12 Investigator in the Consumer Protection Division, then became a Deputy Assistance
13 Director in Energy Regulation. Since July 2023, I have served as the Deputy Director
14 of Energy – Rates and Services.

15

16 Q. Please state your qualifications to provide testimony in this proceeding.

17 A. I have an associate degree from Olympic College and I am a certified investigator
18 for the state of Washington. I have approximately eight years of experience as an
19 investigator with regulatory agencies in the State of Washington.

20

21 Q. Have you previously testified before the Commission?

22 A. Yes. I have testified in other enforcement proceedings involving Commission
23 regulated transportation industries, including dockets TV-200029, TV-190835, UT-

1 181051. I have also testified in multiple energy utility dockets; most recently, I
2 testified in front of the Commission regarding consolidated dockets UE-220066,
3 UG-220067, and UG-210918, which involved testimony related to Puget Sound
4 Energy's petition to amend the final order.

5

6

II. SCOPE AND SUMMARY OF TESTIMONY

7

8 **Q. How did you become familiar with the matters in this proceeding?**

9 A. I was alerted by Regulatory Analyst, Betty Erdahl, who was the administrative lead
10 of the consolidated dockets in this matter and contact for the Company. Betty is an
11 analyst in my unit and we are assigned to all electric and natural gas general rates
12 cases.

13

14 **Q. What is the scope and purpose of your testimony?**

15 A. In my testimony, I discuss the settlement before the Commission and the reasons that
16 Staff recommends the Commission adopt it. But first I will detail the background
17 around the complaint that led to the settlement, which includes the discovery of the
18 missing page of Schedule 52-B 12th Revision.

19

1 **III. DISCUSSION**

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3 **A. Background**

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5 **Q. Please explain the background for this compliance filing.**

6 A. As detailed in the Commission’s Final Order 24/10 in consolidated Dockets UE-
7 220066, UG-220067 and UG-210918, issued on Dec. 22, 2022, the Commission
8 approved and adopted three partial multiparty settlements, subject to conditions. In
9 doing so, the Commission rejected the Company’s proposed tariff sheets filed on
10 Jan. 31, 2022, and required the Company to submit a compliance filing that includes
11 all tariff sheets “that are necessary and sufficient to effectuate the terms of this Final
12 Order.” The Final Order states that the effective date of the compliance filing tariff
13 sheets must allow five business days for Staff to review before the effective date. On
14 Dec. 27, 2022, Puget Sound Energy filed its compliance filing. On January 3, 2023,
15 Staff filed a letter accepting the Company’s compliance filing which contained all
16 new and revised tariff schedules in accordance with the multi-party settlement
17 agreement. However, that same day, the Commission issued a Notice Permitting
18 Additional Responses to Compliance Filing, indicating that Staff and other parties
19 may provide additional responses clarifying rate-related information in the
20 compliance filing. On January 4, 2023, the Company and Staff submitted additional
21 comments and the Commission issued Order 25/11 to establish additional process for
22 review of PSE’s compliance filing and that the Commission would provide a
23 response by January 6, 2023. On January 6, 2023, the Commission issued Order

1 26/12, rejecting the Company's compliance filing and requiring PSE to submit a
2 revised compliance filing that removes \$135.8 million related to PSE's recovery of
3 projected costs related to the Climate Commitment Act's impacts on PSE's use of
4 natural gas and coal-fired resources. On January 9, 2023, PSE submitted its revised
5 compliance filing. Staff reviewed and confirmed that the Company submitted its
6 corrected compliance filing, removing the \$135.8 million from rates.

7

8 **Q. At the time of the first compliance filing, were there any missing tariff**
9 **schedules?**

10 A. No, all of the tariff schedules were submitted with the Company's December 27,
11 2022, compliance filing.

12

13 **Q. Did Staff review the entire revised compliance filing that was submitted on**
14 **January 9, 2023?**

15 A. Staff only reviewed the schedules that the Commission required the Company to
16 resubmit, as the contents of the remaining schedules were correct per the multiparty
17 settlements in the first submission, and the Order was very specific on what needed
18 to be revised.

19

1 **B. Discovery of Missing Schedule**

2

3 **Q. How did you become aware of the missing schedule?**

4 A. On January 30, 2024, Betty Erdahl copied me on an email related to a matter that
5 PSE contacted her regarding its Schedule 52-B tariff page. The email was from a
6 staff member from PSE’s Rates and Regulatory division, following up on a phone
7 conversation she had with Betty Erdahl requesting direction on what she called an
8 “administrative issue”. After discussion with Staff and our assigned Assistant
9 Attorney Generals, I reviewed the case file and found that PSE had not filed its
10 Schedule 52-B tariff page with its January 9, 2023, revised compliance filing. It was
11 the only missing sheet, all other sheets that were in the December 27th filing were
12 included in the January 9th compliance filing.

13

14 **Q. Did the Company include any version of Schedule 52-B in the January 9th**
15 **compliance filing?**

16 A. No, the entire page for Schedule 52-B was not included in the compliance filing.

17

18 **Q. Did the Company include the 12th Revision of the Schedule 52-B tariff sheet in**
19 **its original compliance filing?**

20 A. Yes, Staff confirmed that the missing tariff sheet was included in the initial
21 compliance filing. It was only after the Commission rejected and required a revised
22 compliance filing did the Company leave out the Schedule 52-B tariff sheet.

23

1 **Q. Why is it so important to include all tariff sheets when completing a compliance**
2 **filing?**

3 A. RCW 80.28.080(1)(a) says that no electric company may charge, demand, collect, or
4 receive a greater or less or different compensation for any service rendered or to be
5 rendered than the rates and charges applicable to such service as specified in its
6 schedule filed and in effect at the time. Additionally, WAC 480-07-880(2) states that
7 the Commission must approve or accept any compliance filing before it can become
8 effective. Not only is it important for the Company to submit all tariff schedules in
9 accordance with the law, but it ensures that the customers of those utilities are
10 charged just, reasonable, and sufficient rates that have been analyzed and approved
11 by the Commission.

12
13 **Q. What was the context of Schedule 52-B and why was missing this schedule**
14 **significant?**

15 A. Schedule 52-B includes charges to customers contracting with the Company for
16 lighting services on streets, highways, or other areas. The 12th Revision of the
17 schedule that was approved in the General Rate Case included a rate increase to
18 those customers. When PSE did not include the tariff page in its revised compliance
19 filing, the increased rate did not become effective per WAC 480-07-880(2), and PSE
20 should not have published the rate on its website or charged that rate to its
21 customers.

22
23

1 **Q. What was the total impact to customers of this improper charge?**

2 A. PSE informed Staff on February 5, 2024, that since January 11, 2023, it had
3 collected \$927,785.34 from customers using the unapproved 12th Revision of
4 Schedule 52-B tariff sheet.

5

6 **C. Settlement Recommendations**

7

8 **Q. Have Staff and the Company discussed the missed Schedule 52-B and what was
9 the outcome?**

10 A. Staff and the Company did have numerous conversations about the missing
11 Schedule.

12

13 **Q. What was the outcome of those discussions?**

14 A. On March 5, 2024, Staff filed a complaint in this docket detailing the Violations
15 against the Company. Since that time, Staff and the Company have agreed to resolve
16 the dispute on the following terms:

- 17 1. Customer refunds with interest
18 2. Process to ensure complete future compliance filings
19 3. Suspended Penalty

20

21

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1 **Q. How much is Staff requesting be refunded?**

2 A. Staff is requesting the Commission order the Company to refund its customers
3 \$41,156.51 collected under Schedule 52-B since January 11, 2023, with interest.
4 This number was reached based on settlement discussions.

5
6 **Q. Is Staff requesting interest be paid to the customers? If so, how much and why?**

7 A. Staff is requesting interest be paid back to PSE's customers and calculated in
8 accordance with the Company's Interest Credit Policy. Staff reviewed the Interest
9 Credit Policy and determined that the resulting interest calculated from that policy in
10 this case was equivalent to how Staff has dealt with interest refunds in the past.

11
12 **Q. Please discuss each term and why Staff feels it is in the public interest.**

13 A. Customer Refunds with Interest – This was a very important term for Staff because
14 customers were financially impacted by this error. Regardless of whether the error
15 was intentional or not, customers were financially impacted by an improper charge
16 that was not approved by the Commission in PSE's compliance filing.

17 Compliance Filing Process – Because customers were directly impact by this
18 error, Staff wants the Company to put something in place internally to ensure this
19 does not happen again. This is especially true because Schedule 52-B was included
20 in the Company's original compliance filing. If an internal process was in place at
21 PSE to ensure that only what was submitted to the Commission and approved by
22 Order was posted to its website and charged to its customers, then Staff believes this
23 could have been avoided.

1 Suspended Penalty – As outlined in the complaint, Staff believes the
2 Company violated RCW 80.28.080(1)(a) at least 26,982 times by collecting rates
3 from customers not approved by the Commission; violated RCW 80.28.050 at least
4 392 times for not filing the 12th Revision of Schedule 52-B with the Commission
5 prior to charging customers the higher rates; violated WAC 480-100-028 at least 392
6 times for publishing on its website an unapproved tariff representing that the tariff
7 was approved by the Commission; and violated RCW 80.28.060(1) once on January
8 11, 2023, for improper notice of the 12th Revision of Schedule 52-B. Staff believes
9 that these specific violations are serious violations against one of the main duties of
10 the Commission, setting customer rates. And although Staff believes the Company
11 did not intentionally misfile and improperly charge customers, we recommend that
12 the Commission issue a suspended penalty for the violations until Puget Sound
13 Energy can show a thorough and complete compliance filing in its next General Rate
14 Case which is currently filed with the Commission in Docket UE-240004 and UG-
15 240005.

16
17 **Q. Why is the refund in the public interest?**

18 A. The refund is in the public interest because it reaffirms the Commission’s authority
19 to approve reasonable and sufficient rates. Since the Commission did not approve the
20 12th Revision of the sheet and the Company was not authorized to charge its
21 customers that amount, Staff believes the Company should refund its customers for
22 the improper charges.

1 **Q. Why is Staff not requesting the entire amount collected since January 11, 2023,**
2 **be refunded?**

3 A. For the purposes of settlement, the above amount identified for refund was mutually
4 agreed to by Staff and the Company. Staff believes the agreed amount, along with
5 the suspended penalty, is a reasonable settlement condition s it provides refunds to
6 customers and puts in place a suspended penalty to ensure the Company follows
7 Commission laws and rules, specifically related to posting and charging only rates
8 that have been approved by the Commission.

9

10 **Q. Why is Staff requesting only a suspended penalty?**

11 A. Staff is requesting only a suspended penalty because the terms of the suspension
12 require the Company to put in place an internal process to ensure this error does not
13 happen again. Staff also recognizes that the Company notified Staff once they
14 became aware of the error. An additional term of this condition is that the penalty
15 will only be suspended until the Company completes its next general rate case
16 compliance filing without any missing sheets. If Staff finds that in the Company's
17 compliance filing for the current general rate case (Dockets UE-240004 and UG-
18 240005) there are any missing sheets, the penalty will become due for payment.
19 Suspending penalties in complaints is a common practice of the Commission to
20 ensure the Company follows through with all the conditions of the Commission
21 Order.

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

2 **A. Yes.**

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