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 1 BEFORE THE WASHINGTON STATE

 UTILITIES AND TRANSPORTATION COMMISSION

 2 WASHINGTON UTILITIES AND )

 TRANSPORTATION COMMISSION, ) DOCKET NO. UT-090073

 3 )

 Complainant, ) Volume II

 4 ) Pages 9 to 17

 vs. )

 5 )

 VERIZON NORTHWEST, INC., )

 6 )

 Respondent. )

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 A hearing in the above matter was held on

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 August 27, 2009, from 1:30 p.m to 1:40 p.m., at 1300

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 South Evergreen Park Drive Southwest, Room 206, Olympia,

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 Washington, before Administrative Law Judge DENNIS MOSS.

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12 The parties were present as follows:

 THE COMMISSION, by MICHAEL FASSIO, Assistant

13 Attorney General, 1400 South Evergreen Park Drive

 Southwest, Post Office Box 40128, Olympia, Washington

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 VERIZON NORTHWEST, INC., by GREGORY M.

16 ROMANO, General Counsel - Northwest Region, 1800 - 41st

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24 Joan E. Kinn, CCR, RPR

25 Court Reporter

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 1 P R O C E E D I N G S

 2 JUDGE MOSS: Good afternoon, everyone. My

 3 name is again Dennis Moss, I'm an Administrative Law

 4 Judge with the Washington Utilities and Transportation

 5 Commission. We are convened this afternoon in the

 6 matter styled Washington Utilities and Transportation

 7 Commission against Verizon Northwest, Inc., Docket

 8 Number UT-090073. This is a complaint matter brought on

 9 the Commission's own complaint concerning alleged

10 violations of regulatory requirements by Verizon.

11 On August the 12th, the only two parties in

12 the proceeding, that is to say Verizon and the

13 Commission Staff, filed a settlement agreement that they

14 propose the Commission approve and adopt in full

15 resolution of the issues in this proceeding.

16 Simultaneously they filed a narrative statement in

17 support of that settlement agreement, which is of course

18 required by our procedural rules, so that's all been

19 done.

20 After some preliminary consideration, I found

21 that I had several questions about the settlement

22 agreement that I needed answers to, and rather than do

23 that through a series of Bench requests, I thought it

24 would be most convenient just to hold a short hearing

25 this afternoon. And I'll put those questions to you,

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 1 and to the extent counsel can answer, that's fine. To

 2 the extent we need to call a witness, we will do so.

 3 Anything preliminary before we get started,

 4 other than appearances which we'll take momentarily?

 5 MR. ROMANO: Not from Verizon, Your Honor.

 6 MR. FASSIO: Not from Staff.

 7 JUDGE MOSS: Then let's take appearances, and

 8 we'll start with Staff as Complainant.

 9 MR. FASSIO: Michael Fassio, Assistant

10 Attorney General, appearing on behalf of Commission

11 Staff.

12 MR. ROMANO: Gregory Romano, General Counsel

13 of Verizon Northwest.

14 JUDGE MOSS: And you can provide your contact

15 information to the court reporter to the extent she

16 needs that for the record.

17 All right, well, I have provided you with an

18 exhibit list that includes two items at this juncture.

19 One I've identified as a Bench exhibit, which is the

20 settlement agreement on file with the Commission. The

21 second is one I've identified under the joint testimony

22 exhibits category, that being the narrative supporting

23 the settlement agreement. These two items will be

24 probably the extent of our documentary record in this

25 proceeding unless somebody has something else they want

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 1 considered.

 2 Having done the preliminaries, let me just

 3 turn to the settlement agreement and start through that

 4 with the few questions that I have. We'll get those

 5 answered, and then we will be able to recess at a fairly

 6 early moment I think.

 7 My first question relates to paragraph 10 on

 8 page 2, and my question really is, as I read through the

 9 agreement, it didn't -- it was not apparent to me

10 whether, and if so how, there was an intention that

11 those customers who were improperly charged city taxes,

12 as Verizon has acknowledged -- I should have said that,

13 Verizon as part of the settlement agreement is

14 acknowledging that with regard to 26 customers on 425

15 occasions between March 2007 and March 2009 it

16 incorrectly assessed city tax against certain customers.

17 And so my question is, is there any provision in here

18 that provides for those customers who were improperly

19 charged to be reimbursed?

20 MR. ROMANO: Your Honor, if I could take

21 that, they have already been reimbursed and received

22 credits.

23 JUDGE MOSS: All right, well, that occurred

24 to me that that was one possibility, but there was

25 nothing in here that made that clear, and I wanted that

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 1 to be something that could be discussed in the order.

 2 MR. FASSIO: That is Staff's understanding as

 3 well.

 4 JUDGE MOSS: All right, very good, that takes

 5 care of that question.

 6 The next question, there's several paragraphs

 7 to which this relates, and I think I know the answer but

 8 I'm not 100% sure, paragraphs 11, 15, and 16 include

 9 language at the end of each of those paragraphs to the

10 words either identical or to the effect that Staff's use

11 of information included in these various paragraphs of

12 the settlement agreement are limited to determining

13 compliance with the agreement. And so as I first read

14 through that in paragraph 11, my question was, well,

15 what if some things are not satisfactorily revolved, and

16 that question reoccurred to me later. When I got to

17 paragraph 21, I think I found the answer to that, but I

18 want to be sure that these paragraphs relate to one

19 another. Paragraph 21 provides that the Commission is

20 going to look at a, or I guess let's see, is Staff going

21 to do this report?

22 MR. FASSIO: Yes, Staff will do this report.

23 JUDGE MOSS: Okay, Staff is going to do a

24 report that is a compliance investigation that will

25 include findings and a recommendation as to whether

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 1 suspended penalties, which I recall are in a fairly

 2 substantial amount, $39,900, decide whether to recommend

 3 that those be waived or imposed. Now is that the

 4 solution to if these various investigations along the

 5 way as described in paragraphs 11, 15, and 16 leave some

 6 concerns?

 7 MR. FASSIO: My understanding was that the

 8 statement, Staff's use of the list shall be limited to

 9 determining compliance, that refers back to I suppose if

10 you're going to look at the compliance investigation

11 paragraph 20 that says as well information provided by

12 Verizon under the terms of the agreement.

13 JUDGE MOSS: Right.

14 MR. FASSIO: So the information provided

15 would be used in the context of the compliance

16 investigation, so any of Staff's recommendations coming

17 out of that, the information provided would be part of

18 that.

19 JUDGE MOSS: Okay. The only concern I have

20 is if in the course of demonstrating compliance over the

21 upcoming months Staff is dissatisfied with some of the

22 things it finds and wishes to bring that to the

23 attention of the Commission with the possibility of

24 there being some action, nothing in this agreement

25 precludes that from happening?

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 1 MR. FASSIO: That's correct.

 2 JUDGE MOSS: Is that your understanding,

 3 Mr. Romano?

 4 MR. ROMANO: Yes, Your Honor.

 5 JUDGE MOSS: Okay, fine. Well, that's an

 6 important comfort factor. We had an agreement a few

 7 years back that had a different effect, and it caused

 8 quite a bit of consternation, so I wanted to ask about

 9 that, so I'm satisfied with that.

10 Let's see, there's just a couple of detail

11 questions. Paragraph 14, the last sentence there says,

12 if feasible, Verizon and Commission Staff will arrange a

13 demonstration of the interface and routing mechanisms

14 described here and in paragraph 13. And without needing

15 to go into the details of what those interface and

16 routing mechanisms are, the conditional language in here

17 left me a little puzzled, what do we mean if feasible,

18 who determines feasibility and on what basis?

19 You can testify if you want, I'll just have

20 to swear you.

21 MR. FASSIO: As far as Staff, I think if we

22 can just hold on one moment while I consult with my

23 client.

24 JUDGE MOSS: Sure, this is nothing too formal

25 here.

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 1 MR. ROMANO: Your Honor, if I may, I guess I

 2 can start with our understanding.

 3 JUDGE MOSS: Sure.

 4 MR. ROMANO: Our recollection when we were

 5 working on this was just whether it would be feasible

 6 for instance for Staff to actually come see a computer

 7 screen in person or whether instead they might accept a

 8 hard copy printout of what an interface looks like, and

 9 so I think the feasible language was just to try to work

10 out between the parties how it would actually work.

11 JUDGE MOSS: And you've anticipated the other

12 parts of my question here, which is who is this

13 demonstration for and who is giving this demonstration,

14 which was not clear to me from the language.

15 MR. FASSIO: Just to add to that, I think

16 it's Staff's understanding too that some of these

17 locations are out of state, and so the feasibility of

18 whether we do an in-person demonstration versus an on

19 line or other more creative means we still have to

20 develop.

21 JUDGE MOSS: If it's outside of Washington or

22 Portland, we're stuck, huh. I think everybody got that

23 with the travel restriction in the state right now due

24 to budgetary constraints.

25 Okay, well, that satisfies me there, I just

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 1 needed to understand that language and what it meant.

 2 And you'll probably be relieved to know that

 3 that exhausts the questions I have about the agreement.

 4 Otherwise I found it straightforward and well explained,

 5 and so I will be in a position to make a determination

 6 and enter an initial order fairly promptly. Once I do

 7 that, if you all wish to waive review, you can simply

 8 file something in the form of a letter stating that you

 9 waive administrative review, and that will speed the

10 process within the Commission in terms of getting to the

11 stage of a final order. So just so you know, if you're

12 satisfied with my order, that's a process that you can

13 initiate.

14 Okay, anything from the parties, questions?

15 MR. ROMANO: No, thank you, Your Honor.

16 MR. FASSIO: No, thank you.

17 JUDGE MOSS: All right, well, thank you all

18 for showing up, I realize this was brief, and I

19 appreciate you expending the resources to be here and

20 satisfy my questions.

21 MR. FASSIO: Thank you.

22 MR. ROMANO: Thank you, Your Honor.

23 JUDGE MOSS: We're off the record.

24 (Hearing adjourned at 1:40 p.m.)

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