

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

STARVING STUDENTS, INC.,

Respondent.

DOCKET TV-140643

NARRATIVE SUPPORTING  
SETTLEMENT AGREEMENT

**I. INTRODUCTION**

1 This Narrative Supporting Settlement Agreement (Narrative) is filed pursuant to Washington Administrative Code (WAC) 480-07-740(2)(a) on behalf of both Starving Students, Inc. (“Starving Students” or “Company”) and the Staff of the Washington Utilities and Transportation Commission (“Commission Staff”) (collectively, “the Parties”). Both 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. PROPOSALS FOR REVIEW PROCEDURE**

2 The Parties submit that this matter is considerably less complex than a general rate proceeding and request that review proceed on a timetable for less complex matters, as provided in WAC 480-07-740(1)(b). To the knowledge of either party, there are no opponents of the settlement. Because of the less complex nature of this matter and the

uncontested status of the settlement, the Parties concur that a formal settlement hearing along with the opportunity for public comment are unnecessary in this case.

3           The Parties do not intend to file documentation supporting the Agreement, with the exception of the Agreement itself and this Narrative. 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.

4           In keeping with WAC 480-07-740(2)(b), the Parties are prepared to present one or more witnesses each to testify in support of the proposal and answer questions concerning the Agreement's details, and its costs and benefits, should such testimony be required. In addition, representatives of both Parties are available to respond to any questions regarding the proposed settlement that the Commission may have.

5           The Parties request a streamlined review of the proposed settlement. To that end, the Parties would prefer an informal review on a paper record. In accordance with WAC 480-07-730, the Parties propose the foregoing procedural alternatives for review of the proposed settlement agreement.

### **III. SCOPE OF THE UNDERLYING DISPUTE**

6           The underlying dispute concerns a complaint issued by the Commission on September 8, 2014, against Starving Students for violations of statutes and rules and Tariff 15-C enforced by the Commission.

7           At a prehearing conference, the Commission scheduled the matter for an evidentiary hearing. Subsequently, the Parties negotiated and reached a full settlement of the dispute.

#### **IV. DESCRIPTION OF PROPOSED SETTLEMENT**

8           The Agreement resolves all of the issues in dispute. Starving Students admits that it violated the statutes, Commission rules, and portions of Tariff 15-C as described in the Complaint. Furthermore, the Agreement provides for a penalty of \$7,300, half of which is suspended for, and waived after, one year if the Company is found in compliance with those statutes and rules, and tariff provisions in a follow-up compliance review of the Company. The remaining portion of the penalty will be paid in installments. The Agreement provides that all affected customers will be issued refunds for overcharges over a four month period, and contains a schedule of refunds in Attachment A. The Agreement includes Starving Students' commitment to a "Remedial Action Plan," which is described in Attachment B, that Starving Students has undertaken and will continue to implement to come into compliance, including changes to personnel, outside oversight, an internal auditing procedure, and Commission-sponsored training of company employees.

#### **V. STATEMENT OF PARTIES' INTERESTS AND THE PUBLIC INTEREST**

9           As stated in the Agreement, the settlement represents a compromise of the positions of the Parties. The Parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay inherent with a litigated outcome. Likewise, it is in the public interest that this dispute conclude without the further expenditure of public resources on litigation expenses. The penalty is appropriate and consistent with Staff's recommendation in its Investigation Report, and suspension of a portion of this penalty will provide a financial incentive for compliance. Moreover, the Agreement is in the public interest as affected customers identified by Staff who were improperly charged as a result of the violations will be made whole through the timely issuance of refunds. Staff's review of

documentation provided by the Company regarding the refunds and Staff's compliance review within the next year, will verify refunds have been issued and that the Company is in compliance with the statutes and rules at issue. Staff's primary goal with enforcement is compliance. The Agreement reflects that Starving Students has proactively taken steps and committed to a plan for compliance, summarized in the company's own words in a Remedial Action Plan described in Attachment B, to prevent violations from reoccurring. Also, two Starving Students' personnel involved in day-to-day operations attended a recent household goods training on November 12, 2014. These commitments, and training, will benefit the Company and customers, and are in the public interest. Staff and Starving Students support the settlement and urge the Commission to approve it.

**VI. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT**

10

In WAC 480-07-700, the Commission states its support for parties' informal efforts to resolve disputes without the need for contested hearings when doing so is lawful and consistent with the public interest. The Parties have resolved all of the issues in dispute between them, and their resolution complies with Commission rules and, as explained above, is consistent with the public interest.

//

//

//

//

//

//

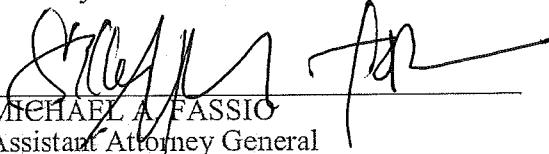
//

VII. CONCLUSION

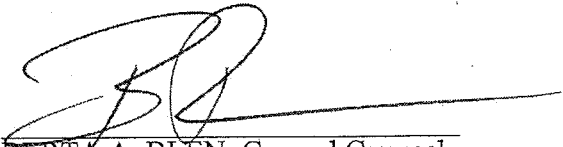
11 Because the Parties have negotiated a compromise on all of the issues in this dispute and because the settlement is in the public interest, the Parties request that the Commission issue an order approving the Agreement in full.

Respectfully submitted this 26 of December, 2014.

ROBERT W. FERGUSON  
Attorney General



MICHAEL A. FASSIO  
Assistant Attorney General  
Counsel for the Washington Utilities and  
Transportation Commission



BERTA A. BLEN, General Counsel  
Starving Students, Inc.