

**Exhibit \_\_\_ (RK-5)**  
**Dockets UE-111048/UG-111049**  
**Witness: Roger Kouchi**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**DOCKET UE-111048  
DOCKET UG-111049  
(Consolidated)**

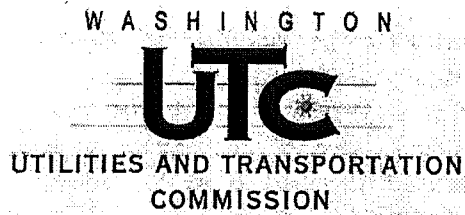
**EXHIBIT TO  
TESTIMONY OF**

**ROGER KOUCHI**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*UTC Compliance Progress Report, July 2010*

**December 7, 2011**



# Compliance Progress Report

Puget Sound Energy

UE-072300

UG-072301

Rayne Pearson  
Compliance Investigations

July 2010

## **PURPOSE AND SCOPE**

### **Purpose**

The purpose of this compliance progress report is to determine whether Puget Sound Energy (PSE) is meeting the requirements set forth in the settlement agreement approved by the commission on October 8, 2008, relating to timely resolution of stopped, mixed or lost meters identified by PSE in Consolidated Docket Nos. UE-072300 and UG-072301. In conjunction, this report examines whether PSE's efforts to correct the meters it identifies as stopped, mixed or lost has impacted the number of commission-referred complaints related to retroactive (back) billing.

### **Scope**

The scope of the report focuses on the quarterly performance reports filed by PSE between October 31, 2008, and April 30, 2010, as well as commission-referred complaints related to back billing for the months of January through May, 2010.

### **Staff**

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## BACKGROUND

On October 8, 2008, the commission approved a settlement agreement between commission staff and PSE, which included a section regarding meter and billing performance. The relevant portions of the settlement agreement included the following language and requirements:

As of June 30, 2008, the Company had identified potential problems with 17, 276 meters. PSE commits to resolving 75 percent of this legacy population by December 31, 2008, and 100 percent by June 30, 2009.

Looking forward, the parties propose that PSE will establish the following meter and billing standards for natural gas and electric meters:

- Natural Gas: PSE will resolve identified potential gas meter and billing problems for each monthly vintage within four months of identification: 75 percent will be resolved within two months of identification. Potential metering and billing problems identified within the same month will be of the same vintage. (*e.g.*, potential problems identified on the 5<sup>th</sup> of the month or the 20<sup>th</sup> of the month will have the same monthly vintage).
- Electric: PSE will resolve identified potential electric meter and billing problems for each monthly vintage within two months of identification; 50 percent within one month of identification. Potential metering and billing problems identified within the same month will be of the same vintage. (*e.g.*, potential problems identified on the 5<sup>th</sup> of the month or the 20<sup>th</sup> of the month will have the same monthly vintage).

The parties propose that PSE will phase-in these standards with the following conditions:

- The Company will establish the ability to track and report monthly vintages of potential meter and billing problems. PSE will establish and submit to Staff a plan to implement tracking and reporting improvements, if needed, by October 31, 2008.
- PSE will identify and commence a hiring process for appropriate qualified personnel by December 31, 2008.
- PSE will apply the above ongoing meter and billing standards starting January 1, 2009. The Company will validate the reporting and identification of potential new problems and initiate remediation plans (if necessary) within three months of applying the ongoing standard (i.e., by March 31, 2009).
- PSE will resolve potential gas and electric meter and billing problems identified between July 1, 2008, and December 31, 2008, by June 30, 2009.

PSE submitted quarterly reports for quarters ending September 30 and December 31, 2008; March 31, June 30, September 30, and December 31, 2009; and March 31, 2010, as follows.

➤ **Quarter Ending September 30, 2008**

As of September 30, 2008, problems with 58 percent of the 17,276 originally identified meters had been resolved. From June 30 to September 30, 2008, PSE identified potential problems with 64, 516 additional meters; 56 percent of those problems were resolved by September 30.

The commission received 15 complaints during this quarter, with an average of 21.67 retroactive months per meter, and a range of nine to 36 months.

➤ **Quarter Ending December 31, 2008**

As of December 31, 2008, problems with 93 percent of the 17,276 originally identified meters had been resolved. From June 30 to December 31, 2008, PSE identified problems with 84,138 additional meters; 87 percent of those problems were resolved by December 31, 2008.

The commission received 17 complaints during this quarter, with an average of 25.64 retroactive months per meter, and a range of seven to 64 months.

➤ **Quarter Ending March 31, 2009**

As of March 31, 2009, problems with 97 percent of the 17,276 originally identified meters had been resolved. Of the 84,138 additional identified meters, problems with 96 percent had been resolved by March 31, 2009.

An additional 16,230 potentially problematic meters were identified, all of which were resolved within the parameters required by the settlement agreement.

The commission received 48 complaints during this quarter, with an average of 20.48 retroactive months per meter, and a range of one to 58 months.

➤ **Quarter Ending June 30, 2009**

As of June 30, 2009, problems with 100 percent of the 17,276 originally identified meters had been resolved, meeting the goal set forth in the settlement agreement.

An additional 17,232 potentially problematic meters were identified, all of which were resolved within the parameters required by the settlement agreement.

The commission received 69 complaints during this quarter, with an average of 13.39 retroactive months per meter, and a range of two to 46 months.

➤ **Quarter Ending September 30, 2009**

As of September 30, 2009, an additional 72,846 potentially problematic meters had been identified, all of which were resolved within the parameters required by the settlement agreement.

The commission received 37 complaints during this quarter, with an average of 19.38 retroactive months per meter, and a range of two to 56 months.

➤ **Quarter Ending December 31, 2009**

As of September December 31, 2009, an additional 35,342 potentially problematic meters had been identified, all of which were resolved within the parameters required by the settlement agreement.

The commission received 41 complaints during this quarter, with an average of 31.89 retroactive months per meter, and a range of two to 85 months.

➤ **Quarter Ending March 31, 2010**

As of March 31, 2010, an additional 29,776 potentially problematic meters had been identified, all of which were resolved within the parameters required by the settlement agreement.

The commission received 27 complaints during this quarter, with an average of 28.29 retroactive months per meter, and a range of two to 96 months.

➤ **Quarter Ending June 30, 2010**

The commission received 50 complaints during this quarter, with an average of 20.78 retroactive months per meter, and a range of two to 72 months.

**Conclusion**

While PSE is technically in compliance with the requirements set forth in the consolidated settlement agreement, there has been no expected corresponding decline in the number of commission-referred complaints related to retroactive billing, nor has there been any notable decline in the length of the retroactive periods associated with the complaints.

Appendix A charts commission-referred complaints by month and year, by average retroactive period.

Appendix B charts commission-referred complaints by quarter and year, by average retroactive period.