**EXHIBIT NO. \_\_\_(GA-1T)  
DOCKET NO. U-111465 WITNESS:  GILBERT ARCHULETA**

**BEFORE THE   
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

|  |  |
| --- | --- |
| **WASHINGTON UTILITIES AND**  **TRANSPORTATION COMMISSION,**  **Complainant,**  **v.**  **PUGET SOUND ENERGY, INC.,**  **Respondent.** | **Docket No. U-111465** |

**PREFILED RESPONSE TESTIMONY OF**

**GILBERT ARCHULETA**

**ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JULY 27, 2012**

**PUGET SOUND ENERGY, INC.**

****PREFILED RESPONSE TESTIMONY OF   
GILBERT ARCHULETA****

Q. Please state your name and business address.

A. My name is Gilbert Archuleta. My business address is19900 North Creek Parkway, Bothell, Washington 98011.

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

A. I am employed by Puget Sound Energy, Inc. ("PSE" ) as Manager, Reporting and Analysis in the Customer Care organization.

Q. Have you prepared an exhibit describing your education, relevant employment experience, and other professional qualifications?

A. Yes, I have. It isExhibit No. \_\_\_(GA-2).

Q. What are your duties as Manager, Reporting and Analysis in the Customer Care organization?

A. I am responsible for the daily oversight and operation of the reporting and analysis team supporting the Customer Care organization. The team provides business intelligence to the Customer Care leadership team by delivering daily, monthly, annual and ad hoc reports, assisting with continuous process improvement, developing quality assurance strategies and evaluating the customer experience.

Q. What is the purpose of your testimony?

A. This testimony responds to the prefiled direct testimony of WUTC Staff witness Rayne Pearson, Exhibit No. \_\_\_(RP-1T). Ms. Pearson is the only witness who has filed testimony in this proceeding.

Q. Please describe why PSE charged customers a disconnect fee following a customer visit when the purpose of the visit was not to disconnect?

A. In all cases, PSE's field representatives had been dispatched to a customer’s address based on a "disconnect for non-pay" service order after all required notices had been provided to the customer. Under normal circumstances, these field visits would have been for the purpose of disconnect. PSE’s standard process when visiting the customer’s location on a disconnect order is either (1) disconnect the customer; or (2) if the customer provides payment or, if the customer claims to have made payment, commits to making a payment that day or advises the representative that they have an appointment with a pledge agency, the field representative will leave an additional 24-hour notice in lieu of disconnecting and then PSE bills the $13 disconnection visit charge.

However, because PSE had declared a non-disconnect day, there was no intent to disconnect. Therefore, PSE should not have charged the $13 disconnect visit charge for those visits. Unfortunately, PSE did not have an exception process in place to avoid billing the $13 disconnect visit charge for non-disconnect days. To address this issue, in May 2011, PSE implemented an exception process to prevent billing of $13 disconnect fees on non-disconnect days. This process includes an audit of all field visits to ensure fees are not billed to the customer in error.

Q. Please describe why PSE declares non-disconnect days?

A. PSE may declare a non-disconnect day under limited circumstances, primarily on very cold weather days, storms and holiday periods. PSE may also declare a ‘Non-Disconnect Day’ for operational reasons when PSE may be unable to reconnect customers in a timely fashion. Examples of operational reasons would include an inability to reconnect customers within 24 hours due to location, or an inability to address customer calls and provide the appropriate level of customer service once the customer had been disconnected.

Q. If PSE does not intend to disconnect customers on non-disconnect days, then why are field representatives doing collection visits on those days?

A. On a non-disconnect day, PSE may have field collectors continue to make collection visits in an effort to collect outstanding balances. PSE has found that many customers make payments at the door when PSE is there to disconnect their service; therefore, PSE opts to continue the collection cycle even if there is no intention of disconnecting services.

Q. Do you agree with WUTC Staff’s allegation that PSE "trained representatives to bill a $13 disconnect fee"?

A. Not exactly. Ms. Pearson testifies that PSE's Response to WUTC Staff Data Request No. 005 explains that field representatives dispatched to collect payments or leave a 24-hour notice on "non-disconnect days" were trained to bill a disconnect fee. Actually, PSE's Response to WUTC Staff Data Request No. 005 (Exh. No. \_\_\_(RP-9) only describes visits when the intent is to disconnect and never mentions non-disconnect days. WUTC Staff Data Request No. 005 is a request for "documentation of prior procedures" and, as explained in PSE's Response, field representatives were trained to assess a disconnect fee in only two scenarios: 1) if payment was received and 2) if the customer promises to pay. Because the process involves an intent to disconnect, as indicated in the first box of the flowchart, the process actually complies with Ms. Pearson's interpretation of the disconnect rules, as described in her testimony on page 7, lines 17 through 21.

It is only on those limited instances when PSE made a collection visit on a "non-disconnect day" that the intent to disconnect was removed. As discussed in PSE’s Answer and Response to WUTC Staff Data Request 005, PSE's procedures did not include an exception process for those instances. As described in more detail below, PSE added an exception process in May 2011.

Q. Are there other areas where Ms. Pearson’s testimony should be clarified?

A. Yes. Primarily Ms. Pearson’s testimony fails to mention: (1) the immediate changes made to PSE’s processes, which were implemented in 2011 to ensure that disconnect visit fees were not charged when the intention was not to disconnect; and (2) that PSE has already refunded the disconnect charges to customers that were billed incorrectly.

Q. Please describe the changes in process that were implemented and how PSE addressed the gap in its procedures?

A. In May 2011, PSE implemented an exception process to ensure that customers were not billed disconnect visit charges on days when PSE declares a non-disconnect day. Field representatives are dispatched to a customer’s address in line with the standard process due to a disconnect service order, as described above. However, on non-disconnect days the field representative is informed that the intent of the visit is to collect the outstanding balance rather than to disconnect the customer. In these instances, if a customer takes action that would normally result in a disconnect fee being applied, field agents instead close the service order without applying the $13 disconnect fee that would normally be billed for such a visit.

Additionally, an auditing process was implemented along with the exception process to ensure $13 disconnect fees are not billed in error due to a field representative oversight when closing the order. If there is a charge, the charge is immediately reversed prior to being billed to the customer.

Q. Do you agree with Ms. Pearson that PSE should refund customers for the incorrect charges?

A. Yes; and in fact, PSE immediately began refunding the customers identified in the investigation in June 2011. Information regarding these refunds was provided to WUTC Staff in PSE’s Response to WUTC Staff Data Request No. 009. The redacted version of PSE's response is provided herewith as Exhibit No. \_\_\_(GA-3). Additionally, as PSE indicated in Exhibit No. \_\_\_(GA-3), PSE proceeded to refund the charges related to the 2010 period. PSE has refunded every customer in this proceeding that was charged a $13 disconnect fee on a non-disconnect day.

Q. Do you agree with Ms. Pearson's testimony that PSE's actions harmed affected customers?

A. Not entirely. I agree that an erroneous charge to any customer is inappropriate and should be corrected, regardless of how much income the customer makes or how small the charge. PSE has made these corrections, so every customer affected in this proceeding has been refunded. But Ms. Pearson ignores the practical realities of PSE's actions. PSE made a decision not to disconnect any customers on certain days. This means that most of these customers would have been disconnected were it not for PSE's decision to declare a non-disconnect day. If PSE had disconnected these customers instead of declaring a non-disconnect day, the customer likely would have been without power for up to 24 hours either during a cold weather event or during a storm. Also, if PSE had disconnected these customers, they would have been responsible for paying a $37 reconnect fee, plus a deposit. Therefore, while the $13 fee was admittedly inappropriate, it is reasonable to believe that most customers would prefer not to be disconnected and have to pay a reconnect fee and deposit.

Q. Does this conclude your testimony?

A. Yes, it does.