

**Exh. AR-1T
Docket UE-220216
Witness: Andrew Roberts**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

DOCKET UE-220216

PUGET SOUND ENERGY

**For Penalty Mitigation Associated with
Service Quality Index No. 11-Electric
Safety Response Time Annual
Performance for Period Ending
December 31, 2021**

TESTIMONY OF

ANDREW ROBERTS

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Staff Recommendation Concerning Mitigation of Penalty

December 2, 2022

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1 **I. INTRODUCTION**

2

3 **Q. Please state your name and business address.**

4 A. My name is Andrew Roberts, and my business address is 621 Woodland Square
5 Loop SE, Lacey, Washington, 98503. My business mailing address is P.O. Box
6 47250, Olympia, Washington, 98504-7250. My business email address is
7 andrew.roberts@utc.wa.gov.

8

9 **Q. By whom are you employed and in what capacity?**

10 A. I am employed by the Washington Utilities and Transportation Commission
11 (Commission) as a Regulatory Analyst in the Consumer Protection Section of the
12 Consumer Protection and Communications Division.

13

14 **Q. How long have you been employed by the Commission?**

15 A. I have been employed by the Commission since 2014.

16

17 **Q. Please state your qualifications to provide testimony in this proceeding.**

18 A. I have Bachelor of Arts degrees in Political Economy and Urban Studies from the
19 University of Washington Tacoma. In addition, I have a Master of Public
20 Administration degree from The Evergreen State College.

21 I began my employment with the commission as a Consumer Program
22 Specialist, where I reviewed consumer complaints for just over two years. I have
23 spent the remainder of my time with the commission as a Regulatory Analyst,

1 working on numerous utility filings, including providing testimony supporting
2 Staff's position regarding PSE's proposed changes to its SQI program in Dockets
3 UE-170033 and UG-170034.

4

5 **Q. Have you testified previously before the Commission?**

6 A. Yes. I have provided written testimony in Dockets UE-151871, UG-151872, UE-
7 170033, and UG-170034.

8

9 **II. SCOPE AND SUMMARY OF TESTIMONY**

10

11 **Q. What is the scope and purpose of your testimony?**

12 A. My testimony responds to the petition for penalty mitigation filed in this docket on
13 March 29, 2022.

14

15 **Q. Please summarize your recommendations.**

16 A. I recommend denying the mitigation request from PSE and maintaining the
17 calculated penalty of \$613,636 for the missed SQI-11 benchmark.

18

19 **Q. Have you prepared any exhibits in support of your testimony?**

20 A. Yes. I prepared Exhibits AR-2 through AR-5.

21 • Exh. AR-2 is PSE's Response to Public Counsel Data Request No. 4

22 • Exh. AR-3 is PSE's Response to Public Counsel Data Request No. 12

23 • Exh. AR-4 is PSE's Response to Public Counsel Data Request No. 10

- 1 • Exh. AR-5 is PSE’s Response to Public Counsel Data Request No. 11
- 2 • Exh. AR-6 is PSE’s Response to WUTC Staff Data Request No. 009
- 3 • Exh. AR-7 is PSE’s Response to WUTC Staff Data Request No. 007

4

5 **III. DISCUSSION**

6

7 **Q. What is the Service Quality Index (SQI)?**

8 A. The SQI is a collection of measures used to quantify customer service and reliability
9 performance achieved by PSE, within its service territory, over the course of one
10 year. The existing SQI program was initially implemented in 1997 as part of Dockets
11 UE-951270 and UE-960195, the merger of Washington Natural Gas Company and
12 Puget Sound Power & Light Company “as a mechanism to assure customers that
13 they will not experience a deterioration in the quality of service.”¹

14

15 **Q. What is SQI-11?**

16 A. SQI-11 was adopted in 2002 in consolidated Dockets UE-011570 and UG-011571.²
17 The settlement agreement approved by the Commission in that docket established,
18 among other things, a mechanism to measure the electric safety response time, with a
19 benchmark of 55 minutes for the average number of minutes from a customer call to
20 the arrival of an electric first responder.³

¹ *In re Proposal of Puget Sound Power & Light Co.*, Dockets UE-951270 & UE-960195, Fourteenth Supplemental Order, at 13 (Feb. 5, 1997).

² *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Dockets UE-011570 & UG-011571, Twelfth Supplemental Order, 9-10 ¶ 19 (June 20, 2002).

³ *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Dockets UE-011570 & UG-011571, Settlement Agreement, Exh. J, Appx. 2, Service Quality Program Mechanics, page 3 (June 6, 2002) (“SQI Appx”).

1 **Q. What is an electric first responder?**

2 A. PSE’s electric first responders are responsible for responding to all reported power
3 outages, 911 calls reported to involve PSE infrastructure, non-outage emergency
4 calls,⁴ and customer requested work.⁵

5
6 **Q. Has SQI-11 changed over the years?**

7 A. Yes. The original SQI-11 mechanics allowed PSE to exclude major event days and
8 carry forward days. Major event days are defined as “days when more than 5% of
9 PSE’s customers are out and associated carry-forward days.” “Carry-forward days
10 end when those customers have service restored.”⁶ In 2004, SQI-11 was updated to
11 allow PSE to exclude localized emergency event days. Localized emergency event
12 days are defined as the “dispatch and utilization of all available electric first
13 responders to [an] affected Local Area to respond to service outages.”⁷

14
15 **Q. What consequences does PSE face if it fails to meet SQI-11?**

16 A. PSE must pay a penalty for certain SQIs that it fails to meet, including for failing to
17 comply with SQI-11. The Commission accepted the penalty calculation included in
18 the settlement agreement in Dockets UE-011570 and UG-011571.⁸ Mathematically,
19 the penalty for failure to comply with SQI-11 is:

20
$$\text{Penalty} = \left(\frac{\text{Average Response Time} - \text{benchmark}}{\text{benchmark}} \right) \times 10 \times \text{penalty per point}$$

⁴ Murphy, Exh. PRM-1T at 7:16-20.

⁵ Murphy, Exh. PRM-1T at 17 at 7-18.

⁶ SQI APPX. at 6.

⁷ *In re Application of Puget Sound Energy, Inc.*, Docket UE-031946, Order 01, 4 ¶ 12 (May 11, 2004).

⁸ SQI Appx. at 14.

1 The penalty per point value is \$337,500 and the benchmark is 55 minutes, as noted
2 above.

3

4 **Q. Can PSE seek mitigation of any penalty imposed for failure to comply with SQI-**
5 **11?**

6 A. Yes. PSE can request mitigation if it believes that “the penalty is due to unusual or
7 exceptional circumstances for which PSE’s level of preparedness and response was
8 reasonable.”⁹

9

10 **Q. Did PSE meet the established SQI-11 benchmark for the 2021 reporting**
11 **period?**

12 A. No. PSE reported an average electric first responder response time of 65 minutes for
13 the 2021 reporting period.

14

15 **Q. What penalty did PSE incur for failing to meet SQI-11?**

16 A. Based on the penalty formula set out above, PSE incurred a \$613,636 penalty given
17 its average first responder response time of 65 minutes.

18

19 **Q. Has PSE requested that the Commission mitigate that penalty?**

20 A. Yes. PSE filed the petition before the Commission to request that the Commission
21 waive the \$613,636 penalty associated with the missed SQI-11 benchmark.

22

⁹ SQI Appx. at 17.

1 **Q. What unusual circumstances does PSE claim justify mitigation of the penalty?**

2 A. PSE highlights several circumstances it believes are unusual such as unusual
3 weather, COVID-19, hiring and retention, and electric first responder workload for
4 which it claims its preparedness and response were reasonable.

5
6 **Q. How does PSE claim that unusual weather impacted its SQI-11 performance?**

7 A. PSE states that significant weather events reduced availability of responders and
8 increased fatigue. PSE explains that 55 days out of 365 days were excluded from the
9 SQI-11 calculation during the 2021 reporting period.¹⁰ It notes that the number of
10 days excluded from the SQI-11 calculation for 2021 is 40 percent higher than the
11 five-year average of 39 days for 2016 through 2020.¹¹

12
13 **Q. Does the SQI-11 benchmark include a mechanism to account for significant
14 weather events?**

15 A. Yes, as previously indicated in my testimony, the SQI-11 mechanics allow PSE to
16 exclude major event days and carry forward days. Additionally, the mechanic was
17 updated to accommodate regional events through the exclusion of localized
18 emergency event days. In part due to the exclusion of significant weather events
19 there was virtually no change in the number of events included in the SQI-11
20 calculation for 2021 when compared to prior years.¹²

21

¹⁰ Murphy, Exh. PRM-1T at 12:17-18

¹¹ Murphy, Exh. PRM-1T at 13:1-2.

¹² Roberts, Exh. AR-6.

Year	Included Incidents	Excluded Incidents
2014	7,225	5,419
2015	7,149	7,079
2016	7,825	4,986
2017	7,508	6,734
2018	6,784	4,946
2019	7,030	6,390
2020	6,552	6,927
2021	7,307	9,141

1 **Q. If major weather events are already accounted for in the SQI-11 mechanic,**
2 **how did weather impact PSE’s performance?**

3 A. PSE asserts that the series of major weather events in the 2021 reporting period
4 contributed to employee fatigue. But PSE does not show a direct link between the
5 SQI-11 performance during the 2021 reporting period and the fatigue it argues
6 contributed to the missed performance measure.

7
8 **Q. Should the major weather events described by PSE in 2021 be considered for**
9 **mitigation?**

10 A. No, for three reasons. First, the SQI-11 mechanic already includes a mechanism to
11 alleviate the impact of major weather events. This mechanism was agreed to by the
12 settling parties and approved by the Commission in UE-011570 and UG-011571 and
13 updated to include smaller regional weather events with the incorporation of
14 localized emergency event days in UE-031946. Second, Table 2 in PRM 1T provides
15 the Annual SQI-11 performance dating back to 2003.¹³ In the five years preceding

¹³ Murphy, Exh. PRM-1T at 9:10.

1 the missed 55-minute benchmark, PSE reported meeting the measure with 55
2 minutes in 2016 and 2017, and 54 minutes in 2019. Averaging those five years
3 preceding the 2021 reporting period, PSE performance averages to 53.4 minutes,
4 leaving little room for error. Third, PSE uses an article from The Seattle Times
5 “From record high temperatures to bitter cold days, Western Washington’s year of
6 extreme weather” to add emphasis to what it believes to be unusual weather events.
7 However, that very article begins by placing emphasis on the fact that much of the
8 weather in 2021 “unfolded the way climate scientists have been predicting for
9 decades.”¹⁴ PSE’s series of near misses of the 55-minute SQI-11 benchmark in the
10 years prior to 2021 indicates that perhaps PSE was not adequately prepared for the
11 extreme weather referenced in PRM 6.

12

13 **Q. Did PSE attribute any impacts to COVID-19?**

14 A. Yes. PSE indicated that the COVID -19 pandemic affected PSE’s ability to respond
15 to customer calls because of workforce illnesses, COVID-19 exposures, and new
16 field safety procedures and protocols. PSE’s electric first responder staff billed
17 1,655.5 hours to the COVID-19 work order in 2021.¹⁵ PSE uses that work order to
18 track employee hours lost due to COVID-19 impacts.¹⁶

19

20 **Q. Should the amount of time billed to the COVID-19 work order be considered**
21 **for mitigation?**

¹⁴ Murphy, Exh. PRM-1T at 2.

¹⁵ Murphy, Exh. PRM-1T at 14:8-9.

¹⁶ Murphy, Exh. PRM-1T at 14:8-11.

1 A. No. PSE averaged 79.5 electric first responder staff in 2021.¹⁷ At 79.5 electric first
2 responder staff, the 1,655.5 hours billed to the COVID-19 work order come out to,
3 on average, nearly 21 hours per electric first responder for the 2021 reporting
4 period.¹⁸ PSE does not explain why missing almost three 8-hour work shifts per
5 electric first responder per year due to illness is unusual or exceptional. Based on the
6 data, on average, PSE's first responder staff do not appear to have experienced a
7 significant number of extended or prolonged instances of illness associated with the
8 COVID-19 pandemic. Staff believes missing nearly three work shifts due to illness is
9 not unusual or exceptional.

10

11 **Q. How did inflation impact PSE's hiring and retention challenges?**

12 A. PSE indicates that inflation contributed to staffing challenges, particularly in King
13 County. Specifically, PSE states that the cost of living in King County makes it
14 particularly challenging to retain local staff in King County and electric first
15 responder staff often relocate outside of King County when positions open.

16

17 **Q. Should inflation in King County be considered as a mitigating factor?**

18 A. No, for three reasons. First, PSE did not provide any data indicating that the amount
19 of turnover in King County was higher than in prior years. Nor did PSE demonstrate
20 that inflation in King County was higher than the rest of its service territory or
21 directly link inflation to turnover in King County. Second, SQI-11 metric is not a
22 King-County-centric metric. SQI-11 measures an average of the entire service

¹⁷ Roberts, Exh. AR-7.

¹⁸ Murphy, Exh. PRM-1T at 23:6-12.

1 territory over the course of one year. The results of King County surely impact the
2 final calculation, but if PSE performs poorly in King County and better in the
3 remainder of its service territory, it is possible to still meet the 55-minute benchmark.
4 And third, the data provided by PSE indicates that missing the benchmark was not a
5 King County issue: PSE reports an average electric first responder response time of
6 73 minutes in King County and 60 minutes outside of King County, so, even if the
7 King County data were entirely removed from the calculation, PSE would still miss
8 the 55-minute benchmark.¹⁹

9
10 **Q. What impact did increasing workload have on 2021 SQI-11 performance?**

11 A. PSE highlights a seven percent increase in customer requested projects in 2021 over
12 the prior 2020 reporting period.²⁰ However, the customer requested projects are not
13 included in the SQI-11 calculation, they are just completed by the same electric first
14 responder staff. PSE also highlights an increase in unplanned outages of 19 percent.
15 Unplanned outages are included in the SQI-11 calculation. But, as demonstrated
16 earlier, major event days and carry over days as well as localized emergency event
17 days are already excluded from the calculation. Of the 19,400 unplanned outages,
18 5,735 were excluded from the calculation.²¹ PSE does demonstrate correlation
19 between the number of total outages and the monthly SQI-11 results in 2021 and
20 argues that increasing electric first responder fatigue contributed to the missed
21 benchmark. But PSE does not provide a direct link between increasing number of

¹⁹ Murphy, Exh. PRM-1T at 16:14-18.

²⁰ Murphy, Exh. PRM-1T at 17:15-20.

²¹ Murphy, Exh. PRM-1T at 19.

1 jobs and electric first responder response time, and just because the total number of
2 outages and the monthly SQI-11 results are correlated does not mean there is a
3 causal link between the two.
4

5 **Q. What steps did PSE take to counter its hiring and retention challenges?**

6 A. Hiring and retention challenges seemed to impact all sectors of the economy in 2021.
7 PSE began a campaign to hire new electric first responders and to increase its
8 electric first responder workforce from 77 to 89 electric first responders, but ended
9 the year with the same number of first responders that it began with, 77.²² PSE began
10 discussing hiring and retention challenges in the beginning of 2021, and did
11 eventually increase the compensation for electric first responders in December
12 2021.²³ PSE also reorganized the shifts for electric first responder staff in an attempt
13 to better respond to the work.²⁴ PSE has also indicated that it is discussing creating
14 additional job classifications in response to the challenging work electric first
15 responder staff face responding to the various sources of their work.²⁵ Given that on
16 average each electric first responder worked 1,100 hours of overtime in 2021, and
17 the SQI-11 benchmark was missed by 10 minutes, Staff believe that further analysis
18 is needed.
19

²² Murphy, Exh. PRM-1T at 23:6-18; In re Petition of PSE, Docket UE-220216, Petition for Penalty Mitigation, 16 (Mar. 29, 2022).

²³ Roberts, Exh. AR-2.

²⁴ Roberts, Exh. AR-3.

²⁵ Roberts, Exh. AR-4.

1 **Q. Was PSE reasonably prepared for the events that it argues justify mitigation?**

2 A. No, for three reasons. PSE states that heading into 2021 its electric first responder
3 staffing was consistent with prior years.²⁶ In the five years prior to 2021, PSE nearly
4 missed the 55-minute benchmark three times. Second, despite nearly missing the
5 benchmark three times in the years leading up to 2021, PSE didn't decide to
6 substantially increase its electric first responder staffing or begin to examine
7 alternatives such as higher wages until 2021. Finally, despite nearly missing the SQI-
8 11 benchmark on three occasions, when asked to describe the compliance program
9 for SQI-11, PSE responded that there was not a separate program other than SQI-11
10 response time, indicating a lack of internal plan to ensure compliance.²⁷ The
11 response to the data request is particularly concerning in light of the Commission's
12 stated expectation that "companies to have a compliance program in place."²⁸ It is
13 PSE's responsibility to meet the benchmark, to ensure that customers do not
14 experience a deterioration in quality of service. Unfortunately, customers did
15 experience a deterioration in quality of service as measured by SQI-11 in 2021.

16
17 **Q. Were the circumstances that led to PSE's failure to comply with SQI-11 beyond**
18 **its control?**

19 A. The weather conditions PSE highlights are beyond its ability to control. However,
20 much of the extreme weather PSE highlights was also excluded from the SQI-11
21 calculation. The impacts from COVID-19 were beyond the company's ability to

²⁶ Murphy, Exh. PRM-1T at 23:6-8.

²⁷ Roberts, Exh. AR-5.

²⁸ *In re Enforcement Policy of the Wash. Utils. & Transp. Comm'n*, Docket A-120061, Enforcement Policy of the Wash. Utils. & Transp. Comm'n, 5 ¶ 8 (Jan. 7, 2013).

1 control, but based on the testimony provided in PRM-1T do not appear to be unusual
2 or excessive. The workload PSE discusses, in terms of total number of jobs, is
3 outside of the company's ability to control. However, the workload each employee
4 was tasked with could have been modified through performing analysis on electric
5 first responder staffing and business processes prior to 2021, and seeking solutions to
6 reduce the electric first responder workload. PSE goes to great lengths to highlight
7 just how much the electric first responder staff worked in 2021, on average, 1,100
8 hours of overtime per employee. That is significant and yet a symptom of the missed
9 opportunities to make course corrections prior to the 2021 reporting period that
10 would have eased the workload on the electric first responder staff and made
11 achieving the 55-minute benchmark more likely for PSE.

12

13 **Q. Does this conclude your testimony?**

14 A. Yes.

15

16