

DWP customers were overcharged at least \$67.5 million, monitor says



DWP office building in downtown Los Angeles. Photo by David Crane/Los Angeles Daily News/SCNG/File

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POSTED: 11/14/16, 8:19 PM PST | UPDATED: ON 11/14/2016

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An independent monitor reported Monday that Los Angeles Department of Water and Power customers were overcharged at least \$67.5 million, a number attorneys claim will likely climb.

Customers of the giant utility, which serves Los Angeles and areas west into Santa Monica, were overcharged beginning in 2013 when a new billing system was [improperly designed and installed by PricewaterhouseCoopers](#), according to release from Landskroner Grieco Merriman, the law firm that negotiated the current settlement.

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A class-action lawsuit [filed on behalf of the customers called for the department to repay the overcharged amounts](#), and [gained preliminary approval in December](#).

The amount was identified by Paul Bender, an independent monitor appointed by a judge to oversee how the utility determined which customers were owed reparations and

how much they should receive. Bender was appointed in December, at the same time the judge allowed the suit to move forward.

The more than \$67 million in overcharges identified by Bender are just the beginning, said consumer rights attorney Jack Landskroner in a release. That number could rise as more damages are identified, he said.

“This amount only addresses the verified credits and refunds customers can automatically receive,” Landskroner said. “The settlement also creates a process enabling consumers to make claims for additional damages caused by overbilling.”

When the judge granted preliminary approval to the suit in December, the overcharges were originally estimated at \$44.7 million.

In addition to the overcharges identified, the attorneys for the lead plaintiff in the suit and the LADWP released an updated settlement agreement last week, according to the release.

The agreement includes concessions by the utility company to adopt rule changes that prevent the LADWP from back-billing customers more than about three months. The updated agreement also requires the department to create a customer service “tiger team” to address complex customer billing issues, and expands the monitor’s authority over the team and the department’s claims administration process.

The settlement requires the department to spend \$20 million to implement reforms, according to the release.

“This is not a drive-by settlement. We are in this for the long haul,” Landskroner said. “We are going to continue to push to make sure the mandated reforms are fully implemented.”

When customers will start seeing refunds of overcharged amounts will depend on the outcome of a preliminary hearing Friday. If a judge grants approval at that hearing, consumers can expect to see a letter in their mailbox within 90 days explaining how much they can expect to receive, according to the release.

“We are hopeful the court will grant preliminary approval to the revised settlement this Friday, so that we can take the next steps toward refunding our customers the money they are rightfully owed,” DWP General Manager David Wright said in a statement Monday.

If the judge grants approval, refunds would go to customers in summer 2017, paid out on a court-approved calendar, Wright said in the statement.

“The city and LADWP will continue to pursue full repayment by (PricewaterhouseCoopers) of the damages LADWP and its customers sustained due to PwC having designed and implemented the flawed billing system,” Wright said.