

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

EASTWOOD PARK WATER CO., INC.,

Respondent.

DOCKET UW-140595

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 Eastwood Park Water Co., Inc. (“Eastwood Park” 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 against Eastwood Park on September 8, 2014, for violations of statutes and rules 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**

The Agreement resolves all of the issues in dispute. Eastwood Park admits that it violated the statutes and Commission rules described in the Complaint. Furthermore, the Agreement provides for a penalty of \$1,500, all of which is suspended for, and waived after, one year if the Company is found in full compliance with those statutes and rules in a follow-up compliance review of the Company. The Agreement provides that all affected customers will be credited the amount of overcharges, as identified by Staff. Certain of these customers were fully credited on October 1, 2014, billing statements, others will be fully credited on November billing statements, and others will be fully credited each month over time, beginning in December, 2014, and ending no later than December, 2015. The Agreement sets forth actions that Eastwood Park has also already taken, and will continue to take, to come into compliance, including changes to its billing statements, appropriate tariff filings, and training. Eastwood Park also commits to following the rules and regulations of the Commission.

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

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 given the size of the Company, and suspension of the penalty will provide a financial incentive for compliance. Staff is satisfied that Eastwood Park has already taken several actions to correct the violations at issue, and with its commitment to continued compliance going forward. The commitments

by the Company are consistent with Staff's recommendations to the Company in its Investigation Report, and as such Staff does not believe the violations are likely to recur with their implementation. One of those recommendations was for Eastwood Park to submit a written compliance plan to the Commission addressing all violations. Eastwood Park has done so, and its plan is reflected in the "customer credits" and "compliance efforts" terms of the Agreement. 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; certain credits have already been issued as of October 1, 2014, and others will be refunded on a schedule, for total credits of \$2,900. Staff's review of documentation provided by the Company regarding the credits, and Staff's compliance review within the next year, will verify the credits have been completed and that the Company is in compliance with the statutes and rules at issue.

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

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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 20<sup>th</sup> of November, 2014.

ROBERT W. FERGUSON  
Attorney General



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

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Sec. Treas.  
Eastwood Park Water Co., Inc.

## VII. CONCLUSION

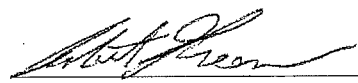
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