

**EXHIBIT NO. ___(SML-19)
DOCKET NO. UE-072300/UG-072301
2007 PSE GENERAL RATE CASE
WITNESS: SUSAN MCLAIN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-072300
Docket No. UG-072301**

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
SUSAN MCLAIN
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JULY 3, 2008

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-072300 and UG-072301
Puget Sound Energy, Inc.'s
2007 General Rate Case**

WUTC STAFF DATA REQUEST NO. 190

WUTC STAFF DATA REQUEST NO. 190:

Re: PSE Service Quality Program – Service Provider Report

PSE's February 14, 2008, Service Quality Program Service Provider Report stated that the benchmark thresholds for Service Provider Index (SPI) performance by service providers Quanta and Pilchuck were established using PSE's in-house performance prior to the implementation of the reporting. PSE set the benchmark for SPI No. 2 (Customer Satisfaction) at 83% satisfactory rating for Pilchuck and a minimum of 78% for Quanta. PSE's Service Provider Index No. 2 is the benchmark for new construction customers regarding contractor engineering and construction activities.

1. Please explain PSE's difference in customer satisfaction performance expectation between Pilchuck and Quanta? Why are the two companies held to different standards?
2. What is the rationale for establishing the benchmark for new customer service below the 90 percent benchmark established for SQI No. 8 (Field Service Operations Transactions Customer Satisfaction)?
3. Please provide PSE's explanation why the benchmarks should be different for existing customers versus new customers as related to the expectations for field service customer satisfaction (i.e., why would existing customers and new customers be treated with different customer satisfaction expectations?).

Response:

1. Puget Sound Energy, Inc.'s ("PSE") customer satisfaction performance expectations for Pilchuck and Quanta were established to reflect the pre-service provider electric and gas new customer construction satisfaction survey results of 83% for gas only installations, 78% for electric only installations and 73% for combination gas and electric installations. Pilchuck and Quanta are held to different standards because of PSE's previous performance levels in these areas. In 2007 the Quanta benchmark was increased from 75% to 78%.

- 2-3. PSE believes that new customer construction satisfaction levels differ and are typically lower than field service work covered under service quality index ("SQI") No. 8 for several reasons.

New customer construction satisfaction levels are measured by surveying builders, developers and occasionally individuals who are constructing their own residence. These individuals are not often the end-use customer and may have business interests that are not always aligned with PSE's interests. For example, for safety purposes, PSE's standards dictate the way in which a trench is prepared and the type of fill material that may be used around a gas service line. Meeting PSE's requirements may influence profit for the builder or developer, thus affecting the way in which the builder or developer perceives PSE from a customer service perspective. Additionally, respondents to the new customer construction survey may have had to provide detailed information on anticipated loads, pay for services (such as tariffed line extension costs, permitting fees or engineering services), or be required to meet other conditions in order to receive service.

By contrast, the end-use, retail customer is surveyed in SQI No. 8, customer field service satisfaction. Customers surveyed in SQI No. 8 are often involved in more emergency or perceived imminent threat situations (e.g., they smell natural gas or have a safety concern). PSE's Field Services Department personnel respond to customer calls 24 hours a day, 7 days a week, and are often able to immediately address such situations. Typically, there is no payment required for the services rendered that apply to SQI No. 8. Please see PSE's Response to WUTC Staff Data Request No. 187 for information regarding services typically performed in field service activities in SQI No. 8.