

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PENINSULA SANITATION SERVICE,
INC.,

Respondent.

DOCKET TV-190476

SETTLEMENT AGREEMENT

I. OVERVIEW

1 Staff of the Washington Utilities and Transportation Commission (Commission) and Peninsula Sanitation Service, Inc. (Peninsula or Company) (collectively the Parties), through their authorized representatives, enter into the following settlement agreement (Agreement) to resolve all issues in Docket TV-190476.

2 This Agreement is a “full settlement” as defined in Washington Administrative Code (WAC) 480-07-730(1) because it is entered into by all parties and resolves all issues raised in Docket TV-190476. This Agreement is subject to the review and disposition by the Commission to determine whether it complies with the applicable legal requirements and whether approval of the Agreement is consistent with the public interest. WAC 480-07 §§ 740-50.

II. TERMS OF AGREEMENT

3 The Parties have reached an agreement on the issues raised in Docket TV-190476 and present this Agreement for the Commission’s consideration and approval. The Parties

therefore adopt the following Agreement, which the Parties enter into voluntarily, to resolve the matters in dispute between them and to expedite the orderly disposition of this proceeding:

4 Violation: The Company admits that, on 574 occasions, it violated RCW 81.28.080 and/or WAC 480-70-236(2). The total penalty for these violations (before any mitigation and/or suspension is applied) is \$28,700. The Company will pay a penalty of \$4,400, and \$24,300 of this penalty will be suspended for a period of two years from the effective date of the Commission order approving this settlement. Additionally, the Company admits that on 12 occasions, it violated WAC 480-70-411(6). The total penalty for these violations (before any mitigation and/or suspension is applied) is \$12,000. The Company will pay a penalty of \$600. \$6,000 of this penalty will be mitigated, and \$5,400 suspended for a period of two years from the effective date of the Commission order approving this settlement.

5 Mitigating circumstances and reduced likelihood of future violations concerning the Company's 12 violations of WAC 480-70-411(6): Due to the Company's cooperation with Commission staff (Staff), its subsequent conduct in discontinuing its practice of requiring deposits for service based on a customer's service address, and its subsequent conduct in refunding the applicable accrued interest to the 12 impacted customers, Staff believes the likelihood of repeated future violations of WAC 480-70-411(6) to be low.

6 Suspended monetary penalty: The Commission will impose a penalty of \$40,700, with \$35,700 suspended for a period of two years from the effective date of the Commission order approving this settlement. The suspended penalty will be waived after the two year period provided that the Company refrain from any additional violations of applicable tariff rules.

7 Tariff: Peninsula will revise its tariff to be consistent with similar solid waste companies with respect to drive-in fees: if a driveway provides access to multiple residences or accounts, no drive-in fee will be assessed. Peninsula will bill its customers drive-in fees as specified in its Tariff (e.g., if the Tariff calls for a tiered/measured rate structure, then Peninsula will apply that structure rather than flat rates). Staff is willing to assist the Company in transitioning to a flat rate structure for drive-in fees, rather than tiered/measured drive-in fees.

8 Rate case: Peninsula will file a general rate case with the Commission by July 1, 2020, to socialize its drive-in charges as a normal function of operation and performing solid waste services to its customers.

9 Billing practices concerning drive-in fees: Peninsula will cease and desist its non-compliant billing practices with respect to drive-in fees, and will come into complete compliance by January 1, 2020. Peninsula's next billing cycle will take place in February 2020. This will be Peninsula's first issuance of bills following January 1, 2020.

10 Future enforcement of allegations set forth in complaint: Staff confirms that it will not pursue further enforcement against the Company arising out of any of the allegations set forth in Docket TV-190476.

III. GENERAL PROVISIONS

11 Public interest: As set forth in the Narrative, the Parties submit that this Agreement promotes the public interest, and that it is appropriate for the Commission's acceptance without conditions under WAC 480-07-750(2)(a).

12 Effective date: This Agreement is effective on the service date of a final Commission order approving this Agreement, or on the date that an initial order approving

this Agreement becomes a final order pursuant to WAC 480-07-825(7), whichever occurs first.

13 Advocacy: The Parties agree to cooperate in submitting this Agreement promptly to the Commission for acceptance. The Parties agree to support adoption of this Agreement in proceedings before the Commission. No party to this Agreement or its agents, employees, consultants, or attorneys will engage in advocacy contrary to the Commission's adoption of this Agreement.

14 Publications: 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 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 Staff's recommendation to approve the Agreement is not binding on the Commission itself.

15 Construction: This Agreement shall not be construed against any party solely because that party was a drafter of the Agreement.

16 Other proceedings: This Agreement is for settlement purposes only and shall have no precedential or preclusive effect in other proceedings. In the event this Agreement does not become effective, this Agreement shall be null and void, with no binding effect on the Parties and with no precedential or preclusive effect on the Parties regarding the continued litigation in Docket TV-190476. In the event that the Commission rejects all or any portion of this Agreement, or accepts the settlement upon conditions not proposed in this Agreement, each party reserves the right to withdraw from this Agreement by written notice to the other party and the Commission. Written notice must be served within 10 business

days of service of the Order rejecting part or all of this Agreement or imposing conditions not proposed in this Agreement. In such event, neither party will be bound or prejudiced by the terms of this Agreement, and the Parties agree to cooperate in developing a procedural schedule.

17 Settlement discussions: The Parties have entered into this Agreement to avoid further expense, inconvenience, uncertainty, and delay. As such, conduct, statements, and documents disclosed during negotiations of this Agreement shall not be admissible as evidence in this or any other proceeding, except in any proceeding to enforce the terms of this Agreement or any Commission order fully adopting those terms.

18 Final agreement: The Parties have negotiated this Agreement as an integrated document to be effective upon execution. This Agreement supersedes all prior oral and written agreements on issues addressed herein.

19 Counterparts: The Parties may execute this Agreement in counterparts and as executed shall constitute one agreement. A signed signature page sent by facsimile or email is as effective as an original document.

20 Authorized representatives: Each person signing this Agreement warrants that he or she has authority to bind the party that he or she represents.

DATED this 26th day of November, 2019.

PENINSULA SANITATION SERVICE,
INC.

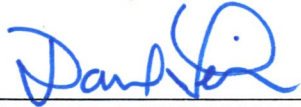


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