

## LA's \$70M Deal Ending Power Billing Suits Gets OK At Last

By **Daniel Siegal**

*Law360, Los Angeles (December 15, 2016, 10:33 PM EST)* -- A California judge said Thursday he'll approve the city of Los Angeles' long-pending settlement of allegations that PricewaterhouseCoopers' 2010 overhaul of LA's billing system led thousands of utility customers to be overbilled, a deal that's grown from \$44 million to \$70 million since it was first proposed in August 2015.

At the Thursday hearing, Los Angeles Superior Court Judge Elihu M. Berle said that the parties had addressed small procedural concerns he had previously raised about the notice given to the class and the deadlines included in the settlement, and said that he would sign off on a preliminary approval order for the deal on Dec. 30, after the parties submitted a corrected version of the deal incorporating the final small changes.

If it passes muster at a final approval hearing set by the judge for June 2017, the settlement will end a suit filed in April 2015 by named plaintiff Antwon Jones on behalf of Los Angeles Department of Water and Power customers who alleged they paid overlarge electricity, water, garbage and sewer bills thanks to the city's disastrous billing system update. The deal also covers the claims in a trio of related class actions filed over the same claims, as well as claims that participants in the LADWP's solar power incentive program also suffered billing errors.

The deal initially proposed to pay out \$44 million in credits and refunds to make the overcharged LADWP customers whole, as well as to require the city to spend \$20 million to rebuild its billing system again. Judge Berle said he approved of the deal's basic framework in December 2015, but held off on signing a preliminary approval order until the parties took input from class members to try to further improve the deal.

Customers who were overcharged will either receive a full credit to their accounts or a refund if their accounts are closed, according to court records.

In a revised notice of settlement and revised settlement filed Nov. 10, the parties noted that the LADWP spent "thousands of high level IT hours" investigating its billing, and had identified an additional \$25 million to be refunded or credited to LADWP customers.

The LADWP had hired PricewaterhouseCoopers to update the city's 40-year-old billing system. The new system, which went live in 2013, allegedly produced inaccurate bills, including many that overcharged customers, prompting lawsuits like Jones'.

In March 2015, Los Angeles City Attorney Michael N. Feuer sued PricewaterhouseCoopers, claiming it fraudulently misrepresented its ability to pull off the new Oracle Corp. system in order to win a \$70 million contract. The firm's inexperience led to a broken system that caused more than 11 percent of the LADWP's meters to fail and blocked the city from billing 180,000 customers, according to that suit.

In a joint status report filed on Nov. 30, the city said that it would be moving to file an amended complaint in the suit, adding new allegations based on "new and very significant evidence" it had unearthed showing that PwC had actual knowledge that a billing system update it did for Cleveland Water was not "successful," as the company had told the city in selling its services.

The city also contends that it has uncovered new facts about a conspiracy in which PwC bilked the city and its rate payers out of tens of thousands of dollars to be used to purchase the services of high-priced prostitutes in Las Vegas, and to fund "extravagant nights of partying" around Los Angeles.

The plaintiffs are represented by Jack Landskroner of Landskroner Grieco Merriman LL and Michael J. Libman of Law Offices of Michael J. Libman APC.

Los Angeles is represented by City Attorney Michael N. Feuer, Assistant City Attorney Eskel H. Soloman and Department of Water and Power General Counsel Joseph A. Brajevich, and Angela C. Agrusa and Maribeth Annaguey of Liner LLP.

The case is Antwon Jones v. City of Los Angeles, case number BC577267, in the Superior Court of the State of California for the County of Los Angeles.

--Editing by Bruce Goldman.