



# PUGET SOUND ENERGY

*The Energy To Do Great Things*

Puget Sound Energy  
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PSE.com

March 9, 2009

## VIA ELECTRONIC FILING AND REGULAR MAIL

Mr. David Danner, Secretary and Executive Director  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

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

Dear Mr. Danner:

Pursuant to Exhibit J of the Settlement Stipulation, Re: Service Quality Index ("SQI"), in Docket Nos. UE-011570 and UG-011571, as amended in Docket No. UE-031946, Puget Sound Energy ("PSE") provides an original and twelve copies of PSE's Service Quality Program Filing – Service Provider Performance for the six-month period ending December 31, 2008.

This compliance filing was due originally on February 15, 2009. On February 12, 2009, the Commission granted PSE's request for an extension of the filing date to March 9, 2009. Because of this extension, the Company is able to submit further details on its service provider SQI performance in addition to its typical annual service provider report.

Attachment A, the 2008 Service Provider Report, shows Service Provider Index ("SPI") performance by service providers, Quanta and Pilchuck, and applicable service quality metrics for the reporting period.

The benchmark thresholds were established using PSE's in-house performance prior to the implementation of the service provider contracts. The thresholds and the overall performance of the two service providers for the reporting period are outlined below:

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- SPI No. 1 Standards Compliance – Receive at least 95% compliance with site audit check list points for Pilchuck and Quanta. The service providers met the benchmark for the reporting period. The overall 2008 results were: Pilchuck at 97%, Quanta-Gas at 98%, and Quanta-Electric at 98%.
- SPI No. 2 Customer Satisfaction – Achieve a minimum of 83% satisfactory rating for Pilchuck and a minimum of 75% for Quanta of the new construction customers (“NCC”) survey regarding contractor engineering and construction activities (rating of 5 or higher on a 7-point scale). Pilchuck’s 2008 performance was 83% and met its metric requirement. Quanta’s performance was 74% and did not meet its benchmark. Both service providers achieved significant improvement of 10% over their 2007 results.
- SPI No. 3 Appointments Kept – Meet at least 92% for Pilchuck and 98% for Quanta of all NCC commitment dates relative to service guarantee. In 2008, the two service providers missed less than 1% of their NCC service guarantee appointment dates and exceeded the benchmark.
- SPI No. 4 Gas Second Safety Response – Response within an average of 60 minutes from First Response assessment completion to Second Response arrival. This index pertains only to Pilchuck. The 2008 response time of the service provider was 54 minutes, 6 minutes quicker than the threshold.

Attachment B presents Service Providers’ 2008 performance with additional information that will be required in future annual reports following the adoption of the Partial Settlement Stipulation of Service Quality, Meter and Billing Performance, and Low-Income Bill Assistance in the consolidated Docket Nos. UE-072300 and UG-072301 by the Commission on October 8, 2008. The underlying goal of this attachment is to develop a better Annual Service Provider Report going forward by incorporating external feedback and suggestions prior to the actual 2010 filing. PSE looks forward to receiving feedback from the Commission and other external parties on the proposed layout and contents of the future reporting.

Mr. David Danner  
March 9, 2009  
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Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at 425-462-3495.

Sincerely,



Tom DeBoer  
Director, Federal & State Regulatory  
Affairs

Enclosures

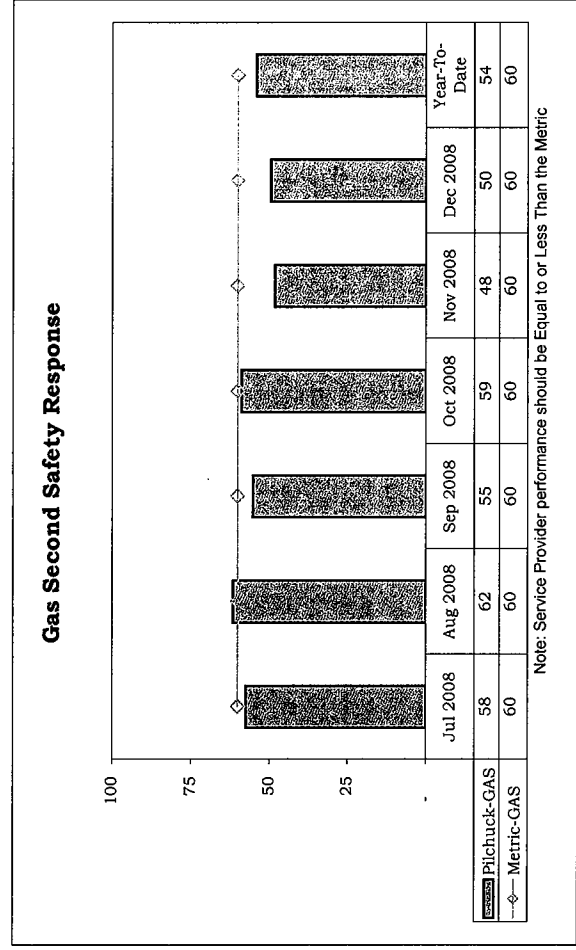
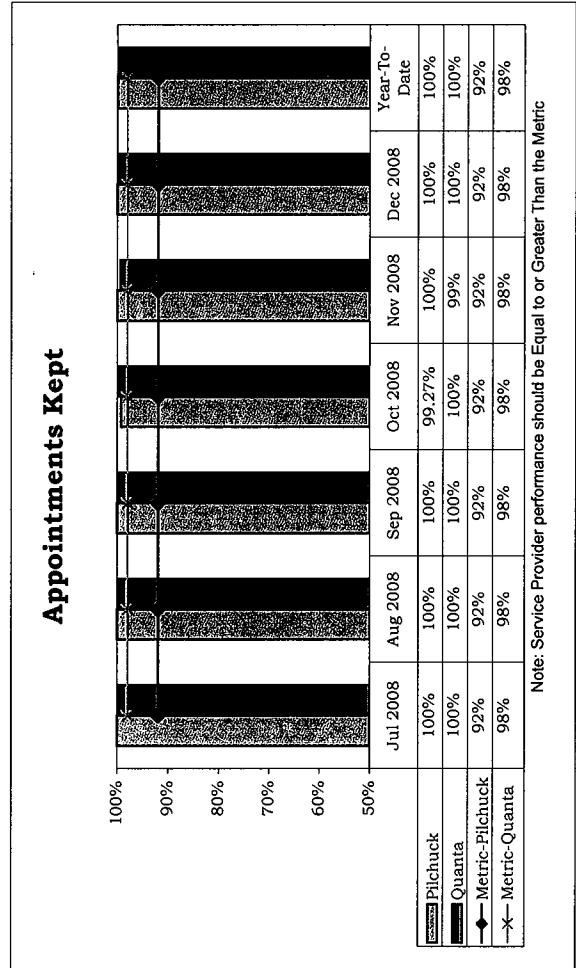
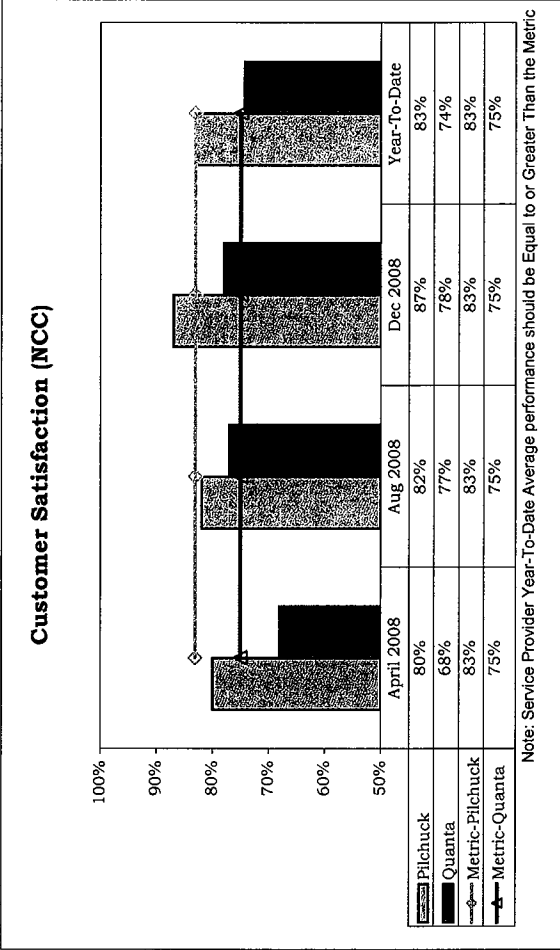
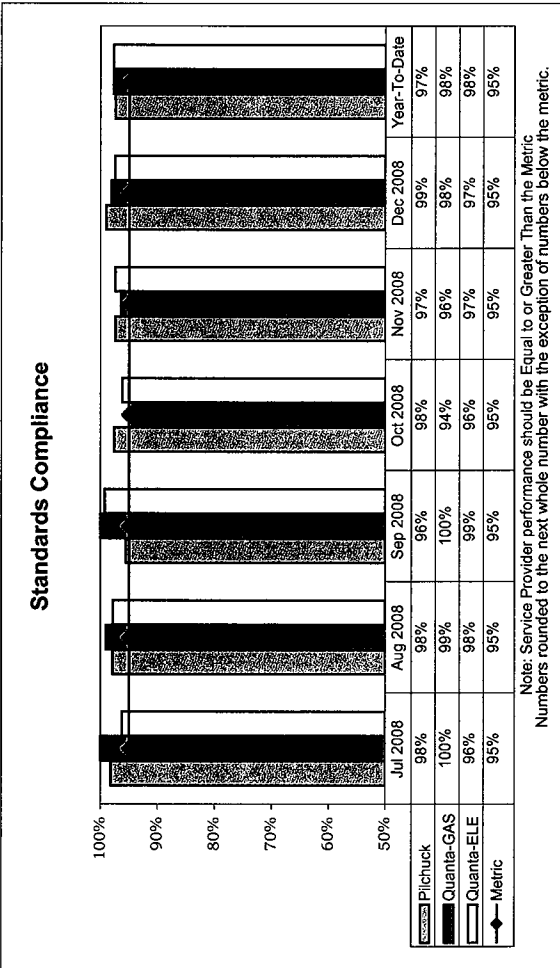
cc: Chuck Eberdt - The Energy Project  
Simon ffitch - Public Counsel  
Mary Kimball - Public Counsel  
Lea Daeschel - Public Counsel  
Robert Cedarbaum - WUTC  
Steve King - WUTC  
Deborah Reynolds - WUTC

**Puget Sound Energy**

**2008 Annual Service Quality Program Filing - Service Provider Performance**

**Attachment A**

**Puget Sound Energy  
Service Provider Service Quality Metric Report**



**Puget Sound Energy**

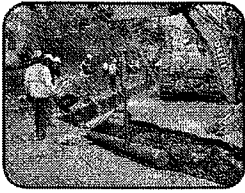
**2008 Annual Service Quality Program Filing - PSE Performance**

**Attachment B**

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# 1 New Customer Construction Services Department

## Overview

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The New Customer Construction Services Department partners with PSE's service providers (Pilchuck and Quanta/Potelco) who provide project management, design and construction services for routine projects.

The primary responsibility of the New Customer Construction Services Department within PSE is to provide natural gas and electric service to new residential, commercial and industrial customers who are building or modifying a home, housing development or non-residential building. The department consists of four areas of service:

- **The New Customer Construction Support Team**—responsible for processing applications for natural gas and electric installations, scheduling temporary electric services for new customer construction projects and initiating service line and usage billing, credits and refunds. These employees handle over 135,000 customer calls and e-mails annually and guide the customer through the construction process.
- **Pre-Engineering Services**—assists gas and electric customers, builders, developers, electricians and gas equipment dealers applying for utility service. Engineering specialists work with customers to find solutions to unique project issues prior to signing an application or a gas agreement.
- **Contract Management Services**—works with PSE service providers who are performing work on PSE's behalf. They also address rate and tariff issues, perform design audits, interface with the PSE Standards Department and resolve customer issues after receiving the gas or electric service application.
- **Builder Relations**—focuses on enhancing relationships and communications with key new home builders and industry leaders while promoting energy efficiency opportunities and resources, PSE operating standards, new customer processes and other related initiatives.





## 2 Service delivery performance

### Overview

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As part of PSE's management oversight process, PSE monitors 37 metrics that measure the performance of its service providers (Pilchuck and Quanta/Potelco). These metrics address meeting the Company's standards compliance, customer satisfaction, reliability/restoration, efficiencies and safety targets. Overall, the service providers achieved 89 percent of the goals for these metrics in 2008. Of the four goals that were not achieved, three were on completeness and timeliness of invoicing to PSE. Looking forward, PSE will work with the service providers to improve the timeliness and completeness of billing in 2009.

### Service provider indexes

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Four service provider metrics are applicable to PSE's service quality program metrics. These service provider indexes (SPIs), which have previously been reported semi-annually in the *Service Provider Report*, are:

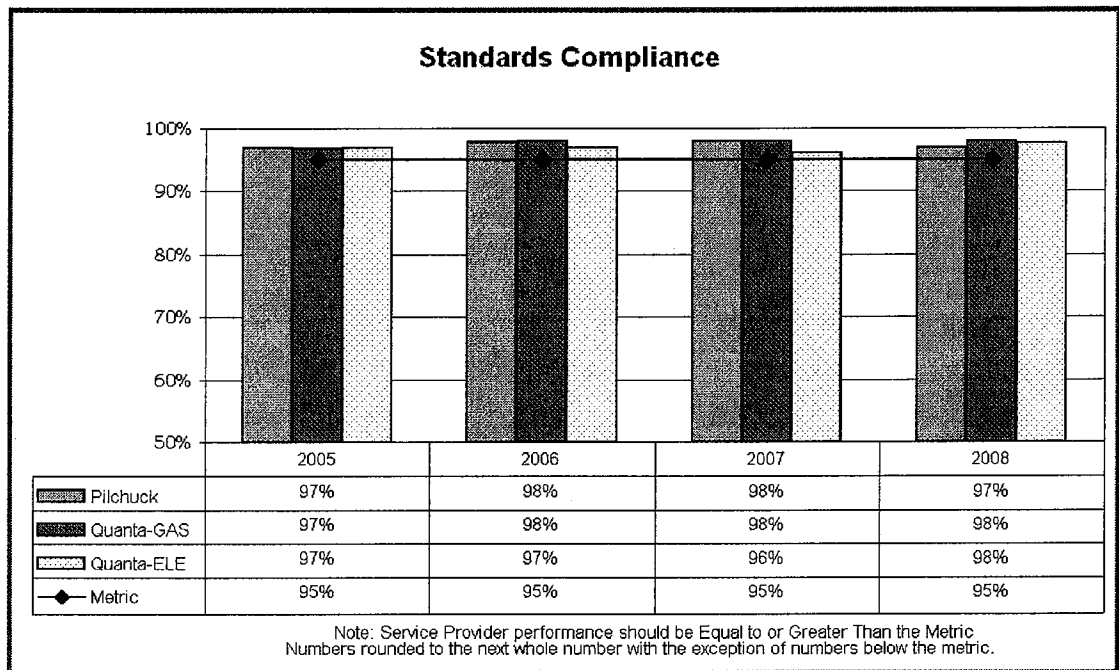
- SPI #1: standards compliance
- SPI #2: customer satisfaction
- SPI #3: appointments kept
- SPI #4: gas second safety response

### SPI #1: standards compliance

The benchmark is for service providers to receive at least 95 percent compliance with PSE site audit checklists. The service providers met the benchmark for the reporting period. The overall 2008 results were:

- Pilchuck: 97 percent
- Quanta/Potelco Gas: 98 percent
- Quanta/Potelco Electric: 98 percent

The following figure shows service provider standards compliance for the years 2005 to 2008:



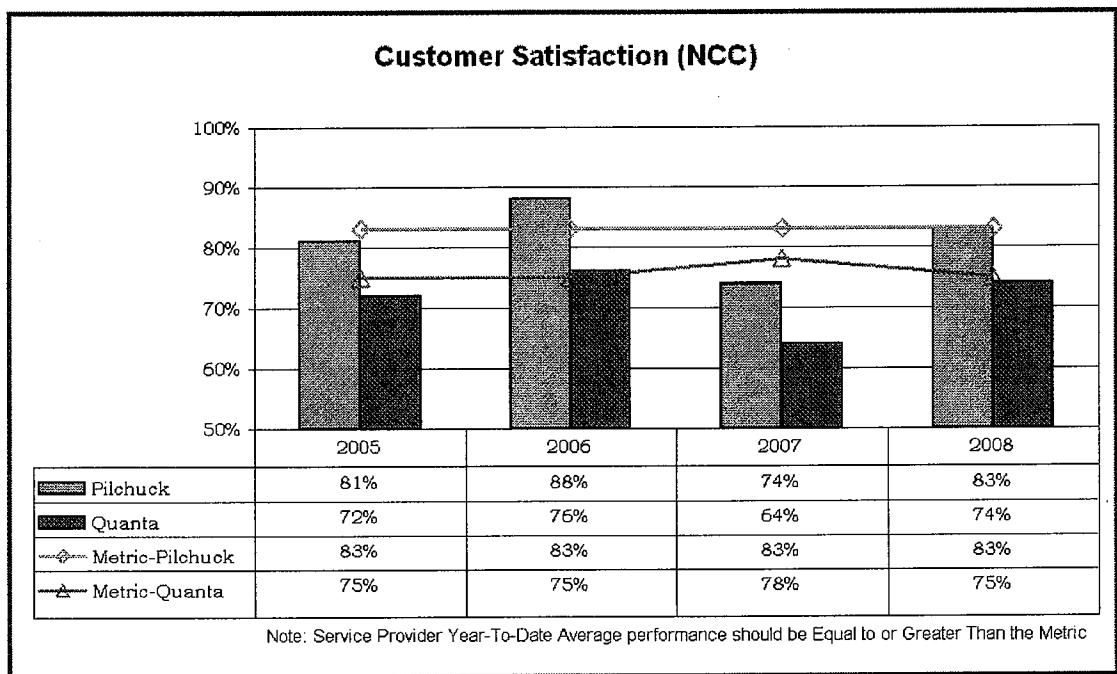
**Figure 1: Service provider standards compliance for the years 2005–2008**

**SPI #2: customer satisfaction**

The benchmark is for service providers to achieve a minimum of 83 percent satisfactory rating (rating 5 or higher on a 7-point scale) for Pilchuck and a minimum of 75 percent for Quanta/Potelco of the new construction customers (NCC) surveyed regarding contractor engineering and construction activities.

- Pilchuck’s 2008 performance was 83 percent and met its metric requirement.
- Quanta/Potelco’s 2008 performance missed the overall year end target by 1 percent, achieving a 74 percent rating. However, Quanta/Potelco’s performance in the December survey reflected a significant improvement, reaching a satisfaction level of 78 percent.

The following figure shows service provider customer satisfaction for the years 2005 to 2008:



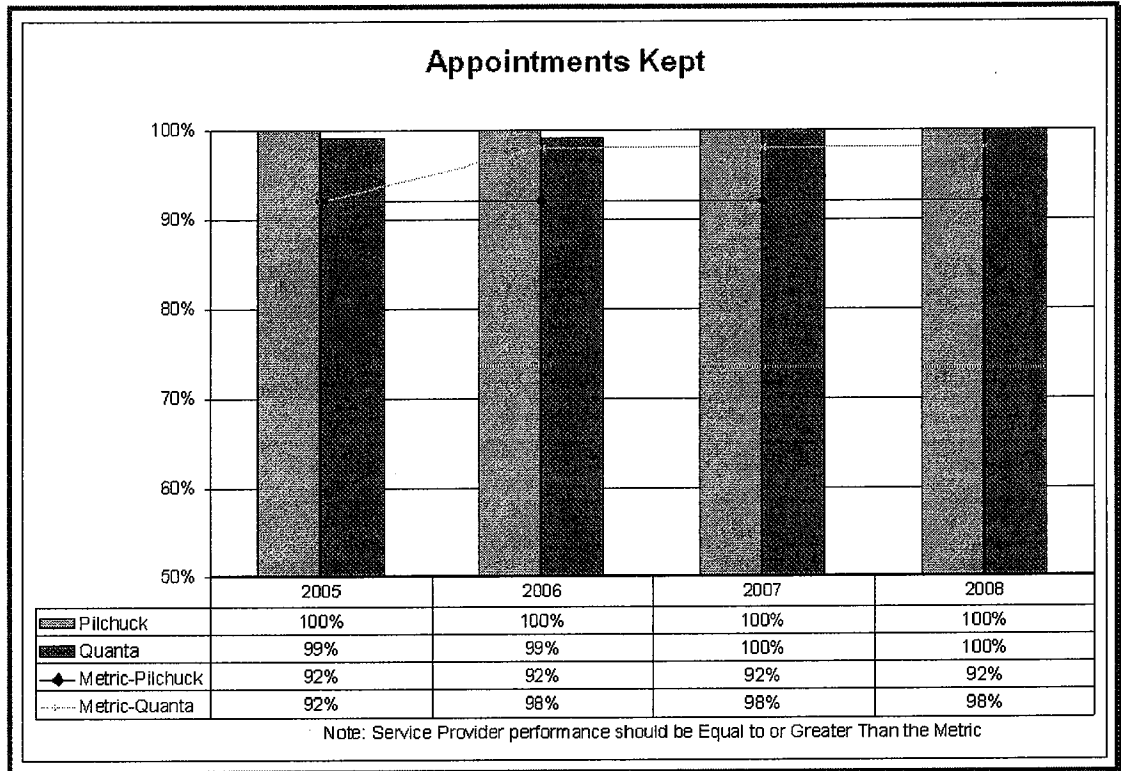
**Figure 2: Service provider customer satisfaction performance for the years 2005–2008**

**SPI #3: appointments kept**

The benchmark is for Pilchuck to keep at least 92 percent of its appointments and Quanta/Potelco to keep at least 98 percent of its appointments on new customer construction commitment dates relative to the service guarantees.

- In 2008, both service providers kept more than 99 percent of their new customer construction service guarantee appointment dates and exceeded the benchmark.

The following figure shows service provider appointments kept for the years 2005 to 2008:

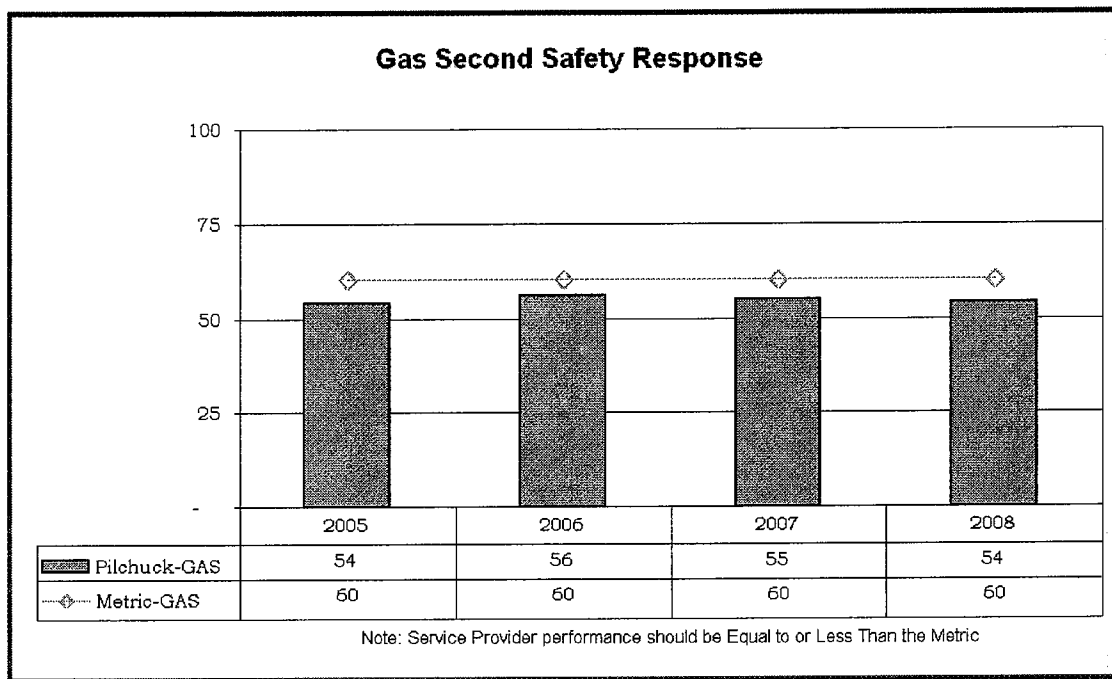


**Figure 3: Service provider appointments kept performance for the years 2005–2008**

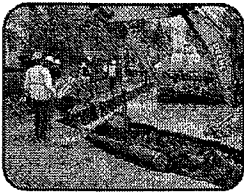
**SPI #4: gas second safety response**

The benchmark is for service providers to respond within an average of 60 minutes from First Response assessment completion to Second Response arrival. This index pertains only to Pilchuck, who had an average 2008 response time of 54 minutes, improving upon the benchmark from their 2007 performance.

The following figure shows service provider gas second safety response performance for the years 2005 to 2008.



**Figure 4: Service provider gas second safety response performance for the years 2005–2008**



### 3

## Working to improve service delivery

### Overview

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To improve service delivery, PSE representatives from several functional departments met with the Company's Service Providers and an outside consultant to identify various opportunities for process improvement. The cross-functional team addressed improvements in several areas including work forecasting and planning, proactive customer service, cycle time, job completion and closing and metrics. Consultant costs associated with the effort were jointly funded by PSE and Quanta/Potelco through Quanta's corporate process improvement budget.

Project completion time for complex projects is a major driver in customer satisfaction and was an area of focus in 2008. By reducing the time for processing applications, easement and right-of-way requests and design and construction, PSE and service providers were able to:

- Reduce the 12-month average cycle time for gas complex projects from 98 days in 2007 to 76 days in 2008.
- Reduce the average cycle time for electric complex projects from 85 to 73 days for the same period.

### Builder/developer initiatives

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To better serve builders and developers, PSE and service providers met with large developers, builders and electricians on several occasions to listen to their concerns and share tariff and standards requirements with them. PSE initiatives for 2008 include:

- Improving PSE.com for builders, providing guidelines, installation requirements, revised customer applications and similar aids. This work will continue in 2009.
- Distributing four different issues of *PSE Builder News* to over 3,000 entities in the building trades as well as posting them to PSE.com. The publication includes information on standards, tariff changes, energy efficiency and PSE contact information.
- Developing a permit database with typical permit timeframes for jurisdictions in PSE's service territory. PSE prepared the database and uses it to communicate to the customer the average timeframe required for acquisition of permits, which assists the builder in planning for actual construction timeframes.
- Developing and implementing an internal task tracking system. The system provides information on the status of complex new customer construction projects and enables both PSE and the service providers to more accurately address inquiries from the customer on the status of their project.

Complaints from customers on new customer construction were significantly reduced in 2008. Complaints to the UTC were reduced by 45 percent when compared to 2007. PSE also used complaint information to address the training needs of both PSE and service provider employees.

## **Customer surveys**

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Gilmore Research Group conducted three phone surveys with over 1,000 randomly selected customers, builders, developers and electricians. The surveys showed that overall customer satisfaction was greatly improved over 2007 with an average overall satisfaction rating of over 78 percent compared to an overall average of 68 percent in 2007. The third survey of the year, conducted in December, resulted in an overall average satisfaction rating of 82 percent, which is the highest satisfaction rating PSE has received in the 10-year history of conducting these surveys.

## **Service provider and PSE employee development**

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To better serve its customers, PSE has developed a training plan for its service providers to target improvement in technical skills, better define roles and responsibilities and improve customer communications. The program includes formal classroom training, phone monitoring and coaching, job shadowing and field training. This program will continue in 2009 and includes:

- Customer communication training for PSE and service provider employees.
- An intranet site for service providers and PSE employees that includes information on process flows, guidelines, standards, energy efficiency, forms and customer handouts.
- Classroom presentation subject-specific training addressing gas and electric standards and procedures related to construction activities.
- Classroom presentation subject-specific training addressing stakeholder involvement such as permitting, right-of-way and environmental.



## 4 Going forward

### New for 2009

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PSE has several new customer construction services initiatives for 2009. PSE plans to:

- Continue to improve processes, reduce cost and increase customer satisfaction.
- Continue to provide ongoing training and communication to builders and electricians to reduce red tags, which can delay their construction schedules.
- Simplify customer applications and make them available in a PDF format during the first quarter of 2009 to respond to requests from the builder/developer community, who assisted in the applications redesign discussions.

Finally, starting with the 2009 SQI performance year, PSE will report in its annual SQI filing with the UTC new customer construction-related service guarantee credits paid by its two predominant service provider contractors for missed appointments. For example, in 2008, of more than 22,800 total appointments, Pilchuck and Quanta/Potelco missed 137 appointments and paid credits totaling \$6,850. The following table provides details. For comparison purposes, appointments missed by PSE for eligible non-construction appointments were included.

**Table 1: Service provider missed appointment penalties for 2008**

	Total appointments	Appointments missed	Percent appointments missed	Penalties paid
<b>Permanent service - electric</b>	11,550	101	0.87%	\$5,050
<b>Permanent service - gas</b>	11,322	36	0.32%	\$1,800
<b>Total</b>	<b>22,872</b>	<b>137</b>	<b>0.60%</b>	<b>\$6,850</b>