

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PELICAN POINT WATER COMPANY,

Respondent.

DOCKETS UW-143980 and
UW-150548 (*Consolidated*)

NARRATIVE SUPPORTING
SETTLEMENT AGREEMENT

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

JILL GOODRICH,

Respondent.

I. INTRODUCTION

1 This Narrative Supporting Settlement Agreement (“Narrative”) is filed pursuant to WAC 480-07-740(2)(a) on behalf of Pelican Point Water Company (“Pelican” or the “Company”), Jill Goodrich, and staff of the Washington Utilities and Transportation Commission (“Staff”) (hereinafter collectively referred to as “Parties” and individually as “Party”). This Narrative summarizes the Settlement Agreement (“Settlement”); it does not modify any terms of the Settlement.

II. PROPOSALS FOR REVIEW PROCEDURE

2 The Parties do not request a hearing to present the Settlement. The Parties instead
respectfully request a streamlined review of the proposed Settlement on a paper record. If
the Commission requires a hearing, the Parties are prepared to present one or more witnesses
to testify in support of the Settlement.

III. SCOPE OF THE UNDERLYING DISPUTE

3 The underlying dispute concerns Pelican's failure to file annual reports and pay
regulatory fees for the 2012 and 2013 reporting years. Every water company that operates in
Washington State must file an annual report and pay regulatory fees to the Washington
Utilities and Transportation Commission ("Commission") each year by May 1. WAC 480-
110-505.

4 Pelican did not file an annual report or pay regulatory fees, as required by WAC 480-
110-505, for the 2012 and 2013 reporting years. In 2013 and 2014, the Commission assessed
a penalty against the Company for violating the filing and regulatory fee requirements. The
Company paid both penalty assessments, but did not file its annual report or pay its
regulatory fees for either the 2012 or 2013 reporting years.

5 On October 15, 2014, the Commission mailed a Notice of Noncompliance to the
Company detailing its failure to comply with WAC 480-110-505. The notice stated that the
Company had until November 15, 2014, to file its delinquent reports and pay its delinquent
regulatory fees to avoid enforcement action. The Commission did not receive the delinquent
filings, fees, or any other response to the notice.

6 On April 23, 2015, the Commission served Pelican and Jill Goodrich with a
Complaint for Penalties and Notice of Brief Adjudicative Proceeding, set for June 2, 2015,

at 1:30 p.m. (the “Complaint”). The Complaint alleged that Pelican and Ms. Goodrich each committed 1,360 separate and distinct violations of WAC 480-110-505 — 680 violations for failing to file the Company’s 2012 and 2013 annual reports, and another 680 violations for failing to pay its 2012 and 2013 regulatory fees. On the same date, the Commission issued a Subpoena and Subpoena Duces Tecum for Production of Documents (“Subpoena”) to Ms. Goodrich to appear before the Commission at the Brief Adjudicative Proceeding (“BAP”) scheduled for June 2, 2015, and to bring the documents specified in the Subpoena.

7 On May 22, 2015, Pelican and Ms. Goodrich requested that the BAP be continued to June 25, 2015, at 1:30 p.m., and the deadline for the production of documents be extended to June 18, 2015. Staff notified the Commission that it did not object to the continuance. The Commission issued a Notice of Continuance of Brief Adjudicative Proceeding on May 26, 2015, stating that the Commission would continue the BAP to a date to be determined in the near future. On June 23, 2015, the Parties notified the Commission that they had reached a mutually agreeable date of Thursday, August 27, 2015, at 1:30 p.m., for the rescheduled BAP and August 20, 2015, as the deadline for the production of documents. The Commission issued a Notice Rescheduling Brief Adjudicative Proceeding that same day, which set the BAP for August 27, 2014, at 1:30 p.m.

8 The Parties subsequently engaged in settlement discussions, which resulted in a full settlement. On August 19, 2015, Staff requested, on behalf of both parties, that the Commission temporarily suspend the procedural schedule because the Parties were actively engaged in settlement negotiations, and hoped to arrive at an agreement without the need for a hearing. The Commission granted the request that same day, and instructed the parties to file either a settlement agreement and supporting documentation or a report on the status of their settlement negotiations by September 2, 2015.

9 The Parties' full settlement agreement is reflected in the Settlement Agreement, which was entered into voluntarily to resolve all matters that were in dispute.

IV. SUMMARY OF PROPOSED SETTLEMENT

10 The Settlement resolves all of the issues in dispute between the Parties. The Parties agree that the Commission should dismiss the allegations in the Complaint that Jill Goodrich, as owner and authorized agent of Pelican, committed 1,360 violations of WAC 480-110-505. Pelican admits that it committed 1,360 violations of WAC 480-110-505, as alleged in the Complaint. The Parties agree that Pelican shall file its annual reports and pay its regulatory fees for the 2010, 2011, 2012, 2013, and 2014 reporting years—Pelican already filed these annual reports, and has paid its balance for its past due regulatory fees of \$2,938.52. The Parties agree that the Commission should assess Pelican with a total penalty assessment of \$34,000, and that Pelican shall pay \$2,500 of the penalty assessment, and that the remaining \$31,500 shall be suspended for, and waived after June 30, 2017, provided that the Company: (1) meets its annual reporting and regulatory fee requirements for the 2015 and 2016 reporting years, and (2) pays the \$2,500 penalty amount. If the Company fails to meet either of these two conditions, the suspended penalty amount and any remaining past due balance shall become due and payable immediately.

V. STATEMENT OF THE PARTIES THAT THE SETTLEMENT AGREEMENT SATISFIES THEIR INTERESTS AND THE PUBLIC INTEREST

11 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 in a litigated outcome. Likewise, the public interest is served by concluding this dispute without the further expenditure of public resources on litigation expenses.

12 The Settlement satisfies both Staff's interest and the public interest because Pelican admits to its violations, and because it filed its annual reports and paid its past due regulatory fees for the 2010, 2011, 2012, 2013, and 2014 reporting years. The Commission will receive the \$2,500 penalty amount without expending further resources on litigation. Further, the \$31,500 suspended penalty amount provides a significant incentive for the Company to meet its annual reporting and regulatory fee requirements going forward.

13 The Settlement also satisfies the public interest and the interests of the Parties because Pelican has taken steps to conform to state laws and regulations. The Company has engaged in technical assistance discussions with Staff to ensure it understands its annual reporting and regulatory fee obligations. The Company has already filed all of its past due reports and paid its past due regulatory fees—including for three compliance years that fell outside the scope of the Complaint. Pelican also retained an accountant and legal counsel to ensure that the Company remains in compliance with state laws and Commission rules going forward.

14 Staff finds that the Commission is justified in dismissing the allegations in the Complaint against Ms. Goodrich because the Company: (a) admits to its violations; (b) will pay a penalty assessment; (c) quickly filed all past due reports and paid all past due regulatory fees (even for compliance years that fell outside the scope of the Complaint); and (d) it retained an accountant to help ensure that it remains in compliance going forward.

15 For these reasons, the Settlement as a whole is in the public interest, as well as the interests of the Parties. Staff and Pelican, therefore, recommend that the Commission approve the Settlement in its entirety

VI. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT

16 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

17 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 Settlement in full.

Respectfully submitted this 7th day of September, 2015.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

PELICAN POINT WATER COMPANY
AND JILL GOODRICH

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Transportation Commission Staff

JEFFREY EARL
Counsel for Pelican Point Water Company
and Jill Goodrich

Dated: Sept. 7, 2015

Dated: _____, 2015

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Respectfully submitted this _____ day of September, 2015.

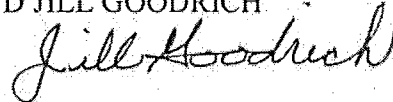
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

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Counsel for the Utilities and
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Dated: _____, 2015

PELICAN POINT WATER COMPANY
AND JILL GOODRICH



JEFFREY EARL
Counsel for Pelican Point Water Company
and Jill Goodrich

Dated: 9/1, 2015