

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

EASTWOOD PARK WATER CO., INC.,

Respondent.

DOCKET UW-140595

SETTLEMENT AGREEMENT

1 This Settlement Agreement is entered into by both parties to this proceeding for the
purpose of resolving all issues raised in the above docket.

I. PARTIES

2 The parties to this Settlement Agreement are Eastwood Park Water Co., Inc.
("Eastwood Park" or "Company") and the Staff of the Washington Utilities and
Transportation Commission ("Commission Staff") (collectively, "the Parties").

II. RECITALS

3 Eastwood Park is a Class C water company subject to Commission regulation. In
June 2013, Staff initiated a compliance investigation into the business practices of Eastwood
Park to determine if the Company was in compliance with Commission rules and its tariff.
Staff's investigation reviewed the Company's records, provided in response to data requests.

4 Commission Staff's investigation found multiple violations of state laws and
Commission rules. On September 8, 2014, the Commission issued against the Company a
Complaint and Notice of Prehearing Conference. The Complaint alleged that the Company
committed violations of WAC 480-110-375, WAC 480-110-355, RCW 80.28.080 and RCW

80.28.100, and sought monetary penalties and customer refunds of improperly-billed charges.

5 The Commission held a prehearing conference on October 2, 2014, and set the matter for hearing on December 15, 2014.

6 Prior to the hearing, the Parties engaged in settlement discussions, which resulted in this Settlement Agreement.

III. AGREEMENT

7 The Parties have reached agreement on the issues raised in the above docket and present their agreement for the Commission's consideration and approval. The Parties therefore adopt the following Settlement Agreement, which the Parties enter into voluntarily, to resolve the matters in dispute between them and to expedite the orderly disposition of this proceeding.

A. Admission and Penalties

8 Eastwood Park admits that violations of WAC 480-110-355, WAC 480-110-375, RCW 80.28.080 and RCW 80.28.100 occurred.

9 The Parties agree that the Commission should assess penalties in the amount of \$100 for each category of violations alleged in the complaint, for a total penalty of \$1,500. The Parties agree that the entire amount of the penalty shall be suspended for, and waived after, one year from the date the Commission approves this Settlement Agreement, provided that Eastwood Park, upon a further compliance investigation by Commission Staff within one year, is found to have incurred no repeat violations of WAC 480-110-355, WAC 480-110-375, RCW 80.28.080 and RCW 80.28.100.

10 Commission Staff will conduct a review within one year from the date the Commission approves this Settlement Agreement and will provide to the Commission its recommendation on whether the suspended penalty in paragraph 9 should be waived or imposed.

B. Customer Credits

11 Eastwood Park agrees to credit all customers who were improperly overcharged for turn off/turn on fees, late fees, NSF check fees, and water usage on April 1, 2013, as set out in the credit schedule in Attachment A to this Settlement Agreement. Eastwood Park agrees to perform its own review of records to ensure that all customers have received credits for improper charges as follows:

- On October 1, 2014, Eastwood Park credited the following account numbers in full: 13, 27, 37, 59.
- On its November 2014 billing, Eastwood Park will credit the following account numbers in full: 11, 14, 17, 18, 22, 34, 35, 39, 44, 46, 48, 49, 50, 53, 33, 58, 61, 62, 63, 65, 72, 79, 84, 89, 90.
- On its December 2014 billing and each and every month thereafter until all customers are credited in full, Eastwood Park will credit the following account numbers \$5.00 or more per month: 8, 15, 19, 20, 21, 23, 24, 26, 28, 29, 31, 32, 33, 36, 38, 40, 41, 42, 43, 45, 47, 51, 52, 56, 57, 66, 68, 69, 76, 80, 81, 82, 83, 85, 88, 93, 94. All customers here will be credited in full by December 2015.

12 Eastwood Park agrees to provide to Commission Staff documentation of customer credits.

C. Compliance Efforts

13 Eastwood Park has deleted from the back side of all customer monthly billing statements the following items that do not currently appear in the Company's tariff:

1) \$35.00 NSF check charge; 2) late fee of \$10.00; 3) \$25.00 check pickup or after hours charge.

14 Eastwood Park has added, and will continue to add, the meter read date to the back side of customer monthly billing statements. Eastwood Park has also added, and will continue to add, reference to the applicable rate schedule to the back of the customer monthly billing statements.

15 Eastwood Park will file a revision to its tariff, WN-U1, "Rule 14 – Discontinuance of Service" to comply with WAC 480-110-355, by January 30, 2015. Prior to charging any fees or charges not contained in its tariff or reflecting them on customer billing statements, Eastwood Park will seek and obtain Commission approval to revise its tariff accordingly.

16 Robert Green, manager of Eastwood Park, will attend a Commission-hosted rule and tariff training class, to be arranged with Commission Staff. In addition, Commission Staff is available for technical assistance at any time regarding rule requirements and tariff filings.

17 Eastwood Park will in the future follow the rules and regulations of the Commission.

IV. GENERAL PROVISIONS

18 The Parties agree that this Settlement Agreement reflects the settlement of all contested issues between them in this proceeding. The Parties understand that this Settlement Agreement is not binding unless and until accepted by the Commission.

19 The Parties agree to cooperate in submitting this Settlement Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Settlement

Agreement in proceedings before the Commission through testimony or briefing. No party to this Settlement Agreement or their agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission's adoption of this Settlement Agreement.

20 The Parties agree (1) to provide each other the right to review in advance of publication any and all announcements or news releases that the other party intends to make about the Settlement Agreement (with the right of review to include a reasonable opportunity to request changes to the text of such announcements) and (2) to include in any news release or announcement a statement that the Staff's recommendation to approve the settlement is not binding on the Commission itself.

21 Nothing in this Settlement Agreement shall limit or bar any other entity from pursuing legal remedies against Eastwood Park or Eastwood Park's ability to assert defenses to such claims.

22 The Parties have entered into this Settlement Agreement to avoid further expense, inconvenience, uncertainty, and delay of continuing litigation. The Parties recognize that this Settlement Agreement represents a compromise of the Parties' positions. As such, conduct, statements, and documents disclosed during negotiations of this Settlement Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Settlement Agreement or any Commission order fully adopting those terms. This Settlement Agreement shall not be construed against either party because it was a drafter of this Settlement Agreement.

23 The Parties have negotiated this Settlement Agreement as an integrated document to be effective upon execution and Commission approval. This Settlement Agreement

supersedes all prior oral and written agreements on issues addressed herein. Accordingly, the Parties recommend that the Commission adopt this Settlement Agreement in its entirety.

24 The Parties may execute this Settlement Agreement in counterparts and as executed shall constitute one agreement. Copies sent by facsimile are as effective as original documents.

25 The Parties shall take all actions necessary, as appropriate, to carry out this Settlement Agreement.

26 In the event that the Commission rejects or modifies any portion of this Settlement Agreement, each party reserves the right to withdraw from this Settlement Agreement by written notice to the other party and the Commission. Written notice must be served within ten (10) business days of the Order rejecting part or all of this Settlement Agreement. In such event, neither party will be bound or prejudiced by the terms of this Settlement Agreement, and either party shall be entitled to seek reconsideration of the Order.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

EASTWOOD PARK WATER CO., INC.

ROBERT W. FERGUSON
Attorney General



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

Dated: November 20, 2014

ROBERT GREEN
Sec. Treas.

Dated: _____, 2014

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