

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKET UW-110892
TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	
)	
LOWPER, INCORPORATED,)	NARRATIVE SUPPORTING
)	SETTLEMENT AGREEMENT
Respondent.)	
_____)	

I. INTRODUCTION

1 This Narrative Supporting Settlement Agreement (Narrative) is filed pursuant to WAC 480-07-740(2)(a) on behalf of both Lowper, Incorporated (“Lowper” or “Company”), and the Staff of the Washington Utilities and Transportation Commission (Staff), collectively (“the Parties”). The Parties have signed the settlement agreement (Agreement), which is being filed concurrently with this Narrative. This Narrative 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 either party, there are no opponents of the Agreement. Because of the less complex nature of this matter and the

uncontested status of the Agreement, the Parties suggest that a formal settlement hearing along with the opportunity for public comment are unnecessary in this case.

3 In support of their Agreement, the Parties attach draft tariff sheets (Attachments A through C) and this Narrative to which is attached a declaration from Staff (Declaration of Jim Ward). Attachment A to the Agreement contains revised rates. Attachment B to the Agreement contains a tariff legend, which heretofore was lacking from Lowper's tariff. Attachment C to the Agreement contains a revised index to reflect the addition of the legend sheet. The Parties do not intend to file further documentation supporting the Agreement. If, however, the Commission requires supporting documents beyond the documents on file in this docket, including the documents filed in support of the Agreement, the Parties will provide documentation as 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 Agreement's details, and its costs and benefits, should such testimony be required. In addition, counsel for both Parties are available to respond to any questions regarding the proposed Agreement that the Commission may have.

5 The Parties request a streamlined review of the proposed Agreement. 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. In addition, the Parties request that the Commission suspend the procedural schedule pending the decision on this Agreement.

III. SCOPE OF THE UNDERLYING DISPUTE

6 The underlying dispute concerns a Complaint Against Rates (Complaint) against
Lowerper. After the Complaint was issued, Staff received sufficient information from Lowerper
to examine the Company's expenses and rates. As is described in more detail in the attached
Declaration of Jim Ward, Staff's analysis does not support the allegations in the Complaint.
Accordingly, both Parties seek an end to this proceeding. There are remaining issues,
however, concerning a utility tax published in Lowerper's tariff, and the Agreement proposes
a full resolution of these issues.

IV. DESCRIPTION OF PROPOSED SETTLEMENT

7 The Agreement resolves all of the issues in dispute. The Parties agree that the utility
tax in Lowerper's current tariff should be removed but that Lowerper's revenue from current
rates, including the utility tax as charged by the Company, does not generate an excessive
return. Accordingly, the Parties propose a revenue neutral change in the Company's tariff
that would eliminate the Excise Tax and increase the three remaining rates (the Base Rate,
the Master Meter Charge, and the Usage Rate) by 5.029 percent. Revised rates shall go into
effect the first day of the month after the Commission approves the Agreement.¹ Lowerper
agrees to refund customers, in the form of a bill credit, the difference between the utility tax
the Company collected (5.029 percent of each customer's monthly bill), and the utility tax
rate published in Lowerper's tariff (.05029 percent of each customer's monthly bill),
calculated from the date the Company became regulated to the date it ceased collecting the

¹ Settlement Agreement, ¶ 7, and Attachment A.

tax.² Further, Lowper agrees to report, by the fifteenth day of the month after the Commission approves this Agreement, the amount of the refunds due to each customer, and to advise the Commission within 30 days after all refunds have been completed.³

V. STATEMENT OF PARTIES' INTERESTS AND THE PUBLIC INTEREST

8 The Parties find it is in their best interests to avoid the expense, inconvenience, uncertainty, and delay inherent in a litigated outcome. The Complaint facilitated Staff's investigation into the Company's rates, Staff completed its investigation and determined that the Company is not over earning, and the Agreement would resolve the only remaining matter of concern, the utility tax. Under these circumstances, it is in the public interest that this dispute conclude without the further expenditure of public resources on litigation expenses.

VI. LEGAL POINTS THAT BEAR ON PROPOSED SETTLEMENT

9 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


10 Because the Parties have negotiated a compromise on all of the issues in this dispute and because the Agreement is in the public interest, both Parties request that the Commission issue an order approving the Agreement in full.

² *Id.*, ¶ 8.

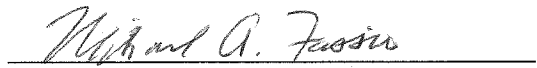
³ *Id.*, ¶ 9.

Respectfully submitted this 30th day of November, 2011.

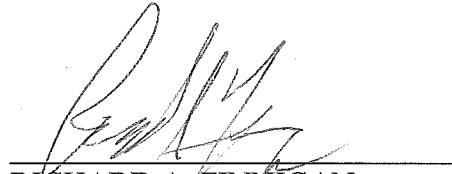
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