



UTC

Washington Utilities
and Transportation
Commission

Investigation Report

Puget Sound Energy

UE-200027

Jacque Hawkins-Jones

Compliance Investigations

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PURPOSE, SCOPE, AND AUTHORITY

Purpose

The purpose of this staff investigation is to determine whether Puget Sound Energy (PSE or Company) is in compliance with Washington Utilities and Transportation Commission (commission) laws and rules outlined in Washington Administrative Code (WAC) 480-110 and Revised Code of Washington (RCW) 80.28, and to determine whether PSE is in compliance with its commission-approved tariff.

Scope

The scope of this investigation focuses on PSE's business practices related to: (1) payment application, (2) improper disconnections, and (3) how the Company recovered treble damages from Feb. 1, 2018, through Sept. 1, 2019.

Authority

Staff undertakes this investigation pursuant to RCW 80.01.040, which directs the commission to regulate electric and gas companies in the public interest. In addition, RCW 80.40.070 grants the commission specific authority to conduct such an investigation.

Staff

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EXECUTIVE SUMMARY

Commission staff (staff) conducted this investigation as a follow-up to two informal consumer complaints to evaluate PSE's business practices.¹ This investigation focused on PSE's third-party automated telephone billing system (billing system) and the Company's practice of charging treble damages to determine whether PSE is in compliance with state laws and rules administered by the commission, as well as the Company's commission-approved tariff.

Staff reviewed Company records from March 1, 2018, through Sept. 1, 2019, and documented a total of 84 violations. Staff found PSE violated the following state laws and rules:

- RCW 80.28.080, Published rates to be charged – Exceptions and Company tariff, Schedule 80, Rule 18 – Connection and Reconnection Charges
- RCW 80.28.080, Published rates to be charged – Exceptions and Company tariff, Schedule 80, Rule 31 – Late Payment Fees
- RCW 80.28.240, Recovery of damages by utility Company for tampering, unauthorized connections, diversion of services
- WAC 480-90-128, Disconnection of service
- WAC 480-100-113, Residential services deposit requirements
- WAC 480-100-128, Disconnection of Service

Staff Recommendation

Staff recommends the commission issue a formal complaint against PSE and assess penalties in the amount of \$72,000 for the following violations:

- Up to \$1,000 for each of the 15 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 18 – Connection and Reconnection Charges for failure to charge reconnection properly.
- Up to \$1,000 for each of the 18 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 31 – Late Payment Fee for failure to charge late payment fees properly.
- Up to \$1,000 for a violation of WAC 480-90-128(3)(a) for failure to apply the customer's gas payment prior to disconnecting service.
- Up to \$1,000 for each of the 12 violations of WAC 480-100-113 for failure to meet residential electric services deposit requirements.
- Up to \$1,000 for each of the 26 violations of WAC 480-100-128(3)(a) for failure to apply the customer's electric payment prior to disconnecting service.

Staff also recommends that PSE be required to calculate the security deposit and late fees as described by WAC 480-90-113(2)(e) and WAC 480-100-113(2)(e) and apply a credit or provide a refund to the customers' accounts as appropriate.

¹ Those complaints are identified as CAS-23869-L7P2H2 and CAS-24496-M0K3Q0.
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In addition to these penalties, staff recommends the commission order the Company to remit to 286 affected customers a total refund of \$170,488.05 collected for treble damages that were not awarded in successfully litigated lawsuits per RCW 80.28.080 and RCW 80.28.240.

Staff will provide PSE with the names, service addresses and individual refunds due to each affected customer at the conclusion of this investigation.

BACKGROUND

PSE is one of Washington state's largest electric and natural gas utility companies, serving more than 1.1 million electric customers and over 800,000 natural gas customers primarily in Western Washington. In 2018, the Company had a combined electric and natural gas operating revenue of \$3,293,830,865.00 in the state of Washington.

BILLING STATEMENTS

According to the Company, when customers call to make a payment on their account, they first reach PSE's automated system. This system attempts to match the phone number that the customer is calling from to a specific account. If successful, the customer must confirm the street address associated with the account for security purposes. If the customer wishes to make a payment on this account, they must enter the associated zip code and then PSE's automated system will transfer the customer to the Bill Matrix system for payment. The Bill Matrix system is a third-party vendor that PSE uses for processing payments. If the customer's telephone number is not matched to an account, the customer will be required to enter their 12-digit account number before being transferred to Bill Matrix.

In October 2018, an informal consumer complaint was filed by a PSE customer and investigated by a Consumer Protection complaint investigator. In the complaint, PSE disconnected service to a customer even though the customer made a payment using the Company's third-party billing system. The informal complaint was consumer upheld. In response to the complaint, PSE disabled the telephone detection feature in its automated system until further notice. The Company reapplied payment to the customer's correct account and credited the consumer's active account all deposits and fees associated with the payment error.

Data Request

On March 5, 2019, staff requested the following records from PSE:²

1. A list of all customers (electric and natural gas) in Washington state who were disconnected from service for non-payment from Jan. 1, 2017, through March 1, 2019, with associated account numbers, and sorted by month and service type.
2. For each customer listed, provide a document or worksheet that shows the account history, including dates of first notices, second notices, late fees, current charges, pledges, payments, disconnected fees, reconnect fees, etc., and the balance owing after each application.
3. A list of all customers (electric and natural gas) who have had payments directed to a wrong account through the automated Bill Matrix billing system. Include the complete account history of each customer (as noted in request 2 above) from June 1, 2017, through March 1, 2019.
4. A copy of PSE's customer complaint record for the period of June 1, 2017, through March 1, 2019, related to disconnections from service and payments made through the automated payment system, Bill Matrix, that were directed to a wrong account. Include

² A copy of the March 5, 2019, data request is attached as Appendix A.
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the complainant's names and address, date and nature of the complaint, action taken, and the final result.

5. The name, title, telephone number, and e-mail address of the PSE contact person that our staff can work with directly for questions that may arise concerning any details of the data.

On April 16, 2019, PSE provided a response to staff including documentation for the specific time period indicated in each request. PSE provided a list of customers disconnected from service for non-payment, a list of customers who have had payments directed to a wrong account through the automated billing system, customer account histories, and customer complaint records.

Staff requested clarification and additional documentation on four separate occasions between Sept. 10, 2019, and Oct. 10, 2019, regarding billing-related issues found upon review of the Company's original response. PSE was responsive to staff's requests.

Staff used the documents and information furnished by PSE and commission records, including the Company's commission-approved tariff, to conduct this investigation of the Company's billing practices.

As a result of PSE's failure to apply customer payments for service to the correct account, staff found:

- Twenty-seven customers received improper disconnection of service.
- Thirty-four customers received proper disconnection notifications and actual disconnection due to non-payment of services according to state law.
- Twelve customers received improper security deposit charges on their accounts.
- Fifteen customers received improper reconnection fee charges on their accounts.
- Eighteen customers received improper late fee charges on their accounts.

Investigation – Disconnection of Service

WAC 480-90-128 and WAC 480-100-128 allows utility companies to disconnect regulated services due to delinquent charges once the customer is properly notified. Proper notification includes serving the customer with a written disconnection notice by mail or personal delivery to the service address. Disconnection notification must include the disconnection date, cause for disconnection, amount owed to avoid disconnection, information about additional charges that may be assessed, and Company contact information.

PSE's tariff, Schedule 80, Rule 17 – Discontinuance of Service, is specific on when the Company may discontinue service, including "for non-payment of bills or any proper charges including deposit, as provided in the tariff of the Company."

Out of the 61 customers identified by the Company as having their service disconnected for non-payment, staff found that 34 of those customers received proper disconnection notifications and actual disconnection due to non-payment of services according to state law.

Staff found that the remaining 27 customer notifications and disconnections due to non-payment of services were done in error when PSE improperly applied the payment to a previous or incorrect account. These 27 customers should never have received a disconnection notice or had their service disconnected for non-payment.

Staff found that 25 of the 27 accounts had payments redirected to a closed account through the billing system. The remaining two accounts had payments redirected to accounts not affiliated with the customer. Out of the 27 customers whose service was disconnected, staff found 12 customers contacted PSE when they discovered their payment was not properly applied to their account. The Company applied those 12 customers' payments to their active account at the time the customer contacted the Company.

Findings - Disconnection of Service

Staff found the Company improperly disconnected 27 customers due to non-payment of services. Company records show the customers used the billing system to make payment for the past due amount prior to the due date.

Recommendation – Disconnection of Service

Staff recommends up to \$1,000 for each of the 27 total violations for improperly disconnecting service – one violation of WAC 480-90-128(3)(a) and 26 violations of WAC 480-100-128(3)(a).

Additionally, staff recommends that PSE continue to disable the telephone identification feature until it can ensure that the vendor has made the proper adjustments and notify commission staff when the feature is reactivated. Customers still have the option to call PSE's automated system and make a payment through the third-party, Bill Matrix, by entering their account number.

Investigation – Security Deposit

WAC 480-100-113 allows companies to collect a deposit prior to reconnection from residential customers when the utility has sent three or more payment delinquency notices, the utility has disconnected service for nonpayment, or there is a prior customer living at the residence who owes a past-due amount for service at the same location. The WAC also addresses the requirements for a deposit, when a deposit can transfer, accrued interest, and when a refund is required.

WAC 480-100-113(3) states the deposit required must not exceed two-twelfths of the estimated annual billings for utilities that bill customers monthly. In this case, the Company bills its customers monthly.

In addition, WAC 480-100-113(4) allows the customer the option of paying 50 percent of the deposit prior to service reconnection, and paying the remaining balance in equal amounts over the next two months. However, other mutually acceptable deposit payment arrangements are acceptable.

According to the Company, its call center agents use a combination of scripts and prompts to guide the customer through the reconnection process after being disconnected for nonpayment.

The agents discuss the requirement for the customer to pay a security deposit and a reconnection fee and calculate the amount due while the customer is still on the telephone. The Company directs the customer to the Bill Matrix system for payment, and requests the customer to call back to provide the payment confirmation number and request a reconnection. Once payment is made, the agent informs the customer of the new account number and that the prior account is closed. The agent then puts in a request for reconnection, which, per WAC 480-100-133, the Company must make every reasonable effort to reconnect the customer within twenty-four hours.

Staff found that 12 of the 27 customers whose service was improperly disconnected for non-payment were required to pay a security deposit to have service restored. Company records show that the 12 customers paid half of the deposit prior to reconnection and then split the remaining balance over the next two billing cycles.

Findings – Security Deposit

Staff found the Company improperly collected security deposits from 12 separate customers when the Company did not apply their payment to the proper account.

Recommendation – Security Deposit

Staff recommends a penalty of up to \$1,000 for each of the 12 violations of WAC 480-100-113 for failure to meet residential services deposit requirements.

In addition to these penalties, staff recommends the commission order the Company to remit to affected customers a total refund of \$3,418.13 for charging customers security deposits in violation of WAC 480-100-113. Additionally, accrued interest must be calculated on each deposit amount and credited to the customer.

Investigation – Reconnection Charges

RCW 80.28.080, Published rates to be charged – Exceptions (1)(a) states no gas or electric company “may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time...”

The Company’s tariff, Schedule 80, Rule 18 – Connection and Reconnection Charges, states, “the Company shall collect a charge for reconnection of service whenever (1) service has been discontinued for failure of a Customer to comply with these Rules or the Washington Administrative Code...” The charge for reconnection shall be \$37.

Staff found the Company charged a reconnection fee to 15 customers who had their service improperly disconnected, in order for the customers to reestablish service.

Findings –Reconnection Charges

Staff found the Company did not properly apply payments to the correct account timely, resulting in 15 customers being required to pay a reconnection fee in order to restore service.

Throughout the course of this investigation, staff found the Company applied credits to 15 customer accounts it realized had incorrect charges. However, not all of the customers received credits they were entitled to back to their accounts.

Recommendation – Reconnection Charges

Staff recommends a penalty of up to \$1,000 for each of the 15 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 18 – Connection and Reconnection Charges for failure to charge reconnection fees properly.

Staff also recommends that PSE be required to calculate the reconnection fees as described by the Company’s commission-approved tariff and apply a credit or provide a refund to the customers’ accounts as appropriate.

Investigation – Late Payment Fees

RCW 80.28.080, Published rates to be charged – Exceptions (1)(a) states no gas or electric company “may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time...”

The Company’s tariff, Schedule 80, Rule 31 – Late Payment Fee, states, “A late payment fee of 1% per month will be assessed on all balances which remain unpaid more than 10 business days after the statement due date...”

Staff found the Company charged late fees on 18 occasions from May 18, 2018, through March 15, 2019, to customers who made timely payments, but PSE improperly applied the payments to a wrong account.

Findings – Late Payment Fees

Staff found the Company did not apply payments to the correct account timely, resulting in 18 customers improperly charged a late fee.

Through the course of this investigation, staff found the Company applied credits to six customer accounts when it realized the charges were incorrect. However, not all of the customers received credits they were entitled to back to their accounts.

Recommendation – Late Payment Fees

Staff recommends a penalty of up to \$1,000 for each of the 18 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 31 – Late Payment fees for failure to charge late payment fees properly.

Staff also recommends that PSE be required to calculate the late fees as described by the Company’s commission-approved tariff and apply a credit or provide a refund to the customers’ accounts as appropriate.

TREBLE DAMAGES

In January 2019, during an investigation into informal consumer complaint CAS- 24335- J0N7N7, staff became aware of PSE's practice to send customers to collections if they do not pay the treble damages the Company believes it is owed. During the investigation, the Company stated in an email, dated Feb. 8, 2019, that it sends out late payment notices to customers and if the amount owed, including treble damages, continues to go unpaid, the Company sends the unpaid treble damage charge to collections. If the amount billed for treble damages continues to go unpaid, the Company then decides if it will pursue legal options to collect the charges civilly

Staff found the Company violated RCW 80.28.080 when it applied treble damages to the customers billing statement and then referred the customers to collections for nonpayment prior to being awarded the damages civilly

Technical Assistance

In reviewing the informal consumer complaint, staff found additional communication in an email dated May 9, 2017, from Commission staff to the Company.³ In part, the email states:

“RCW 80.28.240 allows a utility company to recover damages three times the amount of actual damages for tampering, unauthorized connections, and diversion of services through civil action. The rule does not allow the company to ‘require’ the customer to pay triple damages as a condition for reconnecting service. Instead, the company may inform the customer:

- they are being charged triple times the actual damage to the meter and the service that was used illegally
- if they refuse to pay the triple amount, the company will bring civil action against them
- if the court rules for the company, the customer will be required to pay court costs, including attorney fees.”

On March 28, 2019,⁴ during the investigation into an informal complaint dated Jan. 30, 2019,⁵ the Company claimed it believed the portion of the email cited above meant they could include treble damage charges on customers' utility bills. Staff believes the May 9, 2017, email clearly states a company is required to recover treble damages through civil action. The email also stated the Company had the option of informing the customer they were going to be charged for damages and if they refused to pay, the Company would pursue legal action.

³ A copy of the email with the Company concerning RCW 80.28.240 dated May 9, 2017, is attached as Appendix B.

⁴ A copy of the email with the Company concerning billing treble charges date March 28, 2019, is attached as Appendix C.

⁵ This complaint is identified as CAS-24349-D0G3W4.

Commission staff provided PSE clarification in an email dated April 10, 2019⁶. The company was informed that it is prohibited from including treble damage charges on customer bills before damages are successfully litigated, through either a court decision or settlement with customer. Staff's guidance also stated that the notification of treble damages should be separate from the customer's regular bill and in a format distinctly different from the Company's regular billing and communications with the customer. If the Company is not able to reach a settlement agreement with the customer, their alternative is to pursue the matter civilly.

In July 2019, the company provided staff with a draft settlement letter it believed addressed staff's concerns in relation to RCW 80.28.080. On Sept. 9, 2019, Staff provided suggested changes for consideration. The company responded on Sept. 10, 2019, it was in agreement with staff's guidance, and would use the letter moving forward.

Data Request

On Sept. 18, 2019, commission staff requested the following records from PSE:⁷

1. A list of all customers (electric and natural gas) in Washington State who were charged treble damages from December 1, 2017, through September 1, 2019, with associated account numbers, and sorted by month. Please separate the list of customers by product (natural gas or electric).
2. For each customer listed, provide all correspondence related to treble damages between PSE and the customer, including written documents, emails and call scripts.
3. For the customers listed, please provide a document or worksheet that shows account history, including dates of treble charges, payments on treble charges or if the customer was sent to collections for not paying the treble charges.
4. Please provide a copy of all scripts or written guidance provided to PSE customer service and revenue protection employees regarding treble charges.

On Oct. 2, 2019, PSE provided a response to staff's request. PSE provided a list of customers billed for treble damages within the requested timeframe, a sample notification letter sent to customers when the Company plans to seek monetary penalty for treble damages, and an explanation as to when the Company sends the letters.

Staff requested clarification and additional documentation on 10 separate occasions from Oct. 29, 2019, through Feb. 26, 2020, regarding specific action taken by the Company to collect treble damages from customers. PSE was responsive and timely to staff's requests.

Staff used the documents and information furnished by PSE in response to the Sept. 18, 2019, data request, all subsequent responses from PSE, and commission records to conduct this investigation of the Company's practice of charging treble damages.

⁶ A copy of the email with the Company concerning billing treble charges dated April 10, 2019, is attached as Appendix D.

Investigation

RCW 80.28.080 requires that “no gas company, electrical company, wastewater company, or water company may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time ...”. The RCW also states that utility companies may charge for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240.

RCW 80.28.240 allows a utility to bring a civil action for damages against a customer who tampers with any property owned or used by the utility to provide services. If civil action is brought against the customer, the utility may recover, from the customer, damages three times the amount of actual damages, plus any other related costs including attorney fees.

Staff reviewed data provided by PSE from March 23, 2018, through July 31, 2019, and found the following:

- The Company billed 325 customers a total of \$329,198.43 in treble damages. Records show billing customers was the Company’s first choice in pursuing treble damages rather than pursuing the matter civilly, or engaging the customer in settlement discussions.
- PSE received a total of \$170,488.05 in payments from 286 of the 325 customers. Call logs show that when customers called to dispute the treble damage charges, PSE failed to divulge its investigation results to the customer when requested, and the Company informed the customer that RCW 80.28.080 allows it to charge treble damages.
- The Company did pursue legal action against 17 customers and was awarded \$19,733.03 civilly.⁸
- PSE sent 43 customers to collections for non-payment of treble damages after three billing statement cycles, without pursuing any legal action first.

Staff also reviewed a random sample of 111 customer records from the list of 325 customers, and found treble damages billed to each customer on regular billing statements for services.⁹ Each bill lists the customer’s previous monthly charges and current charges, which are detailed on the second page of the bill. The second page shows separate line item charges for the tampering time and materials, which the Company is allowed to charge, and the treble damages. Based on staff’s review of the random samples, staff believes the remaining 214 customers were also charged for treble damages on their billing statements.

Staff found Company records indicate that as of April 10, 2019, the Company has stopped its practice of including treble damages on utility bills and collecting treble damages that the customer does not agree to or is awarded civilly.

Additionally, records show the Company reversed all treble damage charges billed after April 15, 2019, which were not currently in litigation – a total of \$2,067.75 for five different

⁸ A copy of Excel sheet showing 17 customers the Company took legal action against is attached as Appendix E.

⁹ A copy of customer billing statement that includes treble charges is attached as Appendix F.

customers. The five reversal of charges occurred from April 29, 2019, through June 26, 2019. Staff found the Company continued to accept \$27,160.74 in payment from 60 customers who were billed treble charges prior to the April 10, 2019, and has not provided these customers a refund.

Findings

Staff reviewed informal consumer complaint records, dating back to 2015, that demonstrates PSE has a long-standing practice of charging for and collecting treble damages from customers without being awarded the damages through a civil proceeding.

From March 23, 2018, through March 15, 2019, the Company sent customer-billing statements for services that also contained treble damage charges to 325 customers. The company was not awarded the damages civilly as required. The Company received a total \$170,488.05 during this timeframe for the improper billings.

Staff's investigation found that, effective April 10, 2019, the Company discontinued its practice of adding treble damage charges to customer utility bills. The Company now communicates with customers through a settlement letter that provides details of the Company's investigation and offers the customer the option of paying treble damages or addressing the matter civilly. If the customer does not agree to settle the matter, the Company has the option to pursue the matter civilly.

Recommendation

Commission staff is not recommending penalties against PSE regarding treble charges. Staff and PSE have been in discussions since 2017 regarding interpretation of treble laws and rules. There has been apparent confusion between commission staff and PSE related to what the Company can bill the customer for and information that should be included in customer communication.

Staff recommends the commission order the Company to remit to 286 affected customers a total refund of \$170,488.05 collected for treble damages that were not awarded in successfully litigated lawsuits per RCW 80.28.080 and RCW 80.28.240.

RECOMMENDATIONS

Staff believes that many of PSE's actions are in conflict with the state law, rule or the Company's tariff. Accordingly, staff believes the following information supports the recommended penalties:

1. How serious or harmful the violation is to the public.

The violations are both serious and harmful to the public. Rates, set by PSE and approved by the commission, are not being charged correctly to customers in accordance with its tariff. Furthermore, PSE is not in alignment with similar electric and gas companies related to treble charges, collecting large fees from customers without following state law or its commission-approved tariff.

2. Whether the violation is intentional.

Staff has to believe the violation is intentional. While the Company discontinued use of the automated feature and corrected customer accounts for only those who called to complain, they did not conduct an internal investigation to determine how many other of its customers may have been impacted by the malfunctioning system. As a result, 72 violations have been recorded and there may be other violations related to the automated billing system that staff did not review.

Regarding the practice of charging treble damages, staff believes the violation is intentional. The Company was informed on May 9, 2017, April 1, 2019, and April 10, 2019, that the Company may only collect treble damages if they were awarded damages civilly.

3. Whether the Company self-reported the violation.

The Company did not self-report the violations discussed in this report.

4. Whether the Company was cooperative and responsive.

Staff found the Company to be responsive and timely to requests for data and information.

5. Whether the Company promptly corrected the violations and remedied the impacts

According to the Company, they disengaged the automated feature that was causing payments to be applied to incorrect accounts. It does not appear from Company records that there has been additional misapplied payments since that time. The Company also refunded 24 customers charges they improperly collected due to the faulty system. However, records provided by the Company show there are an additional 11 customers who paid security deposits, reconnection fees, or late fees, and are entitled to credits or refunds.

In addition, it appears that since the last guidance commission staff provided to the Company on April 10, 2019, the company no longer includes treble damages on customer bills without first being awarded damages civilly. The company now sends the customer a separate letter detailing their investigation into meter tampering, and attempts to reach settlement for treble damages. The customer is informed that if they are not able to reach a settlement, the company will pursue the matter civilly.

6. The likelihood of recurrence.

Staff believes that the Company has corrected the violations recorded in this investigation and it is unlikely the violations will reoccur.

7. The Company's past performance regarding compliance, violations and penalties

In 2018, PSE had 319 Consumer Protection complaints filed against them: 58 were consumer upheld; 175 were Company upheld, and; 39 were Company upheld with arrangements.

In 2019, PSE had 326 complaints filed against them: 51 were consumer upheld; 229 were Company upheld, and; 16 were Company upheld with arrangements.

8. The Company's existing compliance program.

According to a PSE representative, the Company does have processes and procedures in place for compliance review. The Company has a specific unit designated to speak with customers regarding treble charges and call center staff are available to discuss billing-related questions.

9. The size of the Company.

PSE reported gross operating revenue of \$3,293,830,865.00 in Washington state for the 2018 reporting period.

Staff Recommendation

Staff recommends the commission issue a formal complaint against PSE and assess penalties in the amount of \$72,000 for the following violations:

- Up to \$1,000 for each of the 15 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 18 – Connection and Reconnection Charges for failure to charge reconnection properly.
- Up to \$1,000 for each of the 18 violations of RCW 80.28.080 and Company tariff, Schedule 80, Rule 31 – Late Payment Fee for failure to charge late payment fees properly.
- Up to \$1,000 for a violation of WAC 480-90-128(3)(a) for failure to apply the customer's gas payment prior to disconnecting service.
- Up to \$1,000 for each of the 12 violations of WAC 480-100-113 for failure to meet residential electric services deposit requirements.
- Up to \$1,000 for each of the 26 violations of WAC 480-100-128(3)(a) for failure to apply the customer's electric payment prior to disconnecting service.

Staff also recommends that PSE be required to calculate the security deposit and late fees as described by WAC 480-90-113(2)(e) and WAC 480-100-113(2)(e) and apply a credit or provide a refund to the customers' accounts as appropriate.

In addition to these penalties, staff recommends the commission order the Company to remit to affected customers a total refund of \$170,488.05 collected for treble damages that were not awarded in successfully litigated lawsuits per RCW 80.28.080 and RCW 80.28.240.

Staff will provide PSE with the names, service addresses and individual refunds due to each affected customer at the conclusion of this investigation.