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Washington Utilities and Transportation
Commission
1900 4th Avenue
Seattle, WA 98101

July 30, 2004

BY OVERNIGHT MAIL

Ms. Carole J. Washburn, Executive Secretary
Washington Utilities and Transportation Commission
PO Box 47250
Olympia, WA 98504-7250

**Re: PSE Service Quality Program Filing
Docket Nos. UE-011570 and UG-011571**

Dear Ms. Washburn:

Pursuant to Exhibit J of the Settlement Stipulation Re Service Quality Index (SQI) in Docket Nos. UE-011570 and UG-011571, Puget Sound Energy ("PSE" or "the Company") provides herewith an original and 12 copies of PSE's Service Quality Program Report for the six-month period ending June 2004.

The enclosed report includes:

- Monthly data for the reporting period January through June 2004 for each of the 11 SQIs (Attached as Exhibit A),
- The number of missed appointments and missed commitments and payments to customers, by category, under the Service Guarantee for the reporting period January 2004 through June 2004 (Attached as Exhibit B), and
- The survey results of customer awareness of the \$50 service guarantee for the reporting period January through June 2004. (Attached as Exhibit C).

As shown- in Exhibit A, the Company's performance meets or exceeds the required performance level for eight of these eleven indices.

With respect to SQI No. 1-- Overall Customer Satisfaction -- the report indicates that, for the six-month period, 84% of surveyed customers rated their overall satisfaction at 5 or higher on a 7-point scale (as compared with the benchmark of 90%).

With respect to SQI No. 9-- Disconnection Ratio -- the report indicates that, for the six-month period, there were 0.034 disconnections per customer (as compared with the benchmark of 0.030). PSE expects to meet or exceed the benchmark for this measure for the twelve-month reporting period ending December 2004.

With respect to SQI No. 5-- Telephone Center Answering Performance -- the report indicates a six-month average of 66% of the calls answered live within thirty seconds (as compared with the benchmark of 75%). The Company is below the benchmark due to a drop off in

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performance in January and February 2004 caused by a significant and unanticipated increase number of calls in these 2 months. PSE has in place a plan to mitigate this performance over the next six months. The Company expects that the twelve month average performance will be at or above the required 75% benchmark by December 2004, the end of the current annual reporting period.

There is no penalty calculation associated with this semi-annual report.

If you have any questions regarding this report, please contact Colleen Paulson at 425-462-3205.

Sincerely,



Karl R. Karzmar
Director, Regulatory Relations

Enclosures

cc: Joelle Steward – Washington Utilities & Transportation Commission
Mary Kimball – Public Counsel
Chuck Eberdt – Opportunity Council

Exhibit A

- Monthly SQI Performance Results For The 11 SQI Measures

MONTHLY SQI PERFORMANCE

Puget Sound Energy Service Quality Indices										
SQL #	Benchmark	Jan 2004	Feb 2004	Mar 2004	Apr 2003	May 2003	Jun 2004	Overall Performance	Difference from Benchmark	Meet or Exceed Benchmark
1	Overall Customer Satisfaction 90% satisfied (rating of 5 or higher on a 7-point scale)				84%			84%	-6%	
2	WUTC Complaint Ratio 0.50 complaints per 1000 customers, including all complaints filed with WUTC	0.014	0.015	0.059	0.029	0.010	0.017	0.28	-0.22	√
3	SAIDI 136 minutes per customer per year	14.6	5.9	11.0	4.0	8.7	17.5	124	-12.0	√
4	SAIFI 1.30 interruptions per year per customer	0.074	0.056	0.087	0.033	0.070	0.098	0.93	-0.37	√
5	Telephone Center Answering Performance 75% of calls answered by a live representative within 30 seconds of request to speak with live operator	33%	28%	70%	83%	91%	92%	66%	-9%	
6	Telephone Center Transactions Customer Satisfaction 90% satisfied (rating of 5 or higher on a 7-point scale)	91%	91%	92%	90%	92%	91%	91%	1%	√
7	Gas Safety Response Time Average of 55 minutes from customer call to arrival of field technician	38	35	36	35	33	31	35	-20	√
8	Field Service Operations Transactions 90% satisfied (rating of 5 or higher on a 7-point scale)	92%	94%	94%	87%	87%	91%	91%	1%	√
9	Disconnection Ratio 0.030 disconnections / customer for non-payment of amounts due when WUTC disconnection policy would permit service curtailment	0.0019	0.0026	0.0034	0.0032	0.0030	0.0033	0.034	0.004	
10	Missed Appointments 8% of appointments missed	3%	3%	4%	4%	4%	5%	4%	-4%	√
11	Electric Safety Response Time Average of 55 minutes from customer call to arrival of field technician	55	43	43	45	46	56	48	-7	√

Exhibit B

- Summary Of Missed Appointments Report
- Detailed Missed Appointments Report

CUSTOMER SERVICE GUARANTEE PERFORMANCE DETAIL
Summary Missed Appointments Report

	6 Months All Service Type:		January 2004		June 2004		Total Kept	Canceled	Service Guarantee Payment
	Total Appts (Exclude Canceled)	Missed Approved	Missed Denied	Missed Open	Total Missed	Manual Kept			
Electric									
Permanent SVC	7,248	212	-	234	446	1,309	5,493	6,802	-
Reconnection	16,522	-	-	1,361	1,361	-	15,161	15,161	1,445
Sub-total	23,770	212	-	1,595	1,807	1,309	20,654	21,963	1,445
Gas									
Diagnostic	13,934	-	-	151	151	-	13,783	13,783	-
Permanent SVC	8,070	68	-	224	292	1,773	6,005	7,778	-
Reconnection	16,340	-	-	178	178	-	16,162	16,162	3,400
Sub-total	38,344	68	-	553	621	1,773	35,950	37,723	3,100
Grand Total	62,114	280	-	2,148	2,428	3,082	56,604	59,686	4,545
									\$10,600
									\$14,000

Exhibit C

- Customer Awareness of Service Guarantee

Customer Awareness of Service Guarantee

CFS Survey

Q26A. When you called to make the appointment for a service technician to come out, did the customer service representative tell you about PSE \$50 Service Guarantee?

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
Yes (Continue to Q.2)	10	16	12	11	14	13	76
No	66	60	70	60	71	65	392
Don't Know	24	24	18	30	14	22	132
Refused							
Total Customers Surveyed	100	100	100	101	99	100	600

Q26B. Did a PSE representative call you to reschedule your appointment?

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
Yes (Continue to Q.3)	-	-	1	-	-	-	1
No	10	15	11	11	14	13	74
Don't Know		1	-				1
Total Customers Surveyed	10	16	12	11	14	13	76

Q26C. Which of the following best fits your understanding of how the service guarantee works if a scheduled appointment has to be changed by PSE.

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
A. You are given the \$50.00 service guarantee if the rescheduled time causes you inconvenience.	-	-	-	-	-	-	-
B. Whenever PSE changes an appointment, you are given the \$50.00	-	-	-	-	-	-	-
C. You have no understanding or expectations about this part of the service guarantee plan.	-	-	-	-	-	-	-
Don't Know	-	-	1	-	-	-	1
Total Customers Surveyed	-	-	1	-	-	-	1

NCC Survey

Q12. Are you aware of Puget Sound Energy's \$50 service guarantee to meet scheduled work dates?

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Total
Yes:							
No							
Refused Response:							
Don't Know							
Total Customers Surveyed	-	-	-	-	-	-	-