

MONDAY, NOVEMBER 21, 2016

LA judge gives preliminary approval to water bill deal

By Justin Kloczko
Daily Journal Staff Writer

LOS ANGELES — A long-delayed Los Angeles Department of Water and Power misbilling settlement was preliminarily approved at \$67 million Friday, but there is more to be finalized.

The class action settlement between the city of Los Angeles and ratepayers, which ballooned from \$44.7 million to \$67 million after it was conditionally approved by Judge Elihu M. Berle nearly a year ago, had previously failed three preliminary approval hearings — casting doubt on the progress of reimbursement calculations. *Jones v. City of Los Angeles*, BC577267 (L.A. Super. Ct., filed April 1, 2015).

The revised settlement pays \$19 million in attorney fees, \$20 million to computer consultants and \$3 million to independent monitor Paul Bender, who was hired to calculate disbursements.

The lawsuit was filed in response to a faulty billing program the DWP had installed by Pricewaterhouse Coopers LLP, which caused about 1.6 million customers to receive inaccurate bills. A lawsuit is currently pending by the city

of Los Angeles against Pricewaterhouse over the \$57 million contract.

Money is expected to be paid out over the summer of 2017, attorneys said. The class consists of anyone who was overbilled by the utility company since September 2013. *City of Los Angeles v. Pricewaterhouse Coopers LLP*, BC574690 (L.A. Super Ct., filed March 6, 2015).

“This case is not about the rates. This case is about massive problems caused by the new computer billing system related to billing customers based on legal rates already established. The city admits the implementation of the ... system is faulty,” Berle said.

Berle found the settlement fair, also stating that further “delays would result in long waits for customers to receive credits or refunds.”

He disapproved of the length of the claim forms, requesting they be two to three pages at most and deferred approving them to Dec. 15.

In court Friday, class members’ attorney Jack Landskroner of Landskroner Grieco Merriman LLC called it a “massive undertaking,” while Liner

LLP attorney Maribeth Annaguey, who represents the city, said, “This has been no small feat due to the complexity of the system.”

Not everyone was pleased. David Bower, who also represents plaintiffs, said the settlement lacked transparency and questioned the legitimacy of Bender as monitor.

Consumer Watchdog, advocating on behalf of ratepayers, said the revised settlement inflates attorney fees from \$13 million to \$19 million and was a way for lawyers to gain leverage in their case against Pricewaterhouse Coopers.

“There’s a 46 percent increase. They haven’t taken a deposition. Are they doing this to inflate the value of the case?” said Consumer Watchdog President Jamie Court, who alleged customers continue to get incorrect bills.

Court objected to Paul Kiesel of Kiesel Law defending the city of Los Angeles in the class action while acting as plaintiff for the city in the suit against Pricewaterhouse. Kiesel contends he doesn’t defend the city, but DWP specifically. Liner defends the city, as does City Attorney Mike Feuer.