



Puget Sound Energy
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December 21, 2015

Via Electronic Mail

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
1300 S. Evergreen Park Drive S.W.
Olympia, Washington 98504-7250

Re: **Docket U-144155: Comments of Puget Sound Energy, Inc. on Rulemaking to Consider Amending Billing Requirements for Electric and Natural Gas Companies**

Dear Mr. King:

Puget Sound Energy ("PSE") submits the following comments regarding the draft rules in the Washington Utilities and Transportation Commission's ("Commission") November 20, 2015 Notice of Opportunity to Submit Written Comments ("Notice") issued in Docket U-144155.

Introduction

PSE remains appreciative of staff's overall efforts to clarify rules regarding utility practices in issuing corrective bills and supports the intent of the rules. However, PSE remains concerned that the recent version of the draft rules has not incorporated most of the proposed utility changes, and remains largely unchanged from previous drafts. In addition, staff dismisses several utility concerns in the comment matrix regarding the practical implications utilities would face implementing the draft rules changes particularly surrounding non-residential meters, compliance plans, customer communication, and unassigned energy usage. PSE suggests that staff incorporate changes suggested by the utilities in previous set of comments. Finally, PSE further explains its concerns regarding a few of the practical challenges for utilities implementing the current version of the draft rules.

Implications

Staff states in its comments that utilities failed to provide compelling reasons to exempt non-residential meters from this rulemaking. Staff further notes that overall amounts billed to residential versus non-residential is not significant. What the data requested by staff fails to recognize is that each of those bill corrections creates an investigation and case for PSE to solve and work with the customer to address. The non-residential cases may be fewer in number, but

they are drastically more complex to address and require greater flexibility. In addition, non-residential meters sets are more complex and often customized to the point of requiring specialists to fix or replace. Just creating and replacing a customized non-residential meter set can exceed six-months. PSE agrees to disagree with staff's proposed six-month limitation on collecting for under-billed amounts for non-residential meter classes.

PSE remains highly concerned about the provision in *WAC 480-90-178(5)(c)* and *WAC 480-100-178(5)(c)* of the draft rules requiring utilities to file billing correction procedures and updates with the Commission. This practice is administratively burdensome, of questionable value, and imposes an unnecessary degree of oversight and uncertainty that seems to result in little more than the micro-management of utility practices. A more practical approach would be for staff to obtain utility practices and procedures through a request or investigation. Including this requirement in the law is unnecessary and onerous on utilities. PSE maintains this provision should be removed. Staff already has the tools to obtain utility practices and procedures.

Another area of concern where PSE seeks clarity relates to the Commission's expectations for explaining payment arrangements to a customer under *WAC 480-90-178(6)(f)* and *WAC 480-100-178(6)(f)*. PSE currently has an efficient, automated process in place that automatically sets up an installment plan for the customer to address a billing correction. This process works very well and is in compliance with payment arrangement provisions under *WAC 480-09-138 (1)*². The practical implication of the draft rule is that it creates uncertainty for PSE whether its current process would meet the Commission's interpretation of "an explanation of benefits." Creating an expanded explanation customer communication piece would require an extensive process redesign and would be onerous.

Another area where PSE seeks clarity relates to the detail of customer communication described in *WAC 480-90-178(6)* and *WAC 480-100-178(6)*. In particular, subsections (a) and (e) describe a level of customization PSE does not currently incorporate into its bill design or inserts. The practical implication of requiring the utility to create a customized communication piece for each individual customer bill correction that describes the "reason for the bill correction" and "the utility actions taken to resolve the cause of the bill correction" will be an increase in resources and cost to create customer specific communications. PSE currently uses a generic explanatory letter insert (attached as Attachment A) as a customer communication describing a range of potential bill corrections. The insert includes the most frequent types of cases. PSE would like clarity if this insert or something similar would satisfy the requirements under *WAC 480-90-178(6)* and *WAC 480-100-178(6)*.

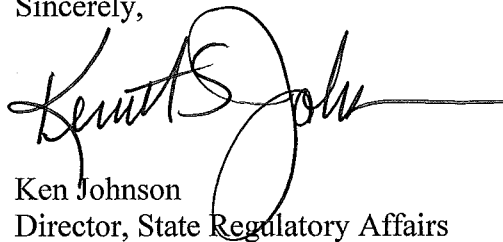
Finally, staff suggests that unassigned energy usage is easy to detect and correct. That might be true in a world of unlimited resources, better technology and perfect customer behavior, but that is not the case for PSE. The draft rules base addressing UEU issues on a calendar month threshold. However, a more practical approach would address UEU on a usage threshold. UEU occurs primarily because customers do not contact PSE to switch or start service and usage must reach a certain threshold for PSE to trigger an investigation. PSE's current practices for

addressing UEU are based on a usage threshold, which is a more practical way to balance fairness, cost and positive customer experience. The practical impact of including UEU in *WAC 480-90-178(5)(a)* and *WAC 480-100-178(5)(a)* will be for PSE to make expensive truck rolls a first resort rather than a last resort to notify or disconnect service for a customer. Therefore, PSE suggests excluding UEU from this rule, or at a minimum basing UEU issues on a usage threshold rather than a time threshold.

Finally, PSE encourages the Commission to include revisions outlined in PSE's previous comments from October 5, 2015. The current draft rule did not incorporate these comments and PSE believes its suggestions would provide greater clarity and ability to practically implement the rules.

PSE appreciates the opportunity to provide responses and proposed language to the Commission's Notice of Opportunity to File Written Comments. Please contact Nate Hill at (425) 457-5524 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Johnson", with a long horizontal line extending to the right from the end of the signature.

Ken Johnson
Director, State Regulatory Affairs

Attachment A

Understanding your corrected Puget Sound Energy statement



You are receiving this notice because we found and corrected a mistake on your account. As a result, we have updated your account with the corrected balance due.

On the enclosed notice, the new amount due shows as "corrected charges." You'll also find a listing for cancelled charges. These are the charges billed during the prior month(s) that have been cancelled for correction. The notice also shows the current month's charges and any previous charges. If you have charges for products and services unrelated to energy use those charges also will appear.

Listed below are some frequently asked questions. To help you pay the balance, we have established an interest-free installment payment program. The first installment amount will appear on your next statement. Please call us with any questions at **1-866-767-5853**.

FAQs

The following frequently asked questions provide an explanation about billing corrections.

What is a billing correction?

The correction is for under billed or over billed charges for a period of time.

What are typical causes for a billing correction?

Corrected charges are most commonly due to a meter problem, module problem or billing error.

How did PSE calculate the amount for the correction?

If the meter was not registering usage correctly, the billing correction is estimated based on the best available information PSE has for the location. The estimated consumption is computed from the date the meter did not correctly register energy use. The corrected charge, interest-free, is calculated for only the number of days the billing error existed. If there were overcharges paid, you will receive a credit with interest.

In addition to the meter, PSE's equipment contains a module that electronically transmits the meter data to PSE. If the module malfunctions, often the meter itself is still operating properly and PSE is able to obtain the actual energy use from the meter's register. The unbilled consumption is then computed from those meter readings and is allocated across the billing periods that the module was not functioning correctly.

How did PSE calculate the amount of the monthly installment payment plan that appears on the billing correction?

The balance due, including current charges, is divided by the number of months the meter issue occurred. To arrange different payment options or to pay in full, please call 1-866-767-5853.

How will I know when I've completed my billing correction payments?

When all monthly payments on the installment plan are complete, the itemized listing, "Installment Payment Plans" no longer will appear on your PSE statement.

What is PSE doing to avoid having to issue billing correction invoices?

When we find an error, such as meter failure, or malfunctioning module, we correct the error as soon as possible. Although our meters have a 99 percent accuracy rate, a meter may eventually stop working or a module may malfunction. Our automated systems help detect malfunctioning or stopped meters and malfunctioning modules. We also routinely inspect meters and repair or replace them as needed.