

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

ALEXANDER AND ELENA ARGUNOV,  
THOMAS AND HEIDI JOHNSON,  
CHAD AND VICTORIA GROESBECK

Complainants,

v.

PUGET SOUND ENERGY

Respondent.

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DOCKET UE-220701

**RESPONSE TESTIMONY OF AARON TAM  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**Exhibit AT-1T**

February 9, 2023

**RESPONSE TESTIMONY OF AARON TAM  
EXHIBIT AT-1T  
DOCKET UE-220701**

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**RESPONSE TESTIMONY OF AARON TAM  
EXHIBIT AT-1T  
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**EXHIBITS LIST**

- |               |   |
|---------------|---|
| Exhibit AT-2C | Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 8 with Attachments B-1, B-2, and C        |
| Exhibit AT-3C | Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 9 with Attachments B-1, B-2, and B-3, C   |
| Exhibit AT-4C | Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 10 with Attachments B-1, B-2, C, G, and H |
| Exhibit AT-5C | Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 32 with Attachment A                      |

1 **I. INTRODUCTION**

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

3 A. My name is Aaron Tam, and I serve as Regulatory Analyst for the Public Counsel  
4 Unit of the Washington State Office of the Attorney General (Public Counsel). My  
5 business address is 800 5th Ave, Suite 2000, Seattle, Washington, 98104.

6 **Q. On whose behalf are you testifying?**

7 A. I am testifying on behalf of Public Counsel in this proceeding.

8 **Q. Please describe your professional qualifications.**

9 A. I am a Regulatory Analyst. I received a B.S. in Environmental Science and Resource  
10 Management and a B.A. in Political Science from the University of Washington in  
11 Seattle in 2016. In 2020, I received my Master of Public Administration degree with a  
12 Program Evaluation specialization from the Daniel J. Evans School of Public Policy  
13 and Governance at the University of Washington in Seattle. While completing my  
14 graduate studies, I worked as a climate analyst for the City of Seattle and created its  
15 first-ever greenhouse gas inventory dashboard. My most recent position prior to  
16 joining the Public Counsel Unit was as a consultant at Cascadia Consulting Company.

17 I joined Public Counsel in November 2021. Since joining the Attorney  
18 General's Office, I have worked on a variety of water, energy, and policy dockets,  
19 including Gold Beach Water Company General Rate Case (Docket UW-220206),  
20 Suncadia Water Company General Rate Case (Docket UW-220052), Distributed  
21 Energy Resource Cost-Effectiveness Rulemaking (Docket UE-210804), and the  
22 Policy Statement Addressing Alternatives to Traditional Cost of Service Ratemaking  
23 (Docket U-210590 or Alternative Ratemaking Docket). I testified on behalf of Public

1 Counsel in the 2022 Avista General Rate Case (Consolidated Dockets UE-220053,  
2 UG-220054, and UE-210854) on wildfire resiliency issues. I also participate in  
3 conservation advisory groups, Integrated Resource Plan (IRP) technical working  
4 groups, and low-income advisory groups for Puget Sound Energy and Northwest  
5 Natural Gas. Additionally, I completed the National Association of Regulatory Utility  
6 Commissioners' Utility Rate School in May 2022.

7 **Q. What exhibits are you sponsoring in this proceeding?**

8 A. I am sponsoring the following exhibits:

9 Exhibit AT-2C Puget Sound Energy's Confidential Response to Public Counsel  
10 Data Request No. 8 with Attachments B-1, B-2, and C

11 Exhibit AT-3C Puget Sound Energy's Confidential Response to Public Counsel  
12 Data Request No. 9 with Attachments B-1, B-2, and B-3, C

13 Exhibit AT-4C Puget Sound Energy's Confidential Response to Public Counsel  
14 Data Request No. 10 with Attachments B-1, B-2, C, G, and H

15 Exhibit AT-5C Puget Sound Energy's Confidential Response to Public Counsel  
16 Data Request No. 32 with Attachment A

17 **II. PURPOSE OF TESTIMONY**

18 **Q. What is the purpose of your testimony?**

19 A. My testimony addresses the Complaint against Puget Sound Energy (PSE or the  
20 Company) filed by Alexander and Elena Argunov, Thomas and Heidi Johnson, and  
21 Chad and Victoria Groesbeck (collectively Coyote Creek Homeowners). I  
22 recommend that the Washington Utilities and Transportation Commission (UTC or  
23 Commission) issue penalties for violations issued by Commission Staff against PSE  
24 and for additional violations related to billing and equipment condition.

1 **III. DISCUSSION OF THE ISSUES**

2 **A. Meter and Billing Accuracy**

3 **Q. Please summarize the allegations related to meter accuracy.**

4 A. The formal complaint alleges that PSE violated WAC 480-100-333, which requires  
5 all meters to be in good order and adjusted to register as nearly correct as practicable  
6 prior to being put into service or returned to service following testing or other work.  
7 The Coyote Creek Homeowners state that certain meters were switched out by PSE  
8 because “their old ones did not work properly.”<sup>1</sup> The complaint also alleges that PSE  
9 violated WAC 480-100-338, which lists requirements for watt-hour and demand  
10 meter accuracy. The complaint alleges that PSE switched to 15-minute demand  
11 intervals without adjusting its billing calculations correctly,<sup>2</sup> resulting in PSE  
12 overcharging customers by three<sup>3</sup> or four<sup>4</sup> times on their bills.

13 **Q. What is Public Counsel’s position on this claim?**

14 A. For both Groesbeck and Argunov, their AMR (Automated Meter Reading) meters  
15 were not in good order since installment, and PSE issued bill estimates for about a  
16 year before they were finally replaced with AMI (Advanced Metering Infrastructure)  
17 meters.<sup>5</sup> An essential function of an AMR meter is its ability to transmit readings to  
18 the utility. As a result, Public Counsel believes that the AMR meters installed could

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<sup>1</sup> See Formal Complaint of Alexander and Elena Argunov, Thomas and Heidi Johnson, and Chad and Victoria Groesbeck, at 6.

<sup>2</sup> *Id.* at 2.

<sup>3</sup> *Id.*

<sup>4</sup> See Direct Testimony of Elena Argunov, Exh. EACCH-1TC at 4:4–5.

<sup>5</sup> See Aaron Tam, Exh. AT-4C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 10 (Attach. C)); Tam, Exh. AT-5C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 32 (Attach. A)); Mot. to Withdraw Conf. Attach. of Staff (filed Dec. 06, 2022).

1 not be considered in “good order,” and PSE should be penalized for the violating  
2 WAC 480-100-333.

3 As for the WAC 480-100-338 violations alleged in the complaint, the bill  
4 contained in Exhibit EACCH-12C shows that PSE charged for kilowatt hours used,  
5 consistent with rate schedule 24. While PSE tested the Argunov and Johnson meters  
6 to determine whether the meters were registering electricity usage accurately,<sup>6</sup> it does  
7 not appear that PSE ever tested Groesbeck’s AMI meter for electricity reading  
8 accuracy.

9 **B. Meter Replacement Communications and Service Responsibility**

10 **Q. Please summarize the allegations related to meter replacement communications.**

11 A. The complaint alleges that PSE violated WAC 480-100-148, which governs customer  
12 and electric utility’s service responsibilities. PSE is required to promptly notify  
13 affected customers of any substantial changes or adjustments to the customer’s  
14 equipment. The Coyote Creek Homeowners claim that communication about smart  
15 meter upgrades from PSE did not explain the purpose, impact, or detailed information  
16 about the AMI meter or billing.<sup>7</sup>

17 **Q. What is Public Counsel’s position on this claim?**

18 A. PSE’s communication about changes to the customers’ equipment appears to comply  
19 with the rule. PSE’s flyer to Coyote Creek customers about upgrading equipment

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<sup>6</sup> See Tam, Exh. AT-2C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 8 (Attach. B-1)); Tam, Exh. AT-3C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 9 (Attach. B-3)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>7</sup> See Argunov, Exh. EACCH-1TC at 3:16–21, 5:20–21, and 6:20–21.

1 specifies that the electric meters will be replaced in the coming weeks. The stated  
2 purpose was the current meters meeting the end of its standard life, and the flyer  
3 stated that the customer's power may be interrupted for less than five minutes.<sup>8</sup> PSE  
4 provided a phone number to inquire about the meter upgrade project.<sup>9</sup> The Company  
5 also delivered a robocall that mentioned replacement and potential service  
6 interruption involving their electric meter.<sup>10</sup>

7 However, Public Counsel believes that PSE violated WAC 480-100-148(2)(c).  
8 Although PSE met service responsibilities around communication of customer  
9 equipment adjustments, PSE failed to meet the requirements of WAC 480-100-148  
10 (2)(c), which requires that the utility maintain its plant in such a condition that will  
11 enable it to furnish safe, adequate, and efficient service. PSE's AMR meters were  
12 inadequate because they did not function as designed to automatically transmit meter  
13 readings to PSE. PSE did not replace these dysfunctional meters until a year later for  
14 the Argunov and Groesbeck household. The AMR meters resulted in inefficient  
15 service because PSE had to manually obtain meter readings and retroactively correct  
16 Argunov and Groesbeck's bills a year later.<sup>11</sup>

### 17 **C. Billing Communications and Complaints**

18 **Q. Please summarize the allegations related to billing communications.**

19 A. In the formal complaint, the Coyote Creek Homeowners allege that PSE violated  
20 WAC 480-100-103, which requires utilities to provide information to customers on

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<sup>8</sup> See Argunov, Exh. EACCH-21.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> See Tam, Exh. AT-4C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 10 (Attach. C)); Tam, Exh. AT-5C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 32 (Attach. A)); Mot. to Withdraw Conf. Attach. of Staff.

1 the utility's contact information, information related to services and rates, and access  
2 to representatives to explain rates and adjustments to charges made in error. The  
3 Coyote Creek Homeowners also allege violations of WAC 480-100-173, which  
4 requires electric utilities to investigate customer complaints promptly and provide  
5 customers with information for filing a complaint with the UTC.

6 **Q. Did Commission Staff issue violations related to billing communications for the**  
7 **Coyote Creek Homeowners?**

8 A. Yes. The three customers filed informal complaints with the Commission to attempt  
9 to resolve their disputes with PSE. In total, Commission Staff identified 10 statute  
10 and rule violations.

11 In Alexander and Elena Argunov's UTC complaint, Commission Staff  
12 recorded one violation of WAC 480-100-183(3) because PSE failed to complete a  
13 meter test within 20 business days of the customer's request.<sup>12</sup>

14 In Thomas and Heidi Johnson's UTC complaint, Commission Staff may have  
15 issued one violation for the three month delayed bill, but it is unclear from the email  
16 to the customer whether this was actually issued or not.<sup>13</sup> WAC 480-100-178(1)  
17 requires bills every two one-month billing cycles.

18 In Victoria and Chad Groesbeck's UTC complaint, Commission Staff issued  
19 nine violations against PSE.<sup>14</sup> Staff noted one violation of RCW 80.28.080(1) for  
20 charging under an incorrect schedule. PSE billed the customer under General Service

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<sup>12</sup> See Tam, Exh. AT-2C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 8 (Attach. C)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>13</sup> See Tam, Exh. AT-3C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 9 (Attach. C)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>14</sup> See Tam, Exh. AT-4C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 10 (Attach. G)); Mot. to Withdraw Conf. Attach. of Staff.

1 Schedule 24 for the billing period November 12, 2020 to December 14, 2020, when  
2 the customer was converted to permanent residential service. Under RCW  
3 80.28.080(1), PSE must bill for the rates and charges applicable to such service as  
4 specified in its schedule filed and in effect at the time provided.

5 Staff noted one violation of WAC 480-100-178(1)(a) for failing to issue a  
6 timely bill. For the three billing periods between April 21, 2021, and August 4, 2021,  
7 PSE did not issue a bill. By rule, PSE must issue bills at intervals not to exceed two  
8 one-month billing cycles.

9 Staff noted five violations of WAC 480-100-178(1)(i)(ii) because PSE failed  
10 to base a single billing period between December 15, 2020 and August 12, 2021, on  
11 actual beginning and ending reads. By rule, PSE must not estimate for more than four  
12 consecutive months except under specific circumstances.

13 Staff also recorded two violations of WAC 480-100-178(5)(a) for attempting  
14 to bill the Groesbeck's for seven billing periods and for correcting charges more than  
15 60 days after PSE discovered the error. PSE issued a notice of corrected charges on  
16 August 4, 2021, 68 days after performing a meter check read on May 28, 2022, and  
17 confirming the suspected meter issue. The August 4, 2021, notice of corrected  
18 charges also attempted to collect for seven billing periods. By rule, PSE must issue  
19 the corrected bill within sixty days from the date the utility discovered that an account  
20 had been underbilled or overbilled, and it may not collect underbilled amounts for any  
21 period greater than six months from the date the error occurred.

1       **Q.     Does Public Counsel believe that there are additional violations?**

2       A.     Yes, similar to the Groesbeck's situation, the Argunov's were issued an AMR meter  
3             on July 23, 2020,<sup>15</sup> that did not communicate actual reads since its installation. PSE  
4             did not correct and obtain an actual meter read from the device until a year later on  
5             July 29, 2021.<sup>16</sup> As a result, PSE did not have a single billing period which was based  
6             on actual beginning and ending reads for a year, which is a violation of WAC 480-  
7             100-178(1)(i)(ii). By rule, PSE must not estimate for more than four consecutive  
8             months except under specific circumstances. Public Counsel's believes there are  
9             seven violations of WAC 480-100-178(1)(i)(ii) with one violation for each month  
10            beyond the fourth where bills were based on estimates.

11                     Additionally, on July 29, 2021, PSE issued billing corrections to the  
12                     Argunov's electricity bill for the past year in violation of WAC 480-100-178(5)(a).  
13                     Underbilled amounts may only be billed for up to six months from the date the error  
14                     occurred.

15       **Q.     What are Public Counsel's recommendations in response to these violations?**

16       A.     Public Counsel believes that Commission Staff correctly identified violations of  
17             RCW 80.28.080(1), WAC 480-100-183(3), and WAC 480-100-178(1) and (5). Public  
18             Counsel recommends that the Commission evaluate whether it should issue penalties  
19             for these violations. Public Counsel believes that penalties under RCW 80.04.380

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<sup>15</sup> See Tam, Exh. AT-2C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 8 (Attach. B-1)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>16</sup> See Tam, Exh. AT-5C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 32 (Attach. A)); Mot. to Withdraw Conf. Attach. of Staff.

1 would be appropriate given the negative customer impact. In particular, Groesbeck  
2 and Argunov experienced problems with their AMR meters failing to transmit reads  
3 to PSE since installation.<sup>17</sup> It took PSE a year to replace these meters and correct bills  
4 based on actual meter reads. This delay violated rules regarding billing requirements  
5 and also put Groesbeck and Argunov at risk of disconnection.<sup>18</sup> It appears that other  
6 PSE customers have faced similar issues, and they have filed UTC complaints as  
7 well.<sup>19</sup> For the Groesbecks, the billing issues compounded to the point where PSE  
8 issued disconnection notices for nonpayment. Issuing a penalty for violations of  
9 billing requirements will incentivize PSE to resolve billing issues more expeditiously.

#### 10 **IV. SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS**

11 **Q. Please summarize your recommendations with regard to the Coyote Creek**  
12 **Homeowner Complaint.**

13 A. Public Counsel believes that Commission Staff correctly identified and issued one  
14 violation of WAC 480-100-183(3) for Alexander and Elena Argunov's UTC  
15 Complaint Case as well as one violation of RCW 80.28.080(1), one violation of WAC  
16 480-100-178(1)(a), five violations of WAC 480-100-178(1)(i)(ii), and two violations  
17 of WAC 480-100-178(5)(a) for Chad and Victoria Groesbeck's UTC Complaint  
18 Case. Public Counsel's analysis uncovered seven violations of WAC 480-100-  
19 178(1)(i)(ii) and one violation of WAC 480-100-178(5)(a) in Alexander and Elena

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<sup>17</sup> See Tam, Exh. AT-4C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 10 (Attach. C)); Tam, Exh. AT-5C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 32 (Attach. A)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>18</sup> See Tam, Exh. AT-2C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 8 (Attach. B-2)); Tam, Exh. AT-4C (Puget Sound Energy's Confidential Response to Public Counsel Data Request No. 10 (Attach. H)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>19</sup> See Argunov, Exh. EACCH-22.

1 Argunov’s UTC Complaint Case. Argunov and Groesbeck were issued AMR meters  
2 that were not transmitting reads since installation. Consequently, Public Counsel also  
3 identified two violations of WAC 480-100-148 (2)(c), which requires utilities to  
4 maintain its plant in such a condition that will enable it to furnish safe, adequate, and  
5 efficient service and two violations of WAC 480-100-333, which requires utility  
6 issued meters to be in good order. In total, PSE committed 22 statute and rule  
7 violations.

8 The compounding effects of estimated bills, numerous bill corrections, and  
9 unknown high energy bill readings resulted in the Groesbeck household being nearly  
10 disconnected<sup>20</sup> and the Argunov household applying for energy assistance.<sup>21</sup> While  
11 PSE paid very little consequence, these customers were surprised with sudden and  
12 large arrearage payments that put them at risk of disconnection.

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

14 **A.** Yes, it does.

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<sup>20</sup> See Tam, Exh. AT-4C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 10 (Attach. H)); Mot. to Withdraw Conf. Attach. of Staff.

<sup>21</sup> See Tam, Exh. AT-2C (Puget Sound Energy’s Confidential Response to Public Counsel Data Request No. 8 (Attach. B-2)); Mot. to Withdraw Conf. Attach. of Staff.