

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

TABLE OF CONTENTS

A.	CONTINUATION OF PROGRAM.....	2
B.	BENCHMARKS.....	3
C.	PERIODIC REVIEW OF PROGRAM.....	4
D.	FINANCIAL PENALTIES.....	4
	1. Allocation.....	4
	2. Penalty Per Point.....	4
E.	CALCULATIONS.....	4
	1. Overall Customer Satisfaction.....	5
	2. WUTC Complaint Ratio.....	5
	3. SAIDI (System Average Interruption Duration Index).....	6
	4. SAIFI (System Average Interruption Frequency Index).....	7
	5. Access Center Telephone Answering Performance.....	8
	6. Access Center Telephone Transactions Customer Satisfaction.....	9
	7. Gas Safety Response Time.....	10
	8. Field Service Operations Transactions Customer Satisfaction.....	10
	9. Disconnection Ratio.....	11
	10. Missed Appointments.....	12
	11. Electric Safety Response Time.....	14
F.	PAYMENT OF PENALTIES, IF ANY, TO CUSTOMERS.....	14
G.	COMMISSION REPORTS.....	15
H.	CUSTOMER NOTICE (CUSTOMER REPORT CARD).....	16
I.	MITIGATION PETITION, IF APPLICABLE.....	17
J.	CUSTOMER AWARENESS OF SERVICE GUARANTEE.....	17

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

A. CONTINUATION OF PROGRAM

The parties have agreed to the continuation of the service quality program implemented under Docket No. UE-960195 (the merger docket) until such time as directed otherwise by the Commission. Any party may bring a request to terminate the service quality program to the Commission at any time, but no sooner than 5 years from the implementation date directed under Docket Nos. UE-011570 / UG-011571.

The service quality program includes both a Customer Service Guarantee and a Service Quality Index ("SQI"). This document addresses, primarily, the mechanics of the latter, the Service Quality Index. The Customer Service Guarantee, which provides for a \$50 missed appointment credit, is outlined in the company's tariff (Schedule 130) for both natural gas and electric service.

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

B. BENCHMARKS

The following table summarizes the benchmarks to be used in Service Quality Index program.

Index	Benchmark
1) Overall Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)
2) WUTC Complaint Ratio	0.50 complaints per 1000 customers, including all complaints filed with WUTC
3) SAIDI	136 minutes per customer per year
4) SAIFI	1.30 interruptions per year per customer
5) Customer Access Center Answering Performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator
6) Customer Access Center Transaction Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)
7) Gas Safety Response Time	Average of 55 minutes from customer call to arrival of field technician
8) Field Service Operations Transactions Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)
9) Disconnection Ratio	0.030 disconnections / customer for non-payment of amounts due when WUTC disconnection policy would permit service curtailment
10) Missed Appointments	8% of appointments missed
11) Electric Safety Response Time	Average of 55 minutes from customer call to arrival of field technician

**APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS**

C. PERIODIC REVIEW OF PROGRAM

The benchmarks and methods presented in this document shall be reviewed from time to time and at least every 5 years for appropriateness. The Company or any party may propose changes to a benchmark at the time of the filing of the annual report. Changes to a benchmark may not be retroactive.

D. FINANCIAL PENALTIES

PSE shall be assessed a financial penalty if any service quality index, other than SQI No. 1, Overall Satisfaction, falls below its benchmark. The maximum annual aggregate penalty for which the company is at risk is \$10 million. The allocation of the \$10 million to each SQI, with related notes, follows:

1. Allocation

Maximum Penalty Per SQI =
 (Total maximum penalty) / (number of SQIs with penalty)
 Maximum Penalty Per SQI =
 (\$10,000,000) / (11 – 1)
 Maximum Penalty Per SQI = \$1,000,000

Note: There is no penalty associated with the SQI No. 1 Overall Customer Satisfaction.

2. Penalty Per Point

Index	Penalty Per Point
1) Overall Customer Satisfaction	<i>N/A</i>
2) WUTC Complaint Ratio	\$225,000
3) SAIDI	\$225,000
4) SAIFI	\$225,000
5) Access Center Telephone Answering Performance	\$36,000
6) Access Center Telephone Transactions Customer Satisfaction	\$57,000
7) Gas Safety Response Time	\$225,000
8) Field Service Operations Transactions Customer Satisfaction	\$57,000
9) Disconnection Ratio	\$225,000
10) Missed Appointments	\$4,700
11) Electric Safety Response Time	\$225,000

E. CALCULATIONS

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Actual performance results for each individual SQI shall be calculated as set forth below based on 12-month calendar reporting periods from January 1 through December 31. Performance results will be reported to an accuracy of the decimal place noted for each benchmark and standard rules of rounding will apply. The specific calculations for each SQI with related notes, follow:

1. Overall Customer Satisfaction

a. Performance Calculation

Overall Customer Satisfaction = semi-annual weighted average of residential and non-residential customers

Percent of Satisfied Customers = aggregate number of survey responses of 5, 6, or 7 divided by aggregate number of survey responses of 1, 2, 3, 4, 5, 6, or 7

b. Performance Level At Which Maximum Penalties Would Be Imposed
Penalty calculations are not applicable to SQI No. 1.

c. Sample Performance Calculation

Applying the calculation methodology set forth in Section 1.a above, the independent survey firm reports that for the annual reporting period the monthly average of Percent of Satisfied Customers is 91%.

d. Penalty Calculation

There is no penalty associated with the SQI. The benchmark of 90% is shown for comparison purposes only.

e. Sample Penalty Calculation

Penalty calculations are not applicable to SQI No. 1.

f. Notes

The source of the data will be semi-annual reports prepared by The Gilmore Research Group. The actual question for purposes of this benchmark is "Now, please think about all aspects of Puget Sound Energy service. I would like your overall opinion of the company - 7 means you are completely satisfied, 1 means you are not at all satisfied. How would you rate your satisfaction with Puget Sound Energy overall?"

2. WUTC Complaint Ratio

a. Performance Calculation

WUTC Complaint Ratio = ((electric complaints recorded by WUTC during reporting period + natural gas complaints recorded by WUTC during reporting period) / average monthly electric customer count during reporting period + average monthly natural gas customer count during reporting period)) * 1000

b. Performance Level At Which Maximum Penalties Would Be Imposed
Complaints Per 1000 = 0.72

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

c. Sample Performance Calculation

Assume the following PSE complaints were recorded by the WUTC for the year ending December:

Period	Electric Complaints	Natural gas Complaints
Year Ending 200X	406	299

Assume the following average annual customer counts are reported by PSE for the year ending December:

Period	Average Annual Electric Customers	Average Annual Natural gas Customers
Year Ending 200X	1,031,831	626,124

$$\text{Complaints Per 1000} = ((406 + 299) / (1,031,831 + 626,124)) * 1000$$

$$\text{Complaints Per 1000} = 0.43$$

d. Penalty Calculation

$$\text{Penalty} = ((\text{Complaints Per 1000} - \text{benchmark}) / \text{benchmark}) * 10 * \text{penalty per point}$$

Benchmark = 0.50 complaints Per 1,000 Customers

Penalty Per Point = \$225,000

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

$$\text{Penalty} = ((0.43 - 0.50) / 0.50) * 10 * \$225,000$$

Penalty = \$0 (The actual calculation is -\$315,000)

f. Notes

The average monthly customer count is the average of the total number of PSE customers, per month, during the reporting period. Any penalty imposed shall be applied to both natural gas and electric customers.

The source of the data will be (a) the monthly WUTC report sent to the Company from Consumer Affairs and (b) customer counts as reported in the Company's monthly financial reporting package.

3. SAIDI (System Average Interruption Duration Index)

a. Performance Calculation

$$\text{SAIDI} = (\text{Total Customer Outage Minutes Excluding Major Events}) / (\text{Average Annual Electric Customer Count})$$

Definitions:

Major Events = Days when more than 5% of PSE's customers are out and associated carry-forward days

Carry-forward days end when those customers have service restored.

b. Performance Level At Which Maximum Penalties Would Be Imposed

SAIDI = 196

c. Sample Performance Calculation

Assume the following DATA for the year ending December:

Period	Customer Outage Minutes
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APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Year Ending 200X	124,110,952
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Assume the following average annual customer counts are reported by PSE for the year ending December:

Period	Average Annual Electric Customers
Year Ending 200X	1,031,831

$$\text{SAIDI} = (124,110,952) / (1,031,831)$$

$$\text{SAIDI} = 120$$

d. Penalty Calculation

$$\text{Penalty} = ((\text{Annual SAIDI} - \text{benchmark}) / \text{benchmark}) * 10 * \text{penalty per point}$$

Definitions:

Annual SAIDI = January - December
 Benchmark = 136 minutes / customer
 Penalty Per Point = \$225,000
 The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

$$\text{Penalty} = ((120 - 136) / 136) * 10 * \$225,000$$

$$\text{Penalty} = \$0 \text{ (The actual calculation is } -\$264,706)$$

f. Notes

Any penalty imposed shall be applied to electric customers. The source of the data will be the outage reporting system that is a part of SAP, the Company's Work Management and Financial Information System. The data is computed in program *ZIRSAIDI* and transaction *ZIO1*. SAIDI will be calculated in conformance with the Company's Electric Reliability and Reporting Plan in compliance with WAC 480-100-393.

4. SAIFI (System Average Interruption Frequency Index)

a. Performance Calculation

$$\text{SAIFI} = (\text{Total Customer Interruptions Excluding Major Events}) / (\text{Average Annual Electric Customer Count})$$

Definitions:

Major Events = Days when more than 5% of PSE's customers are out and associated carry-forward days
 Carry-forward days end when those customers have service restored.

b. Performance Level At Which Maximum Penalties Would Be Imposed

$$\text{SAIFI} = 1.88$$

c. Sample Performance Calculation

Assume the following DATA for the year ending December:

Period	Customer Interruptions
Year Ending 200X	1,265,543

Assume the following average annual customer counts are reported by PSE for the year ending December:

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Period	Average Annual Electric Customers
Year Ending 200X	1,031,831

SAIFI = (1,265,543) / (1,031,831)
SAIFI = 1.23

d. Penalty Calculation

Penalty = ((Annual SAIFI - benchmark) / benchmark) * 10 * penalty per point

Definitions:

Annual SAIFI = January - December

Benchmark = 1.30 outages / customer

Penalty Per Point = \$225,000

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = ((1.23 - 1.30) / 1.30) * 10 * \$225,000

Penalty = \$0 (The actual calculation is -\$121,154)

f. Notes

Any penalty imposed shall be applied to electric customers.

The source of the data will be the outage reporting system that is a part of SAP, the Company's Work Management and Financial Information System.

The data is computed in program *ZIRSAIDI* and transaction *ZIO1*. SAIFI will be calculated in conformance with the Company's Electric Reliability and Reporting Plan in compliance with WAC 480-100-393.

5. Access Center Telephone Answering Performance

a. Performance Calculation

Call Performance = average of ((monthly aggregate number of calls answered by a company representative within 30 seconds of a request to talk to a live operator) / (monthly aggregate number of calls received) * 100)

b. Performance Level At Which Maximum Penalties Would Be Imposed

54% of the calls answered within 30 seconds

c. Sample Performance Calculation

Customer Access Center statistics report 71% of the calls answered within 30 seconds for the entire one year reporting period ending December.

d. Penalty Calculation

Penalty = ((benchmark - Call Performance) / benchmark) * 100 * penalty per point

Benchmark = 75% of calls answered live by company representative within 30 seconds of request to speak to live operator

Penalty Per Point = \$36,000

The maximum penalty is \$1,000,000

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

e. Sample Penalty Calculation

Based on the sample performance calculation:
Penalty = $((75\% - 71\%) / 75\%) * 100 * \$36,000$
Penalty = \$192,000

f. Notes

Any penalty imposed shall be applied to both electric and natural gas customers.
The actual call center statistics will be taken from the Company's Call Center Performance Report, worksheet *Access Center Stats MMYX.xls* and *Y-T-Dmon1.xls*, which uses data provided by the VRU.

6. Access Center Telephone Transactions Customer Satisfaction

a. Performance Calculation

Access Center Telephone Transactions Customer Satisfaction = Monthly Average Of Percent Of Satisfied Customers

Percent of Satisfied Customers = aggregate number of survey responses of 5, 6, or 7 divided by aggregate number of survey responses of 1, 2, 3, 4, 5, 6, or 7

b. Performance Level At Which Maximum Penalties Would Be Imposed
74% of Customers Satisfied

c. Sample Performance Calculation

The independent survey firm reports that for the annual reporting period the following monthly average of Percent of Satisfied Customers: 91.5%.

d. Penalty Calculation

Penalty = $((\text{benchmark} - \text{monthly average of Percent of Satisfied Customers}) / \text{benchmark}) * 100 * \text{penalty per point}$
Benchmark = 90% rating of 5 or higher on 7 point scale
Penalty Per Point = \$57,000
The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:
Penalty = $((90\% - 92\%) / 90\%) * 100 * \$57,000$
Penalty = \$0 (The actual calculation is -\$126,667)

f. Notes

Any penalty imposed shall be applied to both natural gas and electric customers.
The source of the data will be monthly and semi-annual reports prepared by The Gilmore Research Group. The actual question for purposes of this benchmark is "Overall, how would you rate your satisfaction with this call to Puget Sound Energy - would you say 7- completely satisfied, 1- not at all satisfied, or some number in between?"

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

7. Gas Safety Response Time

a. Performance Calculation

Average number of minutes from customer call to arrival of gas field technician.

b. Performance Level At Which Maximum Penalties Would Be Imposed

79 minutes average response time

c. Sample Performance Calculation

PSE reports average response time of 58 minutes.

d. Penalty Calculation

Penalty = ((Average Response Time – benchmark) / benchmark) * 10 *
penalty per point

Benchmark = 55 minutes from customer call to arrival of field technician

Penalty Per Point = \$225,000

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = ((58 - 55) / 55) * 10 * \$225,000

Penalty = \$122,727

f. Notes

Any penalty imposed shall be applied to natural gas customers.

The source of the data will be CLX, the customer billing system for PSE. This data is recorded in report *PXPW01A-R03* and program *PXPW01A*. This data is then summarized in filename *YYYY Response Times.xls*

8. Field Service Operations Transactions Customer Satisfaction

a. Performance Calculation

Field Service Operations Transactions Customer Satisfaction = Monthly
Average Of Percent Of Satisfied Customers

Percent of Satisfied Customers = aggregate number of survey responses of 5, 6, or 7 divided by aggregate number of survey responses of 1, 2, 3, 4, 5, 6, or 7

b. Performance Level At Which Maximum Penalties Would Be Imposed

74% of Customers Satisfied

c. Sample Performance Calculation

The independent survey firm reports that for the annual reporting period the following monthly average of Percent of Satisfied Customers: 87%.

d. Penalty Calculation

Penalty = ((benchmark - monthly average of Percent of Satisfied Customers) / benchmark) * 100 * penalty per point

Benchmark = 90% rating of 5 or higher on 7 point scale

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Penalty Per Point = \$57,000
The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:
Penalty = $((90\% - 87\%) / 90\%) * 100 * \$57,000$
Penalty = \$190,000

f. Notes

To date, only natural gas customers have been surveyed. In the future, electric customers will be included in the survey but only for those electric services that require the customer to be present to provide the service. The source of the data will be monthly and semi-annual reports prepared by The Gilmore Research Group. The actual question for purposes of this benchmark is: "Thinking about the entire service, from the time you first made the call until the work was completed, how would you rate your satisfaction with Puget Sound Energy - would you say 7- completely satisfied, 1- not at all satisfied, or some number in between?"

9. Disconnection Ratio

a. Performance Calculation

Disconnection Ratio = $(\text{Number of Electric Customers Disconnected} + \text{Number of Natural gas Customers Disconnected}) / (\text{Average Annual Electric Customers} + \text{Average Annual Natural gas Customers})$

b. Performance Level At Which Maximum Penalties Would Be Imposed

Disconnection Ratio = 0.043

c. Sample Performance Calculation

Assume the following data for the year ending December:

Period	Number of Electric Customers Disconnected	Number of Natural gas Customers Disconnected
Year Ending 200X	27,523	13,165

Assume the following average annual customer counts are reported by PSE for the year ending December:

Period	Average Annual Electric Customers	Average Annual Natural gas Customers
Year Ending 200X	1,031,831	626,124

Disconnection Ratio = $((27,523 + 13,165) / (1,031,831 + 626,124))$
Disconnection Ratio = 0.025

d. Penalty Calculation

Penalty = $((\text{Disconnection Ratio} - \text{benchmark}) / \text{benchmark}) * 10 * \text{penalty per point}$
Benchmark = 0.030 Disconnection / customer
Penalty Per Point = \$225,000

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = $((0.025 - 0.030) / 0.030) * 10 * \$225,000$

Penalty = \$0 (The actual calculation is -\$375,000)

f. Notes

Any penalty imposed shall be applied to both natural gas and electric customers.

The source of the data will be CLX, the customer billing systems for PSE.

The worksheet for the disconnection results is in *endofthe monthYY.xls*

10. Missed Appointments

a. Performance Calculation

Missed Appointments = Annual Appointments Missed / (Annual Appointments Missed + Annual Appointments Kept)

For purposes of this index, an appointment refers to either a guaranteed appointment ("a.m.", "p.m." or "given day") or a guaranteed commitments ("on or before a given day") as defined in the company's tariff (Schedule 130) for both natural gas and electric service.

Appointments will be considered "missed" when the Company does not meet the time period (i.e., a.m., p.m. or given day) agreed upon when the appointment was initially set or subsequently rescheduled (through mutual agreement with the customer). Appointments scheduled for a.m., p.m. or given day are considered "missed" if the Company does not meet the a.m., p.m. or given day time frame. Missed appointments exclude appointments that are "excused".

"Excused" appointments are appointments that meet any of the following criteria: the customer fails to keep the appointment; the customer requests that the appointment be rescheduled; the Company reschedules the appointment because the Company reasonably determines that conditions at the customer site make it impracticable to perform the service; or the appointment falls on a day that is excluded from SAIDI / SAIFI SQI performance measurement.

Appointments that have been canceled by the customer, regardless of customer's reason, will be considered "canceled" appointments and will not be counted as missed appointments.

The service does not have to be completed for the appointment to be considered "kept"; any additional appointment to complete a job shall be considered a new appointment and shall be tracked and measured just as any other appointment.

b. Performance Level At Which Maximum Penalties Would Be Imposed

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Missed Appointments = 25%

c. Sample Performance Calculation

Assume the following data for the year ending December:

Total number of electric and natural gas appointments kept = 175,000

Total number of electric and natural gas appointments missed = 17,000

Total number of electric and natural gas appointments excused = 500

Total number of electric and natural gas appointments canceled = 10,000

Missed Appointments = $17,000 / (175,000 + 17,000) = 9\%$

d. Penalty Calculation

Penalty = $((\text{Missed Appointments} - \text{Benchmark}) / \text{Benchmark}) * 100 * \text{penalty per point}$

Benchmark = 8% of electric and natural gas appointments missed

Penalty Per Point = \$4,700

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = $((9\% - 8\%) / 8\%) * 100 * \$4,700$

Penalty = \$58,750

f. Notes

Any penalty imposed shall be applied to both natural gas and electric customers. Any amounts paid by PSE under the Customer Service Guarantee shall reduce any financial penalties imposed and otherwise payable for this SQL.

The missed appointment calculation excludes "excused" and "canceled" appointments as defined in the UE-960195 Supplemental Stipulation. For the purposes of reporting to customers on the annual report card, PSE may choose to report "Appointments Kept" with a corresponding benchmark of 92% of appointments kept. The penalty is the same amount as if reported as "Appointments Missed".

The data to be used to determine and evaluate the appropriate benchmark for missed appointments will be retrieved from the following sources:

Service Type	Service Description	Source
Permanent Service	Permanent secondary voltage electric service from existing secondary lines or permanent natural gas service from an existing main	SAP program ZQRCSG01 and transaction ZTC1
Reconnect Existing Service	Reconnection following move-out/move-in; or disconnection for non-	CLX report PXPWMM1-V01 and program PXPWMM1

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

	payment	
Diagnostic Service Request	For water heater, checkup, heatout, other appliance repair, or follow-up appointment	CLX report PXPWMM1-V01 and program PXPWMM1

This data is then summarized in filename *MissedAppointments.xls*.

11. Electric Safety Response Time

a. Performance Calculation

Average number of minutes from customer call to arrival of electric field technician. Performance measurement of this index shall be suspended on days that are excluded for SAIDI and SAIFI performance measurement (e.g., major events and associated carry forward days)

b. Performance Level At Which Maximum Penalties Would Be Imposed

79 minutes average response time

c. Sample Performance Calculation

PSE reports average response time of 50 minutes.

d. Penalty Calculation

Penalty = ((Average Response Time – benchmark) / benchmark) * 10 * penalty per point

Benchmark = 55 minutes from customer call to arrival of field technician

Penalty Per Point = \$225,000

The maximum penalty is \$1,000,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = ((50 - 55) / 55) * 10 * \$225,000

Penalty = \$0 (The actual calculation is -\$204,546)

f. Notes

Any penalty imposed shall be applied to electric customers.

The source of the data will be CLX, the customer billing system for PSE. This data is recorded in *Electric Emergency Response Time Access Database.mdb*.

F. PAYMENT OF PENALTIES, IF ANY, TO CUSTOMERS

Any penalty imposed regarding SQI Nos. 3, 4 and 11 will be allocated to electric customers only; any penalty imposed regarding SQI No. 7 will be allocated solely to natural gas customers. Other penalties will be provided to all customers and allocated to each energy service on a percent of average annual customer basis.

Imposed penalties, if any, as allocated between electric and natural gas operations, will be implemented as an offset to costs to be recovered in rates through the

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

Schedule 120 Electricity Conservation Service Tracker and the Schedule 120 Gas Conservation Service Tracker, respectively.

1. Sample Calculation

Assume the following information for the full year of 20XX.

- SAIFI SQI No. 4 has a penalty of \$40,814.
- Call Center SQI No. 5 has a penalty of \$160,000
- Gas Safety Response Time SQI No. 7 has a penalty of \$127,273
- There are 1,031,831 average annual electric customers
- There are 626,124 average annual natural gas customers

The refund to customers is:

Electric Refund = $40,814 + 160,000 * (1,031,831 / (1,031,831 + 626,124))$
= \$140,390

Natural gas Refund = $127,273 + 160,000 * (626,124 / (1,031,831 + 626,124))$
= \$187,697

G. COMMISSION REPORTS

Twice yearly, on or about July 30 (for semi annual report of performance for January through June) and on February 15 (for annual reports of performance for January through December),¹ the Company shall file a report with the Commission² that includes the following information:

1. Monthly data (as available) for the applicable reporting period for each of the SQIs;
2. Calculated performance with respect to each of the Service Quality Indices, together with a comparison of calculated performance to the benchmark for each of the SQIs;
3. A description of any unusual events that had a significant effect on service quality performance (whether or not a mitigation petition is included with the report);
4. A description of any data gathering or reporting difficulties incurred by the Company and any request by the Company to alter its data gathering or reporting methods for future periods if the effect of the change will impact the performance categories or their results in any way; and
5. The number of missed appointments and missed commitments and payments to customers, by appointment and commitment category, under the Service Guarantee.

¹ For the three-month period ending December 2002, the company shall file a report of its performance on February 15, 2003. Benchmarks have not been established for this interim period and there will be no penalty calculation or customer notice (customer report card) required for this period.

² A copy of all service quality reports will also be sent, contemporaneously, to Public Counsel.

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

In addition, the annual report to be filed on February 15, shall include the following additional information:

6. The penalty calculation, if applicable, for each SQI;
7. A certification by the independent survey company that the surveys were completed in conformance with applicable procedures and guidelines and that the reported results are unbiased and valid;
8. Workpapers that explain the effect, if any, of the penalty on rates for each customer class for both natural gas and electric customers;
9. Annual statistics for the time duration from first arrival to control of gas emergencies, for incidents subject to reporting under WAC 480-93-200 and WAC 480-93-210;
10. A draft of the proposed customer notice (customer report card) that complies with Section H below; and
11. Mitigation petition, if applicable.

The Company will also provide Commission Staff and Public Counsel with semi-annual and annual reports regarding the performance of PSE's contractors tracked against relevant service quality benchmarks.

H. CUSTOMER NOTICE (CUSTOMER REPORT CARD)

At least once per year, PSE will report the annual results for each item in the SQI to all of its customers. The customer notice will be distributed to customers only after adequate consultation with Staff and Public Counsel, but no later than 90 days after the Company files its annual report³. The proposed customer notice (see Item 9, above) shall contain the following information, at a minimum:

1. Total amount of service guarantee paid and total number of appointments for which the service guarantee was paid.
2. Total amount of penalty at risk, the total amount of penalties imposed for the current reporting period (both in total and by SQI number). For example, "For this reporting period, the Company was at risk for a total of \$10,000,000 in penalties and was assessed a total of \$328,087 in penalties, including SQI No. 4 - \$40,814, SQI No. 5 - \$160,000, and SQI No. 7 - \$127,273."
3. A brief description of each benchmark and an indication as to whether the Company met the benchmark.

³ Ordinarily the annual report will be filed on February 15th for the preceding 12-month period ending December 31. In that case, the customer notice (customer report card) would be provided to the customers no later than May 15th of that same year.

APPENDIX 2
SERVICE QUALITY PROGRAM MECHANICS

I. MITIGATION PETITION, IF APPLICABLE

In the annual report, the Company may include a mitigation petition for relief from penalty, if it believes, in good faith, that it meets the mitigation standard. The standard to be applied for such a petition is that the penalty is due to unusual or exceptional circumstances for which PSE's level of preparedness and response was reasonable. PSE will not file a mitigation petition unless it believes, in good faith, that it meets this mitigation standard. The parties contemplate that, following a procedure to be established by the Commission, a Commission order will be issued assessing any penalties and resolving any mitigation petition.

J. CUSTOMER AWARENESS OF SERVICE GUARANTEE

The Company agrees to take the following actions to promote customer awareness of the customer service guarantee (Schedule 130) for both electric and natural gas service:

1. A promotion of the customer service guarantee will be included in the customer newsletter, "EnergyWise," at least three times per year.
2. The text of the service guarantee will appear on the back of the bill-stock⁴ beginning Fall 2002.
3. The "rights and responsibilities" brochures will be updated and will include a description of the service guarantee. The rights and responsibilities brochures will be distributed to all new customers and will be made available to all customers at least once per year.⁵ Commission Staff and Public Counsel will be consulted as to form and content of this brochure.
4. Before the end of any telephone call with a customer which results in an eligible⁶ appointment being scheduled, the agent will give a short statement regarding the availability of the \$50 missed appointment credit should the agreed to time-frame for the appointment not be met by the company⁷.

In addition, PSE will continue to include questions in customer surveys regarding customer awareness of the service guarantee, as outlined in the Twenty Second Supplemental Order Approving Second Supplemental Stipulation in Docket UE-960195.

⁴ In future orders of bill-stock, the headline of the service guarantee on the back of the bill-stock will be in boldface type.

⁵ Per WAC 480-90-103 and WAC 480-100-103 Information to Consumers, PSE is required to provide this brochure to each new customer, and on an annual basis advise all customers as to how to obtain this brochure.

⁶ As defined in the Company's tariffs regarding the missed appointment credit; Customer Service Guarantee Schedule 130 for both natural gas and electric service.

⁷ As defined in the Company's tariffs regarding the missed appointment credit; Customer Service Guarantee Schedule 130 for both natural gas and electric service.