

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Penalty Assessment  
Against HANSEN BROS. TRANSFER &  
STORAGE CO., INC., in the Amount of  
\$1,200

DOCKET TV-102032

NARRATIVE SUPPORTING  
SETTLEMENT AGREEMENT

**I. INTRODUCTION**

1 This Narrative Supporting Settlement Agreement (Narrative) is filed pursuant to  
WAC 480-07-740(2)(a) on behalf of Hansen Bros. Transfer & Storage Co, Inc., (“Hansen  
Brothers” or “the Company”) and Staff of the Utilities and Transportation Commission  
 (“Staff”) (collectively, “the Parties”). Both parties have signed the Settlement Agreement  
 (“Agreement”), which is included 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 both Parties, 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 suggest 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 reasonably 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 details of the Agreement, and its costs and benefits, should such testimony be required. In addition, both Staff and the Company are available to respond to any questions that the Commission may have regarding the proposed settlement.

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 Agreement.

### III. SCOPE OF THE UNDERLYING DISPUTE

6 The underlying dispute concerns a penalty assessment issued by the Commission against Hansen Brothers at the request of the Commission Staff on January 25, 2011. In 2010, Staff performed a compliance investigation of the business practices of Hansen Brothers to determine the Company's compliance with state laws and Commission rules. In particular, Staff reviewed business records for 75 moves performed by Hansen Brothers in June 2010. Staff found violations of laws and rules enforced by the Commission and compiled its findings along with technical assistance and recommendations in an Investigation Report, dated January 2011. In conjunction with the report, Staff recommended that penalties of \$1,200 be assessed against the Company as follows:

- A penalty of \$100 for failing to provide proper documentation of Hansen Brothers giving the brochure, "Your Guide to Moving in Washington State" to all customers during the review period in violation of WAC 480-15-630, for a total penalty of \$100;

- A penalty of \$100 each for four violations in which Hansen Brothers failed to obtain a customer signature on the written estimate, in violation of WAC 480-15-630, for a total penalty of \$400;
- A penalty of \$100 each for four violations in which Hansen Brothers failed to provide sufficient detail for the services in the written supplemental estimate, in violation of WAC 480-15-630, for a total penalty of \$400;
- A penalty of \$100 for each of two moves in which the Company failed to record the mileage on the bill of lading, in violation of WAC 480-15-710, for a total penalty of \$200; and
- A penalty of \$100 for failing to provide proper documentation of interruptions, in violation of WAC 480-15-710, for a total penalty of \$100.

7 In a Notice of Penalties Incurred and Due for Violations of Laws and Rules issued to Hansen Brothers on January 25, 2011, the Commission assessed penalties of \$1,200 for 12 violations of Commission rules. On February 9, 2011, Hansen Brothers filed a request for a hearing before an administrative law judge. The Commission scheduled a brief adjudicative proceeding for March 30, 2011, which date was later continued to April 26, 2011. Prior to the hearing, the Parties engaged in discussions, including a settlement conference on March 18, 2011, and subsequently agreed to a resolution of all issues raised by the investigation and penalty assessment filed in this docket.

#### IV. SUMMARY OF PROPOSED SETTLEMENT

8 The settlement resolves all of the issues in dispute. Hansen Brothers admits to certain of the violations set forth in Staff's January 2011 Investigation Report: namely: 1) Item No. 2, regarding customer signatures; 2) Item No. 3, regarding one supplemental estimate; and 3) Item No. 4, regarding recording mileage on bills of lading.

9 Hansen Brothers has provided convincing evidence to Staff that the violation, and corresponding \$100 penalty, for failing to provide proper documentation of interruptions, was invalid because Hansen Brothers has complied with the requirements of the Washington

State Department of Labor and Industries related to waiver of breaks and meal periods, Hansen Brothers also provided documentation that three of the four supplemental estimates were ultimately unnecessary. Staff acknowledges that in those three cases the customers were not harmed, and Staff, therefore, agrees that that penalty for Item No. 3 should be reduced by \$300. Thus, the amount of the penalty is reduced to \$800. Hansen Brothers has taken other corrective actions to address the remaining violations set forth in Staff's January 2011 Investigation Report, which are set forth in detail in the Agreement.

10 Hansen Brothers agrees that the \$800 penalty shall be suspended for, and waived after, one year from the date the Commission approves the Agreement, provided that Hansen Brothers complies with Commission laws and rules set forth in the Commission's Notice of Penalties and Staff's Investigation Report, and provided that Hansen Brothers also has at least one representative from each of its three offices attend Commission-conducted rule and tariff training to be held in Olympia on April 26, 2011. Finally, Staff will conduct a review of the business practices of Hansen Brothers one year from the date the Commission approves this Agreement, which will include Staff's recommendation on whether the suspended \$800 penalty should be waived or imposed.

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

11 As stated in the Agreement, the settlement represents a compromise of the positions of the two parties. The Parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay inherent in a litigated outcome. It is in the public interest that this dispute conclude without further expenditure of public resources or protracted litigation. Likewise, it is in the public interest that the Agreement contains a provision that the suspended \$800 penalty may be waived if the Company complies with

Commission laws, rules and the conditions in the Agreement, or imposed if the Company does not so comply. The review of Hansen Brothers' business practices that Staff will commence in one year will enable the Commission to ascertain the Company's compliance with the Agreement's provisions, and to determine whether the suspended penalty should be imposed or waived.

12 Hansen Brothers has also taken specific corrective actions to address the violations found in Staff's January 2011 Investigation Report. Namely, the Company has instructed its employees to 1) obtain signatures on all estimates, and to have operations personnel check signatures before performing moving jobs; 2) expand and detail their explanations for supplemental estimates; 3) ensure that each bill of lading is completed correctly, including mileage and weight for long distance moves; 4) ensure that website and email information is included on the Company's bills of lading, and; 5) improve their documentation of jobs performed, including completion of cube sheets. Furthermore, Hansen Brothers provides its employees with an in-house formal training program and has arranged to have at least one representative from each of its three offices attend Commission-conducted rule and tariff training to be held in Olympia on April 26, 2011. All of these steps taken by Hansen Brothers further serve the public interest.

13 For the reasons explained above, these commitments, and the Agreement as a whole, are in the public interest, as well of interests of the Parties. Staff and Hansen Brothers, therefore, recommend that the Commission approve the Agreement in its entirety.

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

14 In WAC 480-07-700, the Commission expresses 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**


15 Because the Parties have negotiated a compromise on all of the issues in this dispute, and because the settlement is in the public interest, both Parties request that the Commission approve the attached Settlement Agreement.

Respectfully submitted this 21<sup>st</sup> day of April, 2011.

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

HANSEN BROS. TRANSFER &  
STORAGE CO., INC.

ROBERT M. MCKENNA  
Attorney General

  
GREGORY J. TRAUTMAN  
Assistant Attorney General  
Counsel for the Washington Utilities and  
Transportation Commission Staff

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LARRY A. NELSEN  
President

Dated: April 21, 2011

Dated: \_\_\_\_\_, 2011

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ROBERT M. MCKENNA  
Attorney General



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GREGORY J. TRAUTMAN  
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Counsel for the Washington Utilities and  
Transportation Commission Staff

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LARRY A. NELSEN  
President

Dated: \_\_\_\_\_, 2011

Dated: 2/21, 2011