March 5, 2019

Mr. Ken Johnson, Director
State Regulatory Affairs
Puget Sound Energy
P.O. Box 97034

Bellevue, WA 98009-9734
Dear Mr. Johnson:
The Utilities and Transportation Commission (commission) is conducting an investigation into the business practices of Puget Sound Energy (PSE) related to disconnections of service and misdirected payments to customer accounts using PSE's automated bill payment system.

Under Washington state law, RCW 80.04.090, the commission has the authority to inspect the accounts, books, papers, and documents of any investor-owned electric or natural gas company doing business in this state.

In order to complete this investigation commission staff requires the following documents and information:

1. A list of all customers (electric and natural gas) in Washington state who were disconnected from service for non-payment from Jan. 1, 2019, through March 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 a document or worksheet that shows the account history, including dates of first notices, second notices, late fees, current charges, pledges, payments, disconnect fees, reconnect fees, etc., and the balance owing after each application. Please separate the account histories by account number or service address, if different.
3. Please provide 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. Please provide 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 the complainant's name 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.

Please provide all requested information no later than March 19, 2019, in electronic format using Microsoft Word for narrative documents and Excel for data. Extension requests may be granted on a case-by-case basis. A request for extension must be made in writing prior to the deadline and must include the reason for the extension.

The response should be directed to Susie Paul, Compliance Investigations. Please include a copy of this letter with your response. If you have questions regarding this request, please contact Ms. Paul at (360) 664-1105 or Susie.Paul@utc.wa.gov.


From:
Feeser, Bridgit (UTC) [bfeeser@utc.wa.gov](mailto:bfeeser@utc.wa.gov)
Sent:
To:
Cc:
Subject:

Tuesday, May 09, 2017 1:24 PM
WUTC Complaints - mail -; Clemen, Susan (UTC); Clemen, Susan (UTC) Hazzard, Pat (UTC)
RE: 4-14-17 Response for WA UTC Complaint CAS-20746-KOZ3F9 for CRM:0043066

Hi Stacey,
During the compliance review of this complaint, Susan Clemen asked for a copy of the court order awarding PSE treble damages. You responded that the company had not received a court order awarding PSE treble damages for this matter, and asked that this issue be escalated. I have reviewed this complaint and am responding only to the treble damages matter. Susan will continue her compliance check into this complaint.

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.

If the customer refuses to pay the triple amount after being informed of their options, the company can collect in advance of restoring service the following as outlined in WAC 480-90-128:

* a deposit
* the tariffed rate for service that was fraudulently used
* cost of actual damages to the meter, as well as time and materials to repair damages
* a reconnection fee (per WAC 480-90-133)


## WAC 480-90-128

## Disconnection of service

(2) Utility-directed without notice or without further notice. The utility may discontinue service without notice or without further notice when:
(a) After conducting a thorough investigation the utility determines that the customer has tampered with or stolen the utility's property, has used service through an illegal connection, or has fraudulently obtained service. The utility has the burden of proving that fraud occurred. For the purpose of this section, a nonsufficient funds check or dishonored electronic payment alone will not be considered fraud.
(i) First offense. The utility may disconnect service without notice when it discovers theft, tampering, or fraud, unless the customer immediately pays all of the following:
(A) The tariffed rate for service that the utility estimates was used as a result of the theft, tampering, or fraud;
(B) All utility costs resulting from such theft, tampering, or fraud; and
(C) Any required deposit.
(ii) Second offense. The utility may disconnect service without notice when it discovers further theft, tampering, or fraud. The utility may refuse to reconnect service to a customer who has been twice disconnected for theft, tampering, or fraud, subject to appeal to the commission.
(b) After conducting a thorough investigation, the utility determines that the customer has vacated the premises;
(c) The utility identifies a hazardous condition in the customer's facilities or in the utility's facilities serving the customer;
(d) A customer pays a delinquent account with a check or electronic payment the bank or other financial institution has dishonored after the utility has issued appropriate notice as described in subsection (6) of this section;
(e) The customer has not kept any agreed-upon payment arrangement for payment of a delinquent balance after the utility has issued appropriate notice as described in subsection (6) of this section; or (f) The utility has determined a customer has used service prior to applying for service. The utility must charge the customer for service used in accordance with the utility's filed tariff.
This section should not be interpreted as relieving the customer or other person of civil or criminal responsibility.

The issue is not whether or not the company can charge treble damages; rather, the issue is that the company is unable to 'require' the customer to pay the trebled amount before restoring service. The customer needs to be informed of their options, i.e., "You must pay a deposit, reconnection fee, amount for stolen service, damage to the meter, and time and material to repair damages prior to reconnection. In addition, you are being charged triple for the stolen service and damages to the meter. If you choose not to pay the triple amount, we will bring civil action against you, which could result in you also paying attorney fees and court costs."
'Requiring' a customer to pay treble damages prior to reconnecting their service is a violation of RCW 80.28.240 and WAC 480-90-128.

I will reassign this investigation to Susan for the compliance check continuation and closure.
Thank you,
Bridgit Feeser
Consumer Protection Assistant Director
(360) 664-1111 Office
bfeeser@utc.wa.gov

## Utilities and Transportation Commission

Respect. Professionalism. Integrity. Accountability.
www.utc.wa.gov
------------------ Original Message --------------------
From: Puget Sound Energy Complaints
Received: 4/14/2017 4:37 PM
To: sclemen@utc.wa.gov; Susan Clemen
Cc: Pat Hazzard
Subject: $4-14-17$ Response for WA UTC Complaint CAS-20746-K0Z3F9 for $\quad$ CRM:0043066
Dear Ms. Clemen:
In the matter CAS-20746-KOZ3F9, Puget Sound Energy ("PSE") respectfully requests further review of your decision and requests that the matter be escalated for decision within the Commission. PSE has not received a court order awarding PSE treble damages for this matter. However, PSE's policy of charging customers treble damages for diverting and tampering with natural gas facilities is in the public interest and is a matter of public safety. Customers who intentionally tamper with PSE's natural gas facilities jeopardize the safety of the general public and cause significant cost associated with repairing and/or replacing damaged facilities. Accordingly, it is
in the public interest for PSE to provide strong disincentives to customers for tampering with natural gas facilities. For these reasons, PSE respectfully requests that the matter be escalated for further policy discussion and decision within the Commission.

Please do not hesitate to contact me should you have additional questions.
Thank You, Stacey

From: Clemen, Susan (UTC) [mailto:sclemen@utc.wa.gov]
Sent: Wednesday, April 12, 2017 9:08 AM
To: WUTC Complaints - mail -
Cc: afiman
Subject: RE: 4-11-17 Response WA UTC Complaint CAS-20746-K0Z3F9 for
CRM:0043066
Hello Stacey,

Thank you for the RCW. I am under the direction of my trainer, Sheri Hoyt. As noted below, RCW $80.20 .240(1)$ states "civil action". Did PSE bring a civil action against the customer?

## RCW 80.28.240 - Recovery of damages by utility company for tampering, unauthorized connections, diversion of services.

(1) A utility may bring a civil action [emphasis added] for damages against any person who commits, authorizes, solicits, aids, abets, or attempts to:
(a) Divert, or cause to be diverted, utility services by any means whatsoever;
(b) Make, or cause to be made, any connection or reconnection with property owned or used by the utility to provide utility service without the authorization or consent of the utility;
(c) Prevent any utility meter or other device used in determining the charge for utility services from accurately performing its measuring function by tampering or by any other means;
(d) Tamper with any property owned or used by the utility to provide utility services; or
(e) Use or receive the direct benefit of all or a portion of the utility service with knowledge of, or reason to believe that, the diversion, tampering, or unauthorized connection existed at the time of the use or that the use or receipt was without the authorization or consent of the utility.
(2) In any civil action brought under this section, the utility may recover from the defendant as damages three times the amount of actual damages, if any, plus the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses.
(3) Any damages recovered under this section in excess of the actual damages sustained by the utility may be taken into account by the utilities and transportation commission or other applicable rate-making agency in establishing utility rates.
(4) As used in this section:
(a) "Customer" means the person in whose name a utility service is provided;
(b) "Divert" means to change the intended course or path of electricity, gas, or water without the authorization or consent of the utility;
(c) "Person" means any individual, partnership, firm, association, or corporation or government agency;
(d) "Reconnection" means the commencement of utility service to a customer or other person after service has been lawfully disconnected by the utility;
(e) "Tamper" means to rearrange, injure, alter, interfere with, or otherwise prevent from performing the normal or customary function;
(f) "Utility" means any electrical company, gas company, wastewater company, or water company as those terms are defined in RCW 80.04.010, and includes any electrical, gas, system of sewerage, or water system operated by any public agency; and
(g) "Utility service" means the provision of electricity, gas, water, wastewater company services, or any other service or commodity furnished by the utility for compensation.

According to Merriam-Webster dictionary the definition of Defendant is: a person or group against whom a criminal or civil action is brought; someone who is being sued or accused of committing a crime.

Response due 4/17/2017 by 5 p.m.
------------------- Original Message
From: Puget Sound Energy Complaints
Received: 4/11/2017 3:18 PM
To: sclemen@utc.wa.gov; Susan Clemen
Cc: Alice Fiman
Subject: 4-11-17 Response WA UTC Complaint CAS-20746-K0Z3F9 for CRM:0043066

Hi Susan,
This process has been reviewed by our outside legal counsel. Who advised you that a court judgement is required?
Thank You,
Stacey

From: Clemen, Susan (UTC) [mailto:sclemen@utc.wa.gov]
Sent: Tuesday, April 11, 2017 1:49 PM
To: WUTC Complaints - mail -
Subject: WA UTC Complaint CAS-20746-K0Z3F9 for $\square$ CRM:0043066
Treble damages require a court judgment. Please provide a copy of the court order awarding PSE treble damages or correct the charges to remove treble damages.

Response due 4/14/2017 by 5 p.m.

## ATTACHMENT C

Feeser, Bridgit (UTC)

| From: | Hoyt, Sheri (UTC) |
| :--- | :--- |
| Sent: | Friday, March 29, 2019 2:59 PM |
| To: | Feeser, Bridgit (UTC); Grimes, Ryan (UTC) |
| Subject: | FW: Billing Treble Charges |
| Attachments: | 5-9-17 email from Bridgit Feeser.for WA UTC Complaint CAS-20746-K0Z3F9 for |
|  | CRM0043066.htm |
| Importance: | High |

From: Hoyt, Sheri (UTC)
Sent: Friday, March 29, 2019 2:59 PM

To.
Attachments:

Importance:

Feeser, Bridgit (UTC); Grimes, Ryan (UTC)
FW: Billing Treble Charges
5-9-17 email from Bridgit Feeser.for WA UTC Complaint CAS-20746-K0Z3F9 for CRM0043066.htm

High

From: Halsen, Stacey [mailto:Stacey.Halsen@pse.com] On Behalf Of WUTC Complaints - mail -
Sent: Thursday, March 28, 2019 12:02 PM
To: Trier, John (UTC)
Cc: Hoyt, Sheri (UTC)
Subject: Billing Treble Charges
Importance: High
Hi John and Sheri,
I've attached the email from Bridget dated 5/9/17 which differs from what you are saying now as far as PSE billing trebled charges. I am going to reach out to our directors, Greg Zeller and Kathie Barnard and ask them if Bridget has reached out to them as I have not heard anything. In Bridgit's email dated $5 / 9 / 17$ she states the below which is how PSE has been operating:

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.

I may be asking for an extension on the two complaints for William Freeman and Emerald State Electric to give our directors time to respond to the information I am sending them from your two emails this week and Bridget's email from 5/9/17.

Thank You,
Stacey Halsen
Sr. Escalated Complaints Examiner
Performance Quality
PUCET SOUND ENERGY
www.PSE.com
Office (425) 424-6572

From: Trier, John (UTC) [john.trier@utc.wa.gov](mailto:john.trier@utc.wa.gov)
Sent: Thursday, March 28, 2019 11:31 AM
To: WUTC Complaints - mail - <WUTC Complaints@pse.com>
Subject: RE: 3-8-19 Response for WA UTC Complaint CAS-24349-D0G3W4 for
CRM:0133247

Good morning Stacey.
I apologize for the delay in getting back to you about this complaint. I've been trying to work with the customer to emphasize the two options available to him. He has told me that he does want to begin the process to have service reconnected. I told him I would ask PSE to contact him to make arrangements to have service reconnected.

In addition, we have recently received an Attorney General opinion that as RCW 80.28.080(1)(c) states that gas companies, electrical companies, wastewater companies, and water companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240. RCW 80.28.240(2) states that the utility may recover from the defendant as damages three times the amount of actual damages in a civil action brought under this section. This does not indicate that utilities can automatically bill treble damages without having first had them awarded in a civil action. I know that Bridgit was going to be reaching out to PSE to discuss the issue, but I'm not sure if she has already done so.

From what I can tell the customer was billed for trebled consumption on $1 / 10 / 19$. Then for trebled time and material charges on $1 / 11 / 19$ and $2 / 12 / 19$ for the revenue protection visits to re-lock and then remove his meter. Have further trebled charges been billed to the customer since $2 / 12 / 19$ ? If so, can you provide the details of those additional charges (I already have the charges prior to $2 / 12 / 19$ from previous responses). Will PSE be removing these trebled charges?

Please provide a response by $5 \mathrm{p} . \mathrm{m}$. on $4 / 2 / 19$.
Thank you,
John
CAUTION: This email originated from outside of the organization. Exercise extra caution when responding, opening attachments, and clicking links.

## Feeser, Bridgit (UTC)

| From: | Barnard, Kathie [Kathie.Barnard@pse.com](mailto:Kathie.Barnard@pse.com) |
| :--- | :--- |
| Sent: | Friday, April 12, 2019 11:39 AM |
| To: | Feeser, Bridgit (UTC) |
| Cc: | Grimes, Ryan (UTC); Maxwell, Amanda (UTC); Zeller, Greg; Halsen, Stacey |
| Subject: | RE: Trebled damage charges sent to collections |
| Attachments: | $5-9-17$ Trebled Charges Email from Bridgit Feeser.docx |

Bridgit,
I forwarded your email to Greg and his team and effective that day (4/10) we modified our process to no longer include treble damages on customer bills absent a court decision. Prior to that date we were operating under the 2017 feedback that allowed us to bill the treble damages but to not demand payment prior to reconnecting service. I believe a team is reviewing the proposed settlement process outlined below and drafting a settlement letter template that we will share with Staff once it has been developed.

Kathie

From: Feeser, Bridgit (UTC)
Sent: Wednesday, April 10, 2019 2:13 PM
To: Barnard, Kathie
Cc: Grimes, Ryan (UTC) ; Maxwell, Amanda (UTC)
Subject: FW: Trebled damage charges sent to collections

CAUTION: This email originated from outside of the organization. Exercise extra caution when responding, opening attachments, and clicking links.

Hi Kathie,
This is a follow up to the email below. We met with our AAG regarding RCW 80.28 .080 and their opinion is that companies are prohibited from including trebled damage amounts on customer bills before the damages are successfully litigated, whether that be through a court decision or settlement arranged with the customer. If the company chooses to pursue a settlement, an offer to settle should:

1. Be mailed separately from regular billing, in a format distinct from the utility's regular billing and communications with the customer.
2. Include the following information:
a. That the utility intends to bring a civil action against the customer for a violation of RCW 80.28.240, including citation to the specific subsection.
b. A brief, easily understandable, description of the facts underlying the alleged violation.
c. Under RCW 80.28.240(2), the utility may recover treble damages, as well as "the cost of the suit and reasonable attorney's fees, plus the costs incurred on account of the bypassing, tampering, or unauthorized reconnection, including but not limited to costs and expenses for investigation, disconnection, reconnection, service calls, and expert witnesses." These additional costs could greatly increase the amount the customer owes, if the court finds against them.
d. The customer's right to challenge the alleged violation in civil court before the utility may charge, demand, collect, or receive treble damages under RCW 80.28.080(c).
e. The utility is offering to settle this claim for treble damages.
f. A brief accounting of the utility's actual damages.
g. Instructions as to how the customer can agree to the proposed settlement, including a method of payment which is separate from the customer's regular billing.
h. In general, the language used in the settlement offer should make clear that this is not an amount the customer currently owes, but a civil claim.

The utility is encouraged to submit a proposed settlement offer form to UTC staff for review and comment.
Current and future consumer complaints regarding billed trebled damages will be reviewed and informal violations may be issued if staff finds the company was not in compliance with state law regarding the assessment of treble damages.

Please feel free to contact me if you have questions.
Thank you,
Bridgit

From: Feeser, Bridgit (UTC)
Sent: Monday, April 1, 2019 8:10 AM
To: 'Barnard, Kathie' [Kathie.Barnard@pse.com](mailto:Kathie.Barnard@pse.com)
Cc: Maxwell, Amanda (UTC) [amanda.maxwell@utc.wa.gov](mailto:amanda.maxwell@utc.wa.gov)
Subject: Trebled damage charges sent to collections
Hi Kathie,

We recently received several consumer complaints regarding treble damage charges. During the complaint investigations, I asked for an AAG opinion on whether or not the rules allow for companies to send customers to collections before they have been awarded trebled damages civilly. Our AAG's opinion is that a utility may not charge, demand, or collect treble damages until those claims are successfully litigated and awarded by a court. Therefore, a company cannot send a customer to collections for failure to pay treble damage charges unless they have been awarded trebled damages civilly.

RCW 80.28.080(1)(a) states: "Except as provided otherwise in this subsection, 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..." Subsection (c) states: "Gas companies, electrical companies, wastewater companies, and water companies may charge the defendant for treble damages awarded in lawsuits successfully litigated under RCW 80.28.240." (Emphasis added).

A review of RCW 80.28.080(1)(a) also raised questions about billing (charging) trebled damages. We will have further discussions with our AAG and follow up with you the week of April 8.

I wanted to give you a heads up, as you may hear about this from your team. Please feel free to reach out to me with any questions.

Thank you,
Bridgit

## Bridgit Feeser

Assistant Director, Consumer Protection
(360) 664-1111 Office
bfeeser@utc.wa.gov

Utilities and Transportation Commission
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## Attachment E



## PSE PUGET SOUND ENERGY

(1) Important Information


How to reach us
Bill Specific Inquiry
Department: Revenue Protection
Email: RevenueProtection@PSE.com
For All Other Inquiries
Email: customercare@pse.com
Customer Service: 1-888-225-5773 | TTY: 1-800-962-9498
Hours: 7:30 a.m. $-6: 30$ p.m. M-F TRS: 1-866-831-5161 Puget Sound Energy: P.O. Box 91269, Bellevue, WA 98009 24 Hour Emergency and Outage line: 1-888-225-5773


Issued: March 8, 2019

## Your Account Summary

Previous Charges:
Amount of Your Last Bill (dated 3/6/2019)
Total Previous Charges
Current Charges:
(0) Products \& Services Other Charges or Credits Total Current Charges

Total includes current and past due charges
Previous charges, if any, may be past due.

## PSE <br> PUGET SOUND ENERGY

- I want to donate $\$$ $\qquad$ to the Warm Home Fund

Q pse.com to pay online or to find pay station locations
M Mail this coupon and make check payable to Puget Sound Energy

## Products and Services

Invoice： 200000308

## Description of Charges

## Amount

## Tampering Gas <br> Job Order \＃

Time \＆Material \＄
Treble Damages Diversion

## Job Order \＃ <br> Treble Damages－Gas Diversion

Total Charges Invoice 200000308


Gas
PSE LABOR：
Company and Construction Overheads：
Material：\＄0
Equipment：\＄0
Per WAC 480－90－128 Reference（2），（a），（i），（A），（B），（C）
This bill is for time and material charges due to gas meter tampering at
4615 140TH AVE NE，Bellevue，WA 98005 starting on 12／22／2018．
Per RCW 80．28．240 Reference（2）
The time and material charges are trebled and shown below．
Please Note：Any additional time and materials accrued will be billed
with treble at a later date．For further details concerning these
charges please contact the Revenue Protection Department at
RevenueProtection＠PSE．com or（888）225－5773

## Emergency or Power Outage <br> Dial 1－888－225－5773

To report a natural gas or electric emergency or a power outage， 24 hours a day，call 1－888－225－5773

Para informar sobre emergencias eléctricas，de gas o apagones 24 horas al día，llame al 1－888－225－5773

若欲報告天然氣或電氣突發事件，或停電事故，每天 24 小時均可致電 1－888－225－5773

Чтобы сообщить об аварии，связанной с природным газом или электроэнергией，или о перерыве в подаче электроэнергии， звоните в любое время суток по номеру 1－888－225－5773

We can translate for other languages．Call 1－888－225－5773．

## Keeping our word．

You will receive a $\$ 50$ credit on your PSE bill if we do not keep a set appointment to install new or reconnect existing service or inspect natural gas equipment．Exceptions apply during major storms or significant events beyond our control．

## You deserve excellent service．

Every day we aim to give you clear，understandable answers to your questions about bills，credits，deposits and your energy service．If you have a complaint or dispute with your bill or service，please call us at 1－888－225－5773． If you are not satisfied with the response，ask to speak with a supervisor．If you are still not satisfied，you may contact the Consumer Affairs section of the Utilities and Transportation Commission at 1－888－333－WUTC（9882）or complete an online complaint form at www．utc．wa．gov．

