PUGET SOUND ENERGY
The Energy To Do Great Things

Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
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 - PSE 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" or "the Company") provides an original and twelve copies of PSE's Service Quality Program filing for the twelve-month period ending December 2008. The Company met or exceeded nine out of the eleven service quality indices.

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 SQI performance in addition to its typical annual service quality program report.

Attachment A, the 2008 Service Quality Program Report, includes specific information and exhibits to meet the requirements set forth in Docket Nos. UE-011570 and UG-011571, as amended in Docket No. UE-031946. This report includes:

- Annual performance and monthly data for the reporting period and a comparison of performance with the benchmark for each of the SQIs.

- A description of change in data gathering.
- Penalty calculation of the missed SQIs and the preliminary rate effect of the penalty on each electric customer class as filed in PSE's Feburay 27, 2009, conservation filing, UE-090314.
- The number of missed appointments and commitments and payments to customers under the Customer Service Guarantee by service type.
- Promotion measures taken regarding the Customer Service Guarantee program, and an assessment of customer awareness of the program.
- A certification by the independent survey company that all surveys conducted in accordance with the service quality program were completed in conformance with applicable procedures and guidelines and that the reported results are unbiased and valid.
- Annual statistics for the time duration, from first arrival to control of gas emergencies, for incidents subject to reporting under the current edition of WAC 480-93-200 and WAC 480-93-210.
- A proposed customer report card.

Attachment B presents PSE's 2008 performance with additional information that will be required in future SQI 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 Attachment B is to develop a better Annual Service Quality Program Report going forward by incorporating external feedback and suggestions prior to the actual 2010 filing.

In Attachment B, the Company also provides supplementary information on each index including background, unique events which may have influenced PSE's achievement level, the environment in which the Company operated, and the actions PSE has taken or will be taking to improve performance. PSE looks forward to receiving feedback from the Commission and other external parties on the proposed layout and contents of the future SQI reporting.

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 - PSE Performance

Attachment A

Puget Sound Energy

2008 Annual Service Quality Program Report

Filed March 9, 2009

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Annual Service Quality Program Report

January 1, 2008 - December 31, 2008

This filing documents Puget Sound Energy, Inc.'s ("PSE" or the "Company") Service Quality Program performance for the annual reporting period of January 1, 2008, through December 31, 2008.

PSE's Service Quality Program includes eleven Service Quality Indices ("SQIs"). As detailed in this report, the Company met or exceeded nine of the eleven SQIs for the period, but did not achieve the benchmarks associated with SQI No. 1 - Overall Customer Satisfaction and SQI No. 3 - SAIDI, System Average Interruption Duration Index.

Background

On November 26, 2001, PSE filed a general rate case for both electric and gas services. On December 3, 2001, PSE filed a request for an interim electric rate increase. These proceedings were consolidated under Docket Nos. UE-011570 and UG-011571.

On June 20, 2002, the Commission approved a multi-party settlement stipulation of disputed electric and common issues (the "Stipulation") in the consolidated dockets Twelfth Supplemental Order: Rejecting Tariff Filing; Approving and Adopting Settlement Stipulation. Exhibit J to the Stipulation set forth details regarding the overall Service Quality Program including, among other items:

1. SQI Performance – Benchmarks, Reporting Mechanics and Penalty & Mitigation Provisions.
2. Customer Report Card – Reporting Mechanics and Provisions.
3. Customer Service Guarantee – Awareness Promotions and Reporting Mechanics.

On November 25, 2003, the Company filed an application for approval to amend the reporting methodology of SQI No. 11 - Electric Safety Response Time in Docket No. UE-031946. The Commission approved the application with some modifications on June 11, 2004. The reporting contained herein reflects the amendment and modifications.

PSE SQI Performance

PSE's final performance on the eleven SQIs for the reporting period of January 1, 2008 through December 31, 2008, is summarized in the following table. The monthly results for each index are reported in Exhibit A. PSE met or exceeded nine out of the eleven service quality indices for the reporting period.

Index No.	Index Description	Index Benchmark[1]	Index Performance	Index Penalty
SQI No. 1	Overall Customer Satisfaction	90% satisfied	83%	NA
SQI No. 2	WUTC Complaint Ratio	0.50 per 1000 Customers	0.25	None
SQI No. 3	SAIDI	136 minutes per customer per year	163	$446,691
SQI No. 4	SAIFI	1.30 interruptions per year per customer	1.01	None
SQI No. 5	Customer Access Center Answering Performance	75% answered in 30 Seconds	77%	None
SQI No. 6	Customer Access Center Transaction Satisfaction	90% satisfied	93%	None
SQI No. 7	Gas Safety Response Time	Average of 55 minutes	35	None
SQI No. 8	Field Service Operations Transactions Customer Satisfaction	90% satisfied	91%	None
SQI No. 9	Disconnection Ratio	Disconnections per Customer – 0.030	0.024	None
SQI No. 10	Missed Appointments	8% of appointments missed	1%	None
SQI No. 11	Electric Safety Response Time	Average of 55 minutes	55	None
	Total Penalties:			$446,691

[1] Benchmarks expressed as 12 month or annual targets.

Attachments A and B to Exhibit A detail days on which major events or localized emergency events occurred that resulted in suspension of SQI No. 11 - Electric Safety Response Time during the reporting period.

Also included in Exhibit A is Attachment C, which reports the time duration, from first arrival to control of gas emergency incidents that are subject to reporting under the currently effective WAC 480-93-200 (Docket PG-070975, General Order R-549, filed 5/30/08, effective 6/30/08.)[2]

Certification of Survey Results

The overall customer satisfaction survey, the new construction customer survey, and the two customer transaction surveys were performed by The Gilmore Research Group. The Gilmore Research Group's certification that the survey results are unbiased and valid and completed in conformance with applicable procedures and guidelines is provided in Exhibit B.

Change in Data gathering

In spring 2008, PSE completed its rollout of the Mobile Workforce System ("MWS") to all electric first responders ("EFR"). The MWS project was initiated in June 2006 to make PSE's response to service calls more efficient thereby improving customer service, productivity, and public and employee safety. The first implementation of the MWS was in fall 2007 to natural gas first responders.

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[2] In the preceding SQI annual reports, PSE had been including the incidents subject to WAC 480-93-200 and WAC 480-93-210 effective at the time the Commission approved the SQI Stipulation on June 20, 2002. Since the adoption of the Stipulation, the Commission has reconsidered its gas pipeline safety standards and reporting requirements and initiated rulemaking process in chapter 480-93 WAC in 2005, 2007, and 2008. Developed from these rulemaking activities, WAC 480-93-210 was repealed and WAC 480-93-200 has been expanded and amended three times. To be consistent with the current WAC requirements, these ensuing changes are now reflected in Attachment C. The current Edition of WAC 480-93-200 is enclosed with Attachment C as pages 2-4.

The SQIs directly involving the electric first responders are SQI No. 10 - Missed Appointments and SQI No. 11 - Electric Safety Response Time. The other SQI requirement that pertains to EFR is the $50 Customer Service Guarantee program.

The Mobile Workforce System enables dispatchers and system managers to assign personnel based upon the most current location and availability of first responders. All service vehicles used by the responders are equipped with a laptop computer linked to PSE via a wireless networking system with 24/7 connectivity. Once service requests are created in CLX[3], the assigned responders can read, on their laptop screen, their scheduled service orders and instructions, directions to the customers' locations, and service histories. The MWS also allows responders to provide instantaneous updates of their status and makes the information available to dispatching, call center, and other PSE staff.

In addition to enhance efficiency and customer service, the mobile workforce system also improves data quality by eliminating paperwork handoffs and multiple data entries. Time logging for responses to service requests at each status change is captured in Pragma Cad ("P-CAD") on the laptop computers in the field personnel's vehicles. Data storage and forwarding capabilities are built into the laptops to capture and record the data whether responders are inside or outside of the wireless network coverage area.

Once the data is in the P-CAD database and automatically forwarded back to CLX, the calculation and reporting mechanics are the same as stated in the Stipulation, Exhibit J, Appendix 2, pages 10 and 13-14, except that the origin of the data is now from P-CAD rather than paper service orders. The MWS has been designed to be in

[3] CLX is PSE's customer information and billing system.

compliance with the SQI Stipulation requirements and should not negatively affect service quality performance and calculation of SQI No. 10 - Missed Appointments and SQI No. 11 - Electric Safety Response Time, and the Customer Service Guarantee program.

The data gathering change due to the Mobile Workforce System implementation, at this time, has no effect on the service quality performance categories and their current or future results. The Company is not requesting any alterations to its data gathering or reporting methods as described in the Stipulation.

SQI No. 1 - Overall Customer Satisfaction

The 2008 performance indicates that 83% of surveyed customers rated their overall satisfaction at 5 or higher on a 7-point scale (as compared with the benchmark of 90%). It is virtually the same rating as in 2007. In fact, there has not been a statistically significant difference in the surveyed results since 2001. Many external factors[4] negatively affect all classes of customers, regardless of which utility is actually providing the service[5].

The overall customer satisfaction survey also measures satisfaction of other electric utilities (from our "gas-only" customers) and other gas utilities (from our "electric-only" customers that say they have non-PSE natural gas service). Customer

[4] These external factors may include: numerous severe weather events; volatile gasoline and natural gas prices; publicity and resulting rate changes from PSE's merger, general rate case, and PGA and PCA tariff filings; local municipalization efforts; green-house gas and CO2 emissions issues; and loss of trust and credibility in utilities in general.

[5] The supplemental questions included in the surveys are directed towards electric and gas customer satisfaction when PSE is not the serving utility. That is, customer satisfaction with gas service in Whatcom County would pertain to Cascade Natural Gas, and customer satisfaction with electric service in the city of Seattle would relate to the customer's satisfaction with Seattle City Light. The comparisons and differences are not statistically significant due to the small sample size of "other"

satisfaction for PSE's electric customers, although lower than the benchmark, was in fact virtually the same as other electric utilities in the region. The customer satisfaction for other electric utilities is 84 % as compared to 82% for PSE's electric-only customers. A similar comparison of the customer satisfaction for other gas utilities is 88% as compared to 82% for PSE's gas-only customer satisfaction.

SQI No. 3 - SAIDI (System Average Interruption Duration Index)

The overall 2008 SQI No. 3 - SAIDI performance[6] is 163 system outage minutes per customer, as compared with the annual benchmark of 136 minutes and the 2007 performance of 167 minutes. The lower than benchmark performance was due to the number of storms throughout the year, including the unusual wind storm in June, lightening storms in July, and snow storms in December. Only one of the storms met the criteria of "major event" as defined in the SQI criteria, and thus most of the outages and outages minutes were included in the Company's SAIDI performance for 2008.

Detailed analysis and overview of PSE's 2008 reliability performance will be provided on or before March 31, 2009 in the Company's Electric Reliability and Reporting Plan, in compliance with WAC 480-100-393.

Penalty Calculation and Refund Allocation

Total amount of penalty imposed due to missing the SQI No. 3 - SAIDI benchmark is $446,691. The SQI Stipulation allows PSE to file a mitigation petition for relief from a financial penalty. The Company, however, is not seeking the relief at this

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utility customers. However, the survey results do show that the percentages of customer satisfaction for all the gas and electric utilities were in a close range.

[6] Major event days and associated carry-forward days, which are days when 5% or more of PSE customers are out and those additional days to when those customers have service restored, are excluded from the SAIDI and SAIFI performance calculations.

time. While the Company is not seeking a mitigation of this penalty, this should not be viewed as precedent setting with respect to any future incidence of seeking mitigation. The Company may seek mitigation of a penalty that may be the result of missing the benchmark at a lower or higher level than that which occurred this time or past levels of missing the benchmark.

The penalty amount has been included in the PSE's February 27, 2009, filing of Schedule 120, Electricity Conservation Service Rider (Docket No. 090314), as an offset to the costs of electric conservation programs to benefit all electric customers. The penalty has no impact on PSE gas customers[7]. Exhibit C shows the penalty calculation and the preliminary effect of the penalty on the Schedule 120 rates for each electric customer class.

Customer Report Card

PSE will be providing its customers a report card on the Company's SQI performance for the reporting period of January 1, 2008, through December 31, 2008. On or before May 15, 2009, the Company will begin including this report card with its billings in accordance with the Stipulation, section F. The proposed customer report card is attached as Exhibit D. The customer report card will be updated following review by WUTC Staff and Public Counsel.

Customer Service Guarantee

The Customer Service Guarantee program provides for a $50 billing credit to customers when the Company fails to meet a scheduled appointment. During the 2008 annual reporting period, the Company made 121,421 appointments and failed to meet 1% of these appointments. The Service Guarantee payment associated with the

[7] As prescribed in section F, Appendix 2 of Exhibit J to the Stipulation, the penalty associated with SQI No. 3 - SAIDI "...shall be applied to electric customers."

missed-approved appointments is $10,200. Summarized and detailed monthly results of the appointments made and missed by service type, as of December 31, 2008, are provided in Exhibit E.

In 2008, PSE took the following actions to reduce the number of missed appointments that were pending for the $50 Service Guarantee payment review, i.e. missed-open appointments:

1. Procedures that emphasizing timely completion of review.
2. Monthly checking for eligible appointments from prior months.
3. Quarterly evaluation of missed-open appointments.

There were 81 missed-open: appointments not yet reviewed by PSE for the $50 Service Guarantee payment at the time Exhibit E was prepared. The Company is committed to improving its customer service and will continue the effort to ensure that all missed-open appointments are reviewed in a timely manner.

The SAP[8] project PSE initiated at the end of 2007 to enhance and modify the computer programs and reports used to extract and tabulate the results of SQI No. 10 -- Missed Appointments and the Customer Service Guarantee Program has been completed in fall 2008. As the results of the project, the manual entry of the Service Guarantee indicator on applicable service appointments is no longer required and the review time for the $50 guarantee payment has been shorten due to the inclusion of additional order completion information in the reports . A comparison of the legacy reports and the revised reports for appointments completed during the first half of the 2008 indicates that additional 3,341 appointments were identified. PSE missed 5 of those newly added appointments.

[8] SAP is PSE's work management and financial information system.

Pursuant to the Stipulation, section C, the Company has promoted the $50 service guarantee and, in turn, has assessed customer awareness levels of the guarantee resulting from these promotions. Exhibit F describes PSE's efforts to promote the Customer Service Guarantee and presents results of customer awareness levels as assessed using two separate Gilmore Research Group's surveys.[9] The table in this exhibit provides the results of each survey instrument, including the number of customers surveyed in each cycle or month, and the specific questions asked each customer.

[9] These surveys are (1) a monthly survey of field service customers ("CFS"), and (2), a periodic survey of new construction customers ("NCC").

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit A - SQI Performance

EXHIBIT A
Monthly Service Quality Program Performance
as of December 31, 2008

SQI #		Benchmark	Jan 2008	Feb 2008	Mar 2008	Apr 2008	May 2008	Jun 2008	Jul 2008	Aug 2008	Sep 2008	Oct 2008	Nov 2008	Dec 2008	Annual Performance	Difference from Benchmark (Annual Performance - Benchmark)	Meet or Exceed Benchmark
1	Overall Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)						82%					84%		83%	-7%	
2	WUTC Complaint Ratio	0.50 complaints per 1000 customers, including all complaints filed with WUTC	0.016	0.032	0.030	0.041	0.016	0.017	0.017	0.011	0.014	0.018	0.016	0.020	0.25	-0.25	√
3	SAIDI	136 minutes per customer per year	22	19	7	4	6	19	10	13	6	14	12	31	163	27	
4	SAIFI	1.30 interruptions per year per customer	0.119	0.083	0.042	0.033	0.080	0.114	0.069	0.092	0.036	0.098	0.080	0.168	1.01	-0.29	√
5	Telephone Center Answering Performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator	50%	59%	63%	75%	78%	75%	91%	86%	92%	90%	89%	74%	77%	2%	√
6	Telephone Center Transactions Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	90%	94%	91%	90%	94%	93%	95%	94%	95%	95%	94%	93%	93%	3%	√
7	Gas Safety Response Time	Average of 55 minutes from customer call to arrival of field technician	36	35	34	36	33	34	33	32	34	34	36	40	35	-20	√
8	Field Service Operations Transactions Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	87%	88%	90%	86%	92%	96%	92%	95%	95%	91%	94%	93%	91%	1%	√
9	Disconnection Ratio	0.030 disconnections / customer for non-payment of amounts due when WUTC disconnection policy would permit service curtailment	0.0018	0.0024	0.0028	0.0028	0.0022	0.0026	0.0021	0.0017	0.0019	0.0017	0.0012	0.0008	0.024	-0.006	√
10	Missed Appointments	8% of appointments missed	0.7%	0.6%	0.5%	0.8%	0.6%	0.7%	0.9%	0.9%	0.7%	0.7%	0.9%	1.8%	1%	-7%	√
11	Electric Safety Response Time	Average of 55 minutes from customer call to arrival of field technician	64	55	56	51	57	54	62	60	53	44	42	59	55	0	√

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2008 Annual Service Quality Program Filing - Attachment A

Exhibit A - SQI Performance

Attachment A - Major Event and Localized Emergency Event Days (Affected Local Areas Only)

Exhibit A - SQI Performance
Attachment A

PUGET SOUND ENERGY

SQI NO. 11 SUPPLEMENTAL REPORTING
MAJOR EVENT AND LOCALIZED EMERGENCY EVENT DAYS
AFFECTED LOCAL AREAS ONLY

Date	Type of Event	Local Area	Duration	No. of Customers Affected	No. of Customers in Area	% of Customers Affected	No. of Outage Events	Resource Utilization	>5% Customer Affected? (Yes/No)	Comments
2/6/2008	Wind	West	3	4,494	138,587	3.2%	24	15 (of 15)	No	15 First Responders + 0 PTO + 4 line crews + 0 tree crew
6/9/2008	Wind	Central North	2	13,225	309,670	4.3%	44	20 (of 23)	No	20 First Responders + 2 PTO + 1 STD + 10 line crews + 4 tree crews.
8/17/2008	Lightning	Central South	2	4,003	213,030	1.9%	30	12 (of 14)	No	12 First Responders + 2 PTO + 10 line crews + 0 tree crews.
10/4/2008	Wind	West	2	16,327	139,213	11.7%	70	7 (of 14)	No	7 First Responders + 2 PTO +5 regular dayoff + 1 from Central South + 2 from South+ 9 line crews +
12/12/2008	Wind	Central North	2	4,880	312,362	1.6%	55	19 (of 22)	No	19 First Responders + 1 PTO + 1 STD + 1 Reg Day off + 15 line crews + 5 tree crews.
12/14/2008	Wind	North	2	11,198	188,200	6.0%	86	12 (of 13)	No	12 First Responders + 1 PTO + 1 tree crew
12/20/2008	Snow/Wind	North	4	7,175	188,200	3.8%	113	11 (of 13)	Yes	11 First Responders + 1 PTO + 1 Reg DayOff + 12 line crews + 2 tree crews.
12/20/2008	Snow/Wind	Central North	4	29,107	312,362	9.3%	173	21 (of 22)	Yes	21 First Responders +1 PTO + 2 EFR's f Kittitas+11 tree crews
12/20/2008	Snow/Wind	Central South	4	1,625	213,948	0.8%	41	11 (of 13)	Yes	11 First Responders + 2 PTO +6 line crews +2 tree crews
12/20/2008	Snow/Wind	South	4	26,222	220,389	11.9%	194	9 (of 16)	Yes	9 First Responders + 4 PTO + 3 Reg Duty+ 5 tree crews.
12/20/2008	Snow/Wind	West	4	51,181	139,564	36.7%	281	11 (of 13)	Yes	11 First Responders + 1 PTO + 1 Reg DayOff + 6 tree crews.
12/24/2008	Snow/Wind	Central North	4	20,850	312,362	6.7%	92	18 (of 22)	No	18 First Responders + 4 PTO/STD.
12/24/2008	Snow/Wind	West	4	2,223	139,564	1.6%	18	12 (of 13)	No	12 First Responders + 1 PTO + 7 tree crews
12/29/2008	Wind	North	2	4,584	188,200	2.4%	51	10 (of 13)	No	10 First Responders + 2 PTO/STD + 1 Reg Dayoff + 7 tree crews

PUGET SOUND ENERGY

SQI NO. 11 SUPPLEMENTAL REPORTING
MAJOR EVENT AND LOCALIZED EMERGENCY EVENT DAYS
AFFECTED LOCAL AREAS ONLY

12/29/2008	Wind	Central North	2	7,516	312,362	2.4%	66	15 (of 22)	No	15 First Responders + 4 PTO/STD + 3 Reg Dayoff.
12/29/2008	Wind	West	2	7,012	139,564	5.0%	44	11 (of 13)	No	11 First Responders + 2 PTO/STD + 5 treee crews

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit A - SQI Performance

Attachment B - Major Event and Localized Emergency Event Days (Non-Affected Local Areas Only)

Exhibit A - SQI Performance
Attachment B

PUGET SOUND ENERGY

SQI NO. 11 SUPPLEMENTAL REPORTING
LOCALIZED EMERGENCY EVENT DAYS
NON-AFFECTED LOCAL AREAS ONLY

Date	Type of Event	Local Area	Duration	No. of Customers Affected	No. of Customers in Area	% of Customers Affected	No. of Outage Events	Resource Utilization	>5% Customer Affected? (Yes/No)	Comments
2/6/2008	Wind	South	3	18,420	218,013	8.4%	61	15	No	
2/6/2008	Wind	North	3	6,783	186,147	3.6%	38	14	No	
2/6/2008	Wind	Central North	3	3,988	308,534	1.3%	42	23	No	
2/6/2008	Wind	Central South	3	4,801	212,412	2.3%	34	13	No	
6/9/2008	Wind	Central South	2	12,132	212,982	5.7%	46	13	No	
6/9/2008	Wind	North	2	1,152	186,710	0.6%	27	14	No	
6/9/2008	Wind	South	2	7,273	218,868	3.3%	33	15	No	
6/9/2008	Wind	West	2	15,234	138,959	11.0%	74	13	No	
8/17/2008	Lightning	Central North	2	4,102	310,283	1.3%	24	24	No	
8/17/2008	Lightning	North	2	2,133	186,838	1.1%	29	13	No	
8/17/2008	Lightning	South	2	5,572	219,054	2.5%	37	14	No	
8/17/2008	Lightning	West	2	1,777	139,019	1.3%	12	14	No	
10/4/2008	Wind	North	2	12,444	187,305	6.6%	50	11	No	
10/4/2008	Wind	Central North	2	8,340	311,019	2.7%	67	24	No	

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SQI NO. 11 SUPPLEMENTAL REPORTING
LOCALIZED EMERGENCY EVENT DAYS
NON-AFFECTED LOCAL AREAS ONLY

Date	Type of Event	Local Area	Duration	No. of Customers Affected	No. of Customers in Area	% of Customers Affected	No. of Outage Events	Resource Utilization	>5% Customer Affected? (Yes/No)	Comments
10/4/2008	Wind	Central South	2	1,870	213,447	0.9%	18	11	No	
10/4/2008	Wind	South	2	230	219,569	0.1%	26	15	No	
12/12/2008	Wind	West	2	30,009	139,564	21.5%	80	13	No	
12/12/2008	Wind	North	2	1,706	188,200	0.9%	40	13	No	
12/12/2008	Wind	Central South	2	4,946	213,948	2.3%	54	13	No	
12/12/2008	Wind	South	2	3,905	220,389	1.8%	46	16	No	
12/14/2008	Wind	Central North	2	301	312,362	0.1%	29	24	No	
12/14/2008	Wind	Central South	2	1,173	213,948	0.5%	37	13	No	
12/14/2008	Wind	South	2	1,954	220,389	0.9%	26	16	No	
12/14/2008	Wind	West	2	1,671	139,564	1.2%	27	13	No	
12/24/2008	Snow/Wind	North	4	960	188,200	0.5%	54	13	No	
12/24/2008	Snow/Wind	Central South	4	2,162	213,948	1.0%	14	13	No	
12/24/2008	Snow/Wind	South	4	2,024	220,389	0.9%	23	16	No	
12/29/2008	Wind	Central South	2	3,529	213,948	1.6%	21	13	No	

Exhibit A - SQI Performance
Attachment B

PUGET SOUND ENERGY

SQI NO. 11 SUPPLEMENTAL REPORTING
LOCALIZED EMERGENCY EVENT DAYS
NON-AFFECTED LOCAL AREAS ONLY

Date	Type of Event	Local Area	Duration	No. of Customers Affected	No. of Customers in Area	% of Customers Affected	No. of Outage Events	Resource Utilization	>5% Customer Affected? (Yes/No)	Comments
12/29/2008	Wind	South	2	1,440	220,389	0.7%	30	16	No	

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit A - SQI Performance

Attachment C - Gas Reportable Incidents and Control Time

Puget Sound Energy

Attachment C to Exhibit A

2008 Reportable Incident Report

(Duration from first arrival to control of gas emergencies)

No.	Date	City	Address	1st Notice to PSE	First PSE Arrival	Incident Controlled	Response Time	Control Time
1	1/7/08	Tacoma	4801 Yakima Ave	7:51	8:06	8:48	0:15	0:42
2	1/15/08	Marysville	6821 40th St NE	11:59	12:17	14:55	0:18	2:38
3	1/20/08	Issaquah	980 NW Inneswood Pl	10:54	11:10	11:24	0:16	0:14
4	1/23/08	Shoreline	19020 Wallingford Ave N	2:12	2:46	3:00	0:34	0:14
5	1/24/08	Bothell	3016 228th St SE	16:49	16:49	18:28	0:00	1:39
6	1/31/08	Puyallup	15914 Woodland Ave E	20:07	20:27	21:15	0:20	0:48
7	2/4/08	Lynnwood	20009 68th Av W	12:20	12:39	14:10	0:19	1:31
8	2/4/08	Seattle	2851 Eastlake Ave	13:08	13:22	14:00	0:14	0:38
9	2/5/08	Tacoma	826 72nd St E	10:32	10:56	11:05	0:24	0:09
10	2/8/08	Bellevue	16605 SE 31st St	10:02	10:22	12:27	0:20	2:05
11	2/11/08	Redmond	16017 NE 97th St	16:00	16:40	21:45	0:40	5:05
12	2/12/08	Bothell	4425 212th St SE	5:46	6:09	6:50	0:23	0:41
13	2/18/08	Gig Harbor	4126 4th St NW	10:11	10:56	11:27	0:45	0:31
14	2/18/08	Everett	4907 124th Pl SE	16:44	17:20	18:49	0:36	1:29
15	2/21/08	Sammamish	1811 225th Pl NE	17:41	18:30	19:06	0:49	0:36
16	2/22/08	Federal Way	4505 SW 323rd St	14:16	14:37	18:37	0:21	4:00
17	2/23/08	Centralia	2020 Foron Rd	9:47	10:40	11:59	0:53	1:19
18	3/6/08	Brier	2175 Elm Drive	10:49	11:00	12:51	0:11	1:51
19	3/11/08	Seattle	9021 14th Ave S	12:15	12:52	14:29	0:37	1:37
20	3/26/08	Seattle	66 S Hanford St	3:14	3:52	3:52	0:38	0:00
21	4/1/08	Black Diamond	21801 SE 289th St	16:42	17:20	17:28	0:38	0:08
22	4/8/07	Redmond	15848 NE 117th St	11:52	12:19	13:00	0:27	0:41
23	4/14/08	Tacoma	9449 S Park Ave	16:42	17:04	17:25	0:22	0:21
24	4/15/08	Centralia	117 Magnolia St	13:15	13:23	13:40	0:08	0:17
25	4/23/08	Gig Harbor	5353 Olympic Dr NW	12:43	13:02	16:10	0:19	3:08
26	4/26/08	Seattle	822 27th Ave	9:21	9:47	10:08	0:26	0:21
27	4/26/08	Clyde Hill	8638 NW 19th PL	12:06	12:25	12:40	0:19	0:15
28	5/6/08	Tacoma	1611 85th St E	9:39	9:54	11:17	0:15	1:23
29	5/12/08	Bellevue	605 114th Ave SE	13:51	13:58	15:04	0:07	1:06
30	5/16/08	Seattle	4711 17th Ave NE	8:45	9:03	10:25	0:18	1:22
31	6/4/08	Olympia	307 4th Ave E	13:03	13:40	14:30	0:37	0:50
32	6/13/08	Federal Way	2614 S 300th St	8:23	8:42	10:27	0:19	1:45
33	6/25/08	University Place	3302 Bridgeport Way W	11:14	11:29	12:53	0:15	1:24
34	6/27/08	Puyallup	11811 Canyon Rd E	10:46	11:06	13:37	0:20	2:31
35	7/1/08	Federal Way	34815 Pacific Hwy S #206	11:41	12:01	12:05	0:20	0:04
36	7/3/08	Sammamish	21213 SE 40th Pl	18:42	18:59	19:55	0:17	0:56
37	7/9/08	Bellevue	13616 SE 10th	20:01	20:25	20:40	0:24	0:15
38	7/9/08	Seattle	3300 S Oregon St	13:32	13:51	21:52	0:19	8:01
39	7/10/08	Bothell	11611 North Creek Pkwy	10:23	10:39	11:02	0:16	0:23
40	7/14/08	Issaquah	400 1st Ave SE	8:49	9:18	10:15	0:29	0:57
41	7/19/08	Tacoma	19015 72nd St #A6	9:05	9:10	13:27	0:05	4:17
42	7/20/08	Burien	13227 Ambaum Blvd SW	21:00	21:35	21:35	0:35	0:00
43	7/31/08	Seattle	10500 Meridian Ave N	10:30	10:44	11:14	0:14	0:30
44	8/3/08	Bothell	17917 Bothell-Everett Hwy	1:03	1:31	1:47	0:28	0:16
45	8/22/08	Gig Harbor	2901 96th St NW	8:10	8:31	8:36	0:21	0:05
46	8/22/08	Lake Stevens	2514 85th Dr NE	9:39	10:00	12:37	0:21	2:37
47	8/25/08	Sammamish	1122 228th Ave SE	10:17	10:35	10:47	0:18	0:12
48	8/25/08	Auburn	3805 Auburn Ave N	10:20	10:26	10:31	0:06	0:05
49	8/27/08	Bothell	19210 129th Ct NE	16:35	16:48	17:00	0:13	0:12
50	8/28/08	Redmond	17602 NE Union Hill Rd	15:26	15:52	15:52	0:26	0:00
51	8/29/08	Kirkland	12534 NE 128th Way Bldg E	9:28	9:39	10:11	0:11	0:32
52	9/4/08	Seattle	7930 Rainier Ave S	16:00	16:24	18:20	0:24	1:56
53	9/5/08	Kirkland	10823 NE 134th St	14:43	14:50	16:50	0:07	2:00
54	9/7/08	Bothell	22430 1st Dr SE	18:25	18:41	18:52	0:16	0:11

Puget Sound Energy
2008 Reportable Incident Report
(Duration from first arrival to control of gas emergencies)

No.	Date	City	Address	1st Notice to PSE	First PSE Arrival	Incident Controlled	Response Time	Control Time
55	9/8/08	Yelm	715 East Yelm Ave (SR 507)	13:35	13:53	14:20	0:18	0:27
56	9/12/08	Tacoma	3101 S 35th St	8:32	8:38	9:25	0:06	0:47
57	9/16/08	Federal Way	1809 SW 325th Pl	9:10	9:26	11:05	0:16	1:39
58	9/17/08	Federal Way	32505 17th Dr SW	10:04	10:26	12:40	0:22	2:14
59	9/19/08	Redmond	7870 159th Pl NE	17:05	17:17	20:41	0:12	3:24
60	9/30/08	Tacoma	2034 Browns Point Blvd NE	11:29	11:40	13:36	0:11	1:56
61	10/4/08	Tacoma	1717 Marine View Dr	8:13	8:41	10:06	0:28	1:25
62	10/8/08	Tukwila	10710 E Marginal Way S	18:14	18:43	18:48	0:29	0:05
63	10/9/08	Redmond	13100 172nd Ave NE	11:30	11:40	15:40	0:10	4:00
64	10/25/08	Seattle	916 N 143rd Ave	15:15	15:37	19:15	0:22	3:38
65	10/27/08	Woodinville	13001 NE 177th Pl	21:55	22:12	22:54	0:17	0:42
66	11/12/08	Mukilteo	12623 55th Ave W	9:00	9:31	10:00	0:31	0:29
67	11/15/08	Renton	14529 SE Fairwood Blvd (other addresses involved)	5:46	6:16	6:16	0:30	0:00
68	12/8/08	Mill Creek	14924 30th Dr SE	13:38	13:55	14:37	0:17	0:42
69	12/12/08	Seattle	9201 35th Ave SW	15:00	15:45	16:00	0:45	0:15
70	12/17/08	Bothell	18725 20th Dr SE	11:21	11:45	13:15	0:24	1:30
71	12/23/08	Issaquah	14513 254th Ave SE	19:51	20:20	22:10	0:29	1:50
						Averages	0:21	1:17

(1) Report of the time duration from first arrival to control of gas emergencies, for incidents subject to reporting under the currently effective WAC 480-93-200.

Incident types with response and control times information

WAC 480-93-200(1)(a)	Personal injury requiring hospitalization, or death
WAC 480-93-200(1)(b)	Property damage - $50000 or greater
WAC 480-93-200(1)(c)	Evacuation
WAC 480-93-200(1)(d)	unintentional ignition of gas
WAC 480-93-200(1)(e)	Customer outage - 25 or more affected
WAC 480-93-200(1)(g)	Significant incident in opinion of PSE
WAC 480-93-200(2)(a)	Uncontrolled release - 2 hours or more

Control time information is not applicable the following incident types therefore they are not included in this attachment.

WAC 480-93-200(1)(f)	Pressure related - MAOP violation
WAC 480-93-200(1)(f)	Pressure related - MOP violation
WAC 480-93-200(2)(b)	Pressure related - supply main taken out of service
WAC 480-93-200(2)(c)	Pressure related - System dropped below utilization pressure
WAC 480-93-200(2)(d)	Pressure related - System exceeds the MAOP
Leaks and odor calls	

WAC 480-93-200 Agency filings affecting this section

Reporting requirements.

(1) Each gas pipeline company must give notice to the commission by telephone using the emergency notification line (see WAC 480-93-005(8)) within two hours of discovering an incident or hazardous condition arising out of its operations that results in:

(a) A fatality or personal injury requiring hospitalization;

(b) Property damage valued at more than fifty thousand dollars;

(c) The evacuation of a building, or a high occupancy structure or area;

(d) The unintentional ignition of gas;

(e) The unscheduled interruption of service furnished by any gas pipeline company to twenty-five or more distribution customers;

(f) A pipeline or system pressure exceeding the MAOP plus ten percent or the maximum pressure allowed by proximity considerations outlined in WAC 480-93-020; or

(g) A significant occurrence, in the judgment of the gas pipeline company, even though it does not meet the criteria of (a) through (g) of this subsection.

(2) Each gas pipeline company must give notice to the commission by telephone using the emergency notification line (see WAC 480-93-005(8)) within twenty-four hours of each incident or hazardous condition arising out of its operations that results in:

(a) The uncontrolled release of gas for more than two hours;

(b) The taking of a high pressure supply or transmission pipeline or a major distribution supply gas pipeline out of service;

(c) A gas pipeline operating at low pressure dropping below the safe operating conditions of attached appliances and gas equipment; or

(d) A gas pipeline pressure exceeding the MAOP.

(3) Routine or planned maintenance and operational activities of the gas pipeline company that result in operator-controlled plant and equipment shut downs, reduction in system pressures, flaring or venting of gas, and normal leak repairs are not reportable items under this section.

(4) Each gas pipeline company must provide to the commission a written report within thirty days of the initial telephonic report required under subsections (1) and (2) of this section. At a minimum, the written reports must include the following:

(a) Name(s) and address(es) of any person or persons injured or killed, or whose property was damaged;

(b) The extent of such injuries and damage;

(c) A description of the incident or hazardous condition including the date, time, and place, and reason why the incident occurred. If more than one reportable condition arises from a single incident, each must be included in the report;

(d) A description of the gas pipeline involved in the incident or hazardous condition, the system operating pressure at that time, and the MAOP of the facilities involved;

(e) The date and time the gas pipeline company was first notified of the incident;

(f) The date and time the gas pipeline company's first responders arrived on-site;

(g) The date and time the gas pipeline was made safe;

(h) The date, time, and type of any temporary or permanent repair that was made;

(i) The cost of the incident to the gas pipeline company;

(j) Line type;

(k) City and county of incident; and

(l) Any other information deemed necessary by the commission.

(5) Each gas pipeline company must submit a supplemental report if required information becomes available after the thirty-day report is submitted.

(6) Each gas pipeline company must provide to the commission a copy of each failure analysis report completed or received by the gas pipeline company, concerning any incident or hazardous condition due to construction defects or material failure within five days of completion or receipt of such report.

(7) Each gas pipeline company must file with the commission the following annual reports no later than March 15 for the preceding calendar year:

(a) A copy of every Pipeline and Hazardous Materials Safety Administration (PHMSA) F-7100.1-1 and F-7100.2-1 annual report required by U.S. Department of Transportation, Office of Pipeline Safety.

(b) A report titled, "Damage Prevention Statistics." The Damage Prevention Statistics report must include in detail the following information:

(i) Number of gas-related one-call locate requests completed in the field;

(ii) Number of third-party damages incurred; and

(iii) Cause of damage, where cause of damage is classified as one of the following:

(A) Inaccurate locate;

(B) Failure to use reasonable care;

(C) Excavated prior to a locate being conducted; or

(D) Excavator failed to call for a locate.

(c) A report detailing all construction defects and material failures resulting in leakage. Each gas pipeline company must categorize the different types of construction defects and material failures anticipated for their system. The report must include the following:

(i) Types and numbers of construction defects; and

(ii) Types and numbers of material failures.

(8) Each gas pipeline company must file with the commission, and with appropriate officials of all municipalities where gas pipeline companies have facilities, the names, addresses, and telephone numbers of the responsible officials of the gas pipeline company who may be contacted in the event of an emergency. In the event of any changes in such personnel, the gas pipeline company must immediately notify the commission and municipalities.

(9) Each gas pipeline company must send to the commission, by e-mail, daily reports of construction and repair activities. Reports may be faxed only if the gas pipeline company does not have e-mail capability. Reports must be received no later than 10:00 a.m. each day of the scheduled work, and must include both gas pipeline company and contractor construction and repair activities. Report information must be broken down by individual crews and the scheduled work must be listed by address, as much as practical. To the extent possible the reports will only contain construction and repair activity scheduled for that day, but they may include a reasonable allowance for scheduling conflicts or disruptions.

(10) When a gas pipeline company is required to file a copy of a DOT Drug and Alcohol Testing Management Information System (MIS) Data Collection Form with the U.S. Department of Transportation, Office of Pipeline Safety, the gas pipeline company must simultaneously submit a copy of the form to the commission.

[Statutory Authority: RCW 80.01.040, 80.04.060 and 81.88.040. 08-12-046 (Docket PG-070975, General Order R-549), § 480-93-200, filed 5/30/08, effective 6/30/08. Statutory Authority: RCW 80.01.040, 81.01.010, and 81.88.060. 07-18-010 (Docket PG-061027, General Order R-544), § 480-93-200, filed 8/23/07, effective 9/23/07. Statutory Authority: RCW 80.04.160, 80.28.210(1), and 80.01.040(1). 05-23-174 (Docket No. PG-050933, General Order No. R-524), § 480-93-200, filed 11/23/05, effective 12/24/05. Statutory Authority: RCW 80.04.160, 80.28.210, and 80.01.040. 05-10-055 (Docket No. UG-011073, General Order No. R-520), § 480-93-200, filed 5/2/05, effective 6/2/05. Statutory Authority: RCW 80.01.040. 92-16-100 (Order R-375, Docket No. UG-911261), § 480-93-200, filed 8/5/92, effective 9/5/92; Order R-28, § 480-93-200, filed 7/15/71; Order R-5, § 480-93-200, filed 6/6/69, effective 10/9/69.]

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit B - Certification of Survey Results

THE GILMORE RESEARCH GROUP
FIFTY YEARS OF STRAIGHT ANSWERS

Puget Sound Energy
P.O. Box 97034
MS: EST-09E
Bellevue, WA. 98009-9734

January 6, 2009

Dear Mr. Robert Yetter,

This letter constitutes certification by The Gilmore Research Group that the attached report and the underlying surveys were conducted and prepared in accordance with the procedures established in Docket Nos. UE-011570 and UG-011571. These procedures, the data collection methods and the quality controls are consistent with industry practices and, we believe, ensure that the information produced in the surveys is unbiased and valid.

We would be glad to answer any questions or provide any additional information that you may need.

Sincerely,

Margie Cooper

The Gilmore Research Group

J:\Custom Projects\2008 Ongoing\C08008 PSE Weeki\CERTLET.DOC
2324 Eastlake Avenue East, Suite 300 ■ Seattle, WA 98102-3306
Voice: (206) 726-5555 ■ Fax: (206) 726-5620 ■ Email: info@gilmore-research.com

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit C - Penalty Calculation and Refund Allocation

Exhibit C
Penalty and Refund Calculation

Penalty and Revenue Requirement

Penalty Calculation

SQI No. 3: SAIDI (System Average Interruption Duration Index)

Penalty = ((Annual SAIDI - benchmark) / benchmark) * 10 * penalty per point

Annual SAIDI =	163	minutes / customer
Benchmark =	136	minutes / customer
enalty Per Point =	$225,000	

Penalty = ((163 - 136) / 136) * 10 * $225,000 (Maximum Penalty is $1,000,000)
Penalty = $446,691

Preliminary Revenue Requirement Effect

Line	Description	Revenue Requirement	% to Total	SQI Penalty	Allocation
1	2008 Conservation Expenditures (Non-Schedule 258 Customers)				$ 450,616
2	Schedule 258 Customers Estimated Billed Schedule 120 for 2008				$ 16,681
3					
4	Total 2008				$ 467,297
5					
6					
7	Conversion Factor				0.955903248
8					
9	2008 Conservation Expenditures (Non-Schedule 258 Customers)	$ 68,879,356	96.430%		$ 430,745
10	Schedule 258 Customers Estimated Billed Schedule 120 for 2008	$ 2,549,823	3.570%		$ 15,946
11	Total 2008	$ 71,429,179	100%	$ 446,691	$ 446,691

Exhibit C
Penalty and Refund Calculation

Preliminary Cust Class Effect

Customer Class	Energy Allocator (Docket No. UE-072300)	74% Energy (Docket No. UE-072300)	Demand Allocator (Docket No. UE-072300)	26% Demand (Docket No. UE-072300)	Weighted Allocation	Total SQI Penalty Related Conservation Costs Revenue Requirement	KWH 4/09 to 3/10	¢ per kWh
	a	b = 74% * a / sum(a)	c	d = 26% * c / sum(c)	e = b + d	f = e * A	g	h = f / g * 100
Residential	11,538,414,973	0.394832	2,496,708	0.167174	0.562006	$ (253,249)	10,902,837,000	-0.0023 ¢
Sec Gen Svc - Small	2,820,298,304	0.096508	433,094	0.028999	0.125507	$ (56,555)	2,809,747,000	-0.0020 ¢
Sec Gen Svc - Medium	3,296,196,038	0.112792	465,980	0.031201	0.143993	$ (64,886)	3,240,476,000	-0.0020 ¢
Sec Gen Svc - Large	2,259,228,104	0.077308	282,773	0.018934	0.096242	$ (43,368)	2,180,964,000	-0.0020 ¢
Sec Irrigation Svc	16,051,671	0.000549	1,108	0.000074	0.000623	$ (281)	16,730,000	-0.0017 ¢
Pri Gen Svc	1,430,742,880	0.048958	190,771	0.012774	0.061732	$ (27,817)	1,510,176,000	-0.0018 ¢
Pri Irrigation Svc	5,063,752	0.000173	5	0.000000	0.000174	$ (78)	5,616,000	-0.0014 ¢
Pri Interruptible Svc	173,708,768	0.005944	-	-	0.005944	$ (2,679)	186,041,000	-0.0014 ¢
Lights	85,771,201	0.002935	12,598	0.000844	0.003779	$ (1,703)	94,081,000	-0.0018 ¢
Campus Rate[Note]		-		-	-	$ (3,788)	536,714,000	
High Voltage[Note]		-		-	-	$ (3,910)	537,118,000	
Transportation[Note]		-		-	-	$ (8,983)	2,059,697,000	
Total	21,625,475,691	0.740000	3,883,037	0.260000	1.000000	$ (467,297)	24,080,197,000	-0.0019 ¢

Note: The refund allocated to Campus Rate, High Voltage, and Transportation will be used to increase their conservation programs funding rather than directly given to customers

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit D - Proposed Customer Report Card

2008 customer service performance report card

Each year Puget Sound Energy measures how well we deliver our services to you in three key areas: Customer Satisfaction, Customer Services and Operations Services. Combined, these areas represent 11 specific service-quality measurements used to rate our performance to you. Based on customer surveys and other measurements, we match our performance against a set of benchmarks. (See chart on other side.) Here are the highlights.

2008 Customer Service Performance Highlights

Customer Satisfaction

- In 2008, in addition to meeting nine of the 11 service metrics, we are pleased to report improvements since 2007 in three of the four standards for measuring customer satisfaction. The better scores included:
  - services you received when you called PSE
  - your satisfaction on how we responded and completed your natural gas service request
  - fewer complaints registered with our regulators, the Washington Utilities and Transportation Commission

While your evaluation of specific customer-satisfaction services showed improvement, we missed meeting the target in achieving your satisfaction with our overall services and performance. Customer satisfaction is our hallmark for success, and we are working hard to meet and exceed your expectations of high level of services from us.

Customer Services

- Our ratings in customer services also improved slightly. We answered more of your calls live within 30 seconds or less. And we had fewer disconnections of service for nonpayment of PSE's bill.

Operations Services

- Among the five standards represented in Operations Services, we missed the mark on meeting the target for the amount of time it took us to restore a power outage. While the average outage duration of 2 hour, 43 minute per customer in 2008 was a four-minute improvement to the 2007 result, it missed the benchmark by 27 minutes.

For the 2008 results, PSE incurred a $446,691 penalty for missing the benchmark for the average outage duration per customer. PSE refunded the penalty to customers as an offset to costs included in the electric conservation program charge effective April 1, 2009.

Through our Customer Service Guarantee program, we back up our pledge to you when you make a service appointment by crediting $50 to your PSE bill if we do not meet our commitment. In 2008, PSE credited customers a total of $10,200 for missing 1 percent of our total 121,400 scheduled appointments.

Our dedicated employees are always striving to raise the bar by delivering higher standards of service. They aim to continue their success in maintaining and improving your satisfaction with our service.

Puget Sound Energy Performance Report Card – 2009

KEY MEASUREMENT	BENCHMARK	2008 PERFORMANCE	ACHIEVED
CUSTOMER SATISFACTION			
Percent of customers satisfied with our overall services and performance	90 percent	83 percent	☐
Percent of customers satisfied with our telephone center services, based on survey	90 percent	93 percent	✓
Percent of customers satisfied with field services, based on survey	At least 90 percent	91 percent	✓
Number of complaints to the WUTC per 1,000 customers	Less than 0.50	0.25	✓
CUSTOMER SERVICES			
Percent of calls answered live within 30 seconds by our telephone center	At least 75 percent	77 percent	✓
Percent of customers disconnected for non-payment	No more than 3.0 percent	2.4 percent	✓
OPERATIONS SERVICES			
Frequency of non-major-storm power outages, per year, per customer	Less than 1.30 outages	1.01 outages	✓
Length of non-major-storm power outages per year	Less than 2 hours, 16 minutes	2 hours, 43 minutes	☐
Time from customer call to arrival of field technicians in response to power system emergencies	No more than 55 minutes	55 minutes	✓
Time from customer call to arrival of field technicians in response to natural gas emergencies	No more than 55 minutes	35 minutes	✓
Percent of service appointments kept, as promised	At least 92 percent	99 percent	✓

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit E - Customer Service Guarantee Performance Detail

Definition of the categories

Total Appointments (Excludes Canceled): the total of Total Missed and Total Kept

Missed Approved: appointments missed due to PSE reasons and customers are paid the $50 Service Guarantee payment for each missed approved appointment.

Missed Denied: appointments missed due to customer reasons or due to major events

Missed Open: appointments not yet reviewed by PSE for the $50 Service Guarantee payment

Total Missed: the total number of Missed Approved, Missed Denied, and Missed Open

Manual Kept: adjusted missed appointments resulting from the review by the PSE personnel

System Kept: appointments in which PSE arrived at the customer site as promised

Total Kept: the total number of Manual Kept and System Kept

Canceled: appointments canceled by either customers or PSE

Service Guarantee Payments: the total of the $50 Service Guarantee payments made to customers

Exhibit E
Missed Appointments and Service Guarantee Performance Report

Table 1
Summary Missed Appointments Report
As of December 31, 2008

12 Months All Service Type: January 2008 - December 2008

	Total Appts (Exclude Canceled)	Missed Approved	Missed Denied	Missed Open	Total Missed	Manual Kept	System Kept	Total Kept	Canceled	Service Guarantee Payment
Electric										
Permanent SVC	11,550	101	14	20	135	2,287	9,128	11,415	-	$5,050
Reconnection	31,889	27	294	-	321	-	31,568	31,568	4,338	$1,350
Sub-total	43,439	128	308	20	456	2,287	40,696	42,983	4,338	$6,400
Gas										
Diagnostic	26,036	32	122	-	154	-	25,882	25,882	4,436	$1,600
Permanent SVC	11,322	36	5	61	102	3,327	7,893	11,220	-	$1,800
Reconnection	40,624	8	241	-	249	-	40,375	40,375	2,769	$400
Sub-total	77,982	76	368	61	505	3,327	74,150	77,477	7,205	$3,800
Grand Total	121,421	204	676	81	961	5,614	114,846	120,460	11,543	$10,200

Exhibit E

Missed Appointments and Service Guarantee Performance Report

Table 2

Detailed Missed Appointments Report

As of December 31, 2008

Month	Fuel	Type	Total Appts (Exclude Canceled and Excused)	Missed Approved	Missed Denied	Missed Open	Total Missed	Manual Kept	System Kept	Total Kept	Canceled	Service Guarantee Payment
Jan-08	Electric	Permanent SVC	1,164	4	0	0	4	246	914	1,160	0	$200
Jan-08	Electric	Reconnection	2,277	2	26	0	28	0	2,249	2,249	221	$100
Jan-08	Gas	Diagnostic	3,112	3	11	0	14	0	3,098	3,098	596	$150
Jan-08	Gas	Permanent SVC	1,002	6	0	0	6	396	600	996	0	$300
Jan-08	Gas	Reconnection	3,061	1	25	0	26	0	3,035	3,035	273	$50
Jan-08 Total			10,616	16	62	0	78	642	9,896	10,538	1,090	$800
Feb-08	Electric	Permanent SVC	1,034	3	0	0	3	241	790	1,031	0	$150
Feb-08	Electric	Reconnection	2,993	6	33	0	39	0	2,954	2,954	286	$300
Feb-08	Gas	Diagnostic	2,320	0	7	0	7	0	2,313	2,313	363	$0
Feb-08	Gas	Permanent SVC	1,004	0	0	0	0	305	699	1,004	0	$0
Feb-08	Gas	Reconnection	3,535	0	16	0	16	0	3,519	3,519	292	$0
Feb-08 Total			10,886	9	56	0	65	546	10,275	10,821	941	$450
Mar-08	Electric	Permanent SVC	1,038	15	0	0	15	225	798	1,023	0	$750
Mar-08	Electric	Reconnection	3,415	2	13	0	15	0	3,400	3,400	328	$100
Mar-08	Gas	Diagnostic	2,220	3	8	0	11	0	2,209	2,209	367	$150
Mar-08	Gas	Permanent SVC	985	2	0	0	2	286	697	983	0	$100
Mar-08	Gas	Reconnection	3,497	0	12	0	12	0	3,485	3,485	265	$0
Mar-08 Total			11,155	22	33	0	55	511	10,589	11,100	960	$1,100
Apr-08	Electric	Permanent SVC	1,031	21	0	0	21	189	821	1,010	0	$1,050
Apr-08	Electric	Reconnection	3,391	2	19	0	21	0	3,370	3,370	364	$100
Apr-08	Gas	Diagnostic	1,714	2	10	0	12	0	1,702	1,702	408	$100
Apr-08	Gas	Permanent SVC	1,061	1	0	0	1	306	754	1,060	0	$50
Apr-08	Gas	Reconnection	4,405	2	33	0	35	0	4,370	4,370	289	$100
Apr-08 Total			11,602	28	62	0	90	495	11,017	11,512	1,061	$1,400
May-08	Electric	Permanent SVC	948	5	0	0	5	181	762	943	0	$250
May-08	Electric	Reconnection	2,608	2	21	0	23	0	2,585	2,585	406	$100
May-08	Gas	Diagnostic	1,415	1	8	0	9	0	1,406	1,406	265	$50
May-08	Gas	Permanent SVC	945	1	0	1	2	308	635	943	0	$50
May-08	Gas	Reconnection	3,426	0	22	0	22	0	3,404	3,404	232	$0
May-08 Total			9,342	9	51	1	61	489	8,792	9,281	903	$450

Exhibit E
Missed Appointments and Service Guarantee Performance Report

Table 2
Detailed Missed Appointments Report
As of December 31, 2008

Month	Fuel	Type	Total Appts (Exclude Canceled and Excused)	Missed Approved	Missed Denied	Missed Open	Total Missed	Manual Kept	System Kept	Total Kept	Canceled	Service Guarantee Payment
Jun-08	Electric	Permanent SVC	906	10	0	0	10	167	729	896	0	$500
Jun-08	Electric	Reconnection	2,823	1	30	0	31	0	2,792	2,792	365	$50
Jun-08	Gas	Diagnostic	1,306	1	9	0	10	0	1,296	1,296	246	$50
Jun-08	Gas	Permanent SVC	1,007	5	0	0	5	294	708	1,002	0	$250
Jun-08	Gas	Reconnection	3,779	1	8	0	9	0	3,770	3,770	264	$50
Jun-08 Total			9,821	18	47	0	65	461	9,295	9,756	875	$900
Jul-08	Electric	Permanent SVC	1,069	12	5	0	17	291	761	1,052	0	$600
Jul-08	Electric	Reconnection	2,686	1	39	0	40	0	2,646	2,646	483	$50
Jul-08	Gas	Diagnostic	999	3	3	0	6	0	993	993	179	$150
Jul-08	Gas	Permanent SVC	1,011	2	0	0	2	310	699	1,009	0	$100
Jul-08	Gas	Reconnection	3,062	1	14	0	15	0	3,047	3,047	226	$50
Jul-08 Total			8,827	19	61	0	80	601	8,146	8,747	888	$950
Aug-08	Electric	Permanent SVC	1,055	13	2	1	16	287	752	1,039	0	$650
Aug-08	Electric	Reconnection	2,606	2	19	0	21	0	2,585	2,585	463	$100
Aug-08	Gas	Diagnostic	1,057	2	7	0	9	0	1,048	1,048	163	$100
Aug-08	Gas	Permanent SVC	944	6	0	0	6	307	631	938	0	$300
Aug-08	Gas	Reconnection	3,032	0	22	0	22	0	3,010	3,010	219	$0
Aug-08 Total			8,694	23	50	1	74	594	8,026	8,620	845	$1,150
Sep-08	Electric	Permanent SVC	937	10	1	0	11	186	740	926	0	$500
Sep-08	Electric	Reconnection	2,738	1	19	0	20	0	2,718	2,718	401	$50
Sep-08	Gas	Diagnostic	1,903	1	16	0	17	0	1,886	1,886	207	$50
Sep-08	Gas	Permanent SVC	975	4	0	0	4	298	673	971	0	$200
Sep-08	Gas	Reconnection	3,322	0	13	0	13	0	3,309	3,309	150	$0
Sep-08 Total			9,875	16	49	0	65	484	9,326	9,810	758	$800
Oct-08	Electric	Permanent SVC	1,018	4	1	1	6	138	874	1,012	0	$200
Oct-08	Electric	Reconnection	2,732	3	25	0	28	0	2,704	2,704	430	$150
Oct-08	Gas	Diagnostic	3,360	4	8	0	12	0	3,348	3,348	452	$200
Oct-08	Gas	Permanent SVC	1,088	5	0	0	5	280	803	1,083	0	$250
Oct-08	Gas	Reconnection	4,072	1	24	0	25	0	4,047	4,047	254	$50
Oct-08 Total			12,270	17	58	1	76	418	11,776	12,194	1,136	$850

Exhibit E

Missed Appointments and Service Guarantee Performance Report

Table 2

Detailed Missed Appointments Report

As of December 31, 2008

Month	Fuel	Type	Total Appts (Exclude Canceled and Excused)	Missed Approved	Missed Denied	Missed Open	Total Missed	Manual Kept	System Kept	Total Kept	Canceled	Service Guarantee Payment
Nov-08	Electric	Permanent SVC	747	3	0	1	4	85	658	743	0	$150
Nov-08	Electric	Reconnection	2,008	3	13	0	16	0	1,992	1,992	347	$150
Nov-08	Gas	Diagnostic	2,514	7	8	0	15	0	2,499	2,499	326	$350
Nov-08	Gas	Permanent SVC	721	4	2	1	7	155	559	714	0	$200
Nov-08	Gas	Reconnection	2,778	1	26	0	27	0	2,751	2,751	131	$50
Nov-08 Total			8,768	18	49	2	69	240	8,459	8,699	804	$900
Dec-08	Electric	Permanent SVC	603	1	5	17	23	51	529	580	0	$50
Dec-08	Electric	Reconnection	1,612	2	37	0	39	0	1,573	1,573	244	$100
Dec-08	Gas	Diagnostic	4,116	5	27	0	32	0	4,084	4,084	864	$250
Dec-08	Gas	Permanent SVC	579	0	3	59	62	82	435	517	0	$0
Dec-08	Gas	Reconnection	2,655	1	26	0	27	0	2,628	2,628	174	$50
Dec-08 Total			9,565	9	98	76	183	133	9,249	9,382	1,282	$450

Puget Sound Energy

2008 Annual Service Quality Program Filing - Attachment A

Exhibit F - Customer Awareness of Customer Service Guarantee

Exhibit F

Customer Awareness of Service Guarantee

Pursuant to Exhibit J of the Settlement Stipulation Re Service Quality Index in Docket Nos. UE-011570 and UG-011571 and as amended in Docket No. UE-031946, PSE undertook the following actions in 2008 to promote customer awareness of its Customer Service Guarantee program.

1. Articles that publicized the Guarantee program were included in 2008 in the following three issues of the "Energywise" customer newsletter: May-June, September-October, and November-December.

2. The text of the Guarantee has been appeared on the back of the bill-stock since fall 2002. In addition, every billing envelope customers received in 2008 has an imprinted Customer Service Guarantee message on the back of the envelope.

3. A description of the Guarantee was incorporated in the natural gas and the electric customer "rights and responsibilities" brochures in 2004. The brochures have been distributed to all new customers and existing customers upon requests. Both natural gas and electric brochures are also posted on www.PSE.com.

4. PSE Access Center continued to promote the Customer Service Guarantee program in the following ways:

   - On relevant phone paths where a qualifying appointment will be generated, the Access Center announcement invites customers to ask about PSE's Guarantee program – before customers directly speaking with an agent.

   - Access Center employees are provided with training and scripting on the Customer Service Guarantee program.

   - The Guarantee is included in PSE's on-line Quick Reference Manual. This manual is accessible 24/7 on PSE's intranet and is available to all customer services, gas field services, and new construction employees.

   - Throughout 2008, the Customer Service Guarantee had been publicized nine times in the weekly Customer Services newsletter. It is published by

Access Center and distributed to all customer services personnel and many other PSE employees in various departments.

- The Company is taking measures to ensure that agents are trained on its policy to advise customers of the Guarantee before the end of any call in which an eligible appointment or commitment is made.

5. Other approaches used to inform customers of the Customer Service Guarantee include the natural gas and electric new service handbooks and the Company's web site, www.PSE.com.

The results of customer awareness surveys as assessed using two separate Gilmore Research Group's surveys are presented in the following table.

EXHIBIT F

Customer Awareness of Service Guarantee

		Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
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?	Yes	10	18	21	14	10	19	18	24	12	12	19	14	191
	No	136	139	130	131	145	133	135	130	144	145	138	151	1,657
	Don't Know	48	37	54	49	43	44	44	46	44	41	43	35	528
	Refused Response	6	1	-	6	2	4	3	-	1	2	-	1	26
	Total Customers Surveyed	200	195	205	200	200	200	200	200	201	200	200	201	2,402
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.	You are given the $50 service guarantee if the rescheduled time causes you inconvenience.	9	10	7	8	5	10	8	13	5	12	8	2	97
	Whenever PSE changes an appointment, you are given the $50.	5	9	6	7	4	9	5	6	1	5	4	7	68
	You have no understanding or expectations about this part of the service guarantee plan.	150	145	160	153	167	158	170	157	170	165	166	170	1,931
	Don't Know	33	27	25	24	21	18	13	20	21	14	22	21	259
	Refused Response	3	4	7	8	3	5	4	4	4	4	-	1	47
	Total Customers Surveyed	200	195	205	200	200	200	200	200	201	200	200	201	2,402
Q26D. Did your appointment have to be rescheduled or did it occur as planned?	It occurred as planned.	168	159	184	164	177	177	180	177	186	175	174	178	2,099
	It was rescheduled.	7	22	8	13	3	10	7	3	3	6	13	10	105
	Technician arrived but was late.	3	4	3	5	2	2	1	3	1	5	3	1	33
	Don't Know	13	4	6	10	8	7	6	11	6	11	7	8	97
	Refused Response	9	6	4	8	10	4	6	6	5	3	3	2	66
	Total Customers Surveyed	200	195	205	200	200	200	200	200	201	200	200	199	2,400
Q26E. Who initiated rescheduling your appointment?[Note]	Myself (Customer Initiated)	4	10	7	10	1	4	5	2	2	6	6	8	65
	Puget Sound Energy (PSE) Initiated	2	11	-	3	2	6	2	-	1	-	6	1	34
	Don't Know	-	1	-	-	-	-	-	1	-	-	1	1	4
	Refused Response	1	-	1	-	-	-	-	-	-	-	-	-	2
	Total Customers Surveyed	7	22	8	13	3	10	7	3	3	6	13	10	105
NCC Survey														
Q12. Are you aware of Puget Sound Energy's $50 service guarantee to meet scheduled work dates?	Yes				39				42				47	128
	No				144				145				133	422
	Refused Response				3				3				1	7
	Don't Know													-
	Total Customers Surveyed	-	-	-	186	-	-	-	190	-	-	-	181	557

Puget Sound Energy

2008 Annual Service Quality Program Filing - PSE Performance

Attachment B

PUGET SOUND ENERGY
The Energy To Do Great Things

Contents

Executive summary

Puget Sound Energy (PSE) serves more than 1 million electric customers and nearly 750,000 natural gas customers primarily in the growing Puget Sound region of Western Washington.

As part of the Company's effort to track how well PSE is performing in providing utility services to customers and to identify areas for improvement, Puget Sound Energy measures 11 key service quality indexes (SQIs). PSE collects data from customer satisfaction surveys and PSE's work management and customer information systems. This data includes missed appointments, frequency and duration of power outages, the amount of time it takes to respond to a natural gas or electric emergency and the amount of time it takes to answer customer calls, among other measurements. PSE then compares actual annual performance against annual benchmarks set by the Washington Utilities and Transportation Commission (UTC).

On October 8, 2008, the UTC adopted certain amendments and additional service quality requirements and conditions in Docket Nos. UE-072300 and UG-072301. These requirements and conditions became effective in 2009. PSE's first annual *Service Quality Program Report* and *Service Provider Report* under the revised terms will be due on February 15, 2010.

This report is an attachment to PSE's *2008 Annual Service Quality Program Filing.* It presents PSE's 2008 performance with additional data that will be required in future annual reports for the preview of the Commission and other interested parties. The underlying goal of this report is to develop a better *Annual Service Quality Program Report* and a better *Service Provider Report* going forward by incorporating external feedback and suggestions prior to the actual 2010 filing.

2008 Puget Sound Energy performance

Table ES-1 provides information on PSE's performance in each of the key service quality areas for 2008.

In 2008, PSE met or exceeded nine out of the eleven service quality indexes for the reporting period. An area where PSE did not achieve its target was in customer satisfaction with PSE's overall performance. However, as discussed later in this report, this satisfaction rating appears to be linked to energy sector issues in general and not specifically to PSE.

The other area where PSE missed the benchmark was in the average duration of a power outage. PSE reduced this time by four minutes average outage time per customer over its 2007 performance, but exceeded the benchmark by approximately 27 minutes. Insights into the Company's performance and the steps it is taking to improve its performance are also covered in this report.

Table ES–1: PSE's performance for 2008

	Key measurement	Benchmark	2008 Results	Achieved
1	Overall customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	83%	☐
2	UTC complaint ratio	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.25	☑
3	SAIDI	136 minutes per customer per year	163 minutes	☐
4	SAIFI	1.30 interruptions per year per customer	1.01 interruptions	☑
5	Telephone Center answering performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator	77%	☑
6	Telephone Center transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	93%	☑
7	Gas safety response time	Average 55 minutes from customer call to arrival of field technician	35 minutes	☑
8	Field Service Operations transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	91%	☑
9	Disconnection ratio	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.024	☑
10	Appointments Kept	92% of appointments kept	99%	☑
11	Electric safety response time	Average 55 minutes from customer call to arrival of field technician	55 minutes	☑

2008 penalties

For the 2008 performance results, PSE incurred monetary penalties as outlined below:

- PSE incurred a $446,691 penalty from the UTC for missing the benchmark for the length of time the average customer was without power (SAIDI). PSE refunded the penalty to customers as an offset to the costs included in the electric conservation program filing on February 27, 2009.
- Additionally, in backing up its Service Guarantee, PSE credited customers a total of $10,200 in 2008 for missing one percent of its more than 121,000 scheduled appointments.

Changes in 2009

Starting in 2009, the UTC and PSE have made several changes to the service quality indexes and background information that will be reported to the UTC:

- PSE has added a new $50 customer service guarantee for extended power outages.
- The general satisfaction rating and its benchmark (SQI #1) will be eliminated.
- The benchmark for SQI # 2 (UTC Complaint Ratio) will be revised from 0.50 to 0.40 complaints per 1,000 customers.
- The name of SQI #10 will be changed from "Appointments Missed" to "Appointments Kept."
- Reporting on the SQIs will be by the broad categories of customer satisfaction, customer services and operations services.
- PSE will report on the percentage of calls answered within 30 seconds by PSE's Telephone Center on a monthly basis, its annual performance and the actions the Company has taken in making a good faith effort to provide a more consistent level of performance at its Telephone Centers throughout the year.
- PSE will report on the percentage of responses to gas emergencies that are met within 60 minutes. (After the 2010 SQI performance year, the Company will also report on its position regarding whether the current SQI metric for Gas Response Time should be changed to a performance standard requiring PSE to respond to a minimum of 95 percent of gas emergencies within 60 minutes.)
- As part of its Service Provider Report, PSE will report on service guarantee penalties associated with new customer construction paid by PSE's two main service providers, and the actions that PSE or its two service providers have taken to improve new customer construction satisfaction.

Improvement efforts in 2008

PSE is continuously working to improve its service quality. During 2008, the following initiatives took place in the three areas of service quality: customer satisfaction, customer services and operations services.

Customer satisfaction

Based on customer feedback, PSE now:

- Provides more information on PSE.com about energy efficiency/conservation programs and power outages.
- Offers expanded assistance programs for low-income families and seniors.
- Has an improved phone system.
- Has implemented a Mobile Workforce Dispatch System, which provides real-time information on the status of natural gas field service appointments and is available to Telephone Center representatives.
- Leads the region in renewable energy use.
- Has added more local offices for bill payment and other services.
- Offers more rebates and incentives for energy-saving activities.

To reduce the number of complaints made to the UTC, PSE:

- Provides customers with online tools that enable them to view energy usage and correlate charges to reduce billing surprises.
- Addresses issues with the Automatic Meter Reading system that result in retro-billing, which is a major source of customer complaints.
- Will analyze trends in escalated calls in 2009 to determine root causes and initiate improvements as needed.

Customer services

In 2008, PSE had several initiatives to maintain and improve performance by:

- Using technology to enable customers to handle issues themselves without waiting for a Customer Service Representative (CSR).
- Establishing a team of agents who are able to resolve more complex calls, freeing other CSRs to answer a higher volume of less complex customer calls.
- Training additional support staff and personnel in other departments to assist the Telephone Center during high call volume times.
- Creating a centralized team within the Telephone Center that will improve operational efficiencies by monitoring customer call patterns and balancing staffing throughout the day.
- Actively working with customers to avoid service disconnection by providing notices of payment delinquencies and offering payment arrangements where possible. For some customers who may qualify for energy assistance, PSE provides information about programs available and how to apply.

Operations services

During 2008, PSE used many programs to improve electric system reliability and reduce outages, thus reducing SAIFI and SAIDI.

- PSE installed 28 miles of "tree wire" and remediated 90 miles of older underground electric cable.
- PSE installed 3,884 animal guards around new transformers and on selected circuits and 776 raptor protection installations in known raptor areas.
- PSE evaluated 428 utility poles involved in vehicle collisions and relocated those poles likely to be hit again.
- PSE's Total Energy System Planning department analyzed and planned projects to improve the reliability of the system and expanded capacity to meet increased demand. Additional projects were designed to reduce the time to diagnose the outage and the duration of the outage.
- PSE reviewed the performance of the 50 worst circuits in the Company to identify cost-effective solutions.
- PSE performed on-going systematic cyclical vegetation management. Management included pruning or removing trees on PSE's right-of-way, as well as TreeWatch, a program that, with the owner's consent, removes trees on private property that pose danger to power lines.

PSE has implemented several procedures aimed at reducing electric safety response times, including implementing night-shift work schedules to more quickly handle outages occurring outside of normal business hours and improving laptop communications equipment.

PSE has implemented several procedures designed to reduce gas safety response times, including:

- Implementing the *Mobile Workforce Dispatch System*, which enables PSE to better assign the available service technicians required in a gas safety situation as well as enabling PSE to determine the closest possible responder.
- Adding qualified subcontractors as possible second responders to assist with excavation, shoring and aspirating.

Many of the initiatives to maintain and improve customer satisfaction with field service operations transactions also enable PSE to better keep appointment commitments to customers. These initiatives include pilot programs that provide customers with earlier notification and tighter timeframes and the use of new technology that tracks the locations of service technicians and facilitates dispatching.

Going forward

PSE has several initiatives starting in 2009 to improve its service quality.

Customer satisfaction

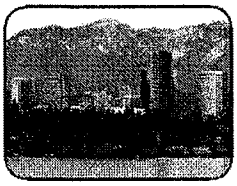
- Although the overall customer satisfaction SQI was eliminated, effective January 1, 2009, PSE will be redesigning the customer satisfaction survey in an attempt to provide the Company with information about areas where PSE can influence satisfaction or take into account the various attributes that affect it.
- PSE will continue to upgrade the automatic telephone answering system (IVR) and increase self-service options available to customers.
- As a result of customer surveys, PSE will be providing more feedback to field service technicians and tying employee incentives to their performance in meeting the SQI requirement.
- PSE Customer Service staff will work to resolve issues with customers before a complaint is made to the UTC, modifying its internal processes to monitor, track, resolve and report escalated issues.

Customer services

- In an attempt to provide a more consistent level of performance at its Telephone Centers, PSE will further address staffing issues to consistently answer a higher volume of customer calls within 30 seconds, even during peak call seasons.
- PSE will continue developing the centralized team within the Telephone Center to improve analysis and forecast of call volume and times and the management of resources.
- PSE will proactively adjust staffing levels in anticipation of storms, flooding or weather-related emergencies, including expanding the number of at-home agents who can also quickly start answering calls from customers during storms.
- PSE will begin tracking the percentage of calls that are resolved on the first call in 2009 and will continue the training and coaching of CSRs to increase PSE's performance in this area.
- PSE is piloting new technology that will provide near real-time access to a customer's energy consumption information and projected cost data for agents to use when speaking with customers about their bills.
- PSE is expanding its efforts to assist low-income customers by providing additional administrative and account look-up support to the agencies who administer funds to help ensure the maximum fund amounts are distributed.

Operations services

- PSE will continue its vegetation management and other programs to provide reliable electric service.
- In 2008, a high-level reliability roadmap was developed for the next 10 years and beyond. Specific programs, tactics and area-specific plans are currently under development for consideration relative to future funding and infrastructure investment.
- PSE will continue its efforts to improve communication and coordination between field service personnel and dispatchers.
- PSE is adding a more formal root cause(s) analysis for gas events with long response times, continuing its employee training efforts and evaluating the Mobile Workforce Dispatch System.



1 Overview

Introduction

As Washington state's oldest and largest energy utility, with a 6,000-square-mile service territory stretching across 11 counties, Puget Sound Energy (PSE) serves more than 1 million electric customers and nearly 750,000 natural gas customers primarily in the growing Puget Sound region of Western Washington. PSE meets the energy needs of its growing customer base through incremental, cost-effective energy efficiency, procurement of sustainable energy resources and far-sighted investment in the energy-delivery infrastructure. PSE employees are dedicated to providing quality customer service to deliver energy that is safe, reliable, reasonably priced and environmentally responsible.

As part of the Company's effort to track how well PSE is performing in providing utility services to customers and to identify areas for improvement, Puget Sound Energy measures 11 key service quality indexes (SQIs). PSE collects data from customer satisfaction surveys and PSE's work management and customer information systems. This data includes missed appointments, frequency and duration of power outages, the amount of time it takes to respond to a natural gas or electric emergency and the amount of time it takes to answer customer calls, among other measurements. PSE then compares its performance against annual benchmarks set by the Washington Utilities and Transportation Commission (UTC). Performance reports are provided to the UTC and customers annually.

PSE has provided a high level of customer service and has met the majority of its service quality indexes since their inception more than 10 years ago. The year 2008 was no exception. PSE met or exceeded nine out of eleven service quality indexes for 2008.

About service quality reports

On October 8, 2008, the UTC adopted certain amendments and additional service quality requirements and conditions in Docket Nos. UE-072300 and UG-072301. These requirements and conditions became effective in 2009. PSE's first annual *Service Quality Program Report* and *Service Provider Report* under the revised terms will be due on February 15, 2010.

This report is an attachment to PSE's *2008 Annual Service Quality Program Filing.* It presents PSE's 2008 performance with additional data that will be required in future annual reports for the preview of the Commission and other interested parties. The underlying goal of this report is to develop a better *Annual Service Quality Program Report* and a better *Service Provider Report* going forward by incorporating external feedback and suggestions prior to the actual 2010 filing.

In this report, PSE also provides additional transparency on each SQI relative to background information, unique events that may have influenced PSE's achievement level, the environment in which the Company operated and actions PSE has taken or will take to improve performance. PSE looks forward to receiving feedback from the UTC Staff and other external parties as to whether this is the type of detail expected in future reports.

About service quality indexes

As discussed in *Service Quality Regulation for Detroit Edison: a Critical Assessment*, published in March 2007 by the Pacific Economics Group and provided as Exhibit SML-17 in UE-072300, the service quality provided by utilities to customers has many dimensions and is complicated to measure. With only a few exceptions, most of these service quality indexes must be collected by the utility. Therefore, measures of service quality, especially reliability indexes, typically differ across utilities. For example, System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) are defined and calculated in different ways across utilities, making comparisons inexact.

In addition, uncontrollable business conditions can lead not only to systematic differences in measured quality across companies, but year-to-year variations within a company. This is particularly true for weather.

Of course, measured service quality is not determined entirely by external conditions. PSE influences its measurements through the Company's efforts to maintain and improve PSE service quality. These efforts include work practices, worker training and capital investment that impact measured system performance.

2008 Puget Sound Energy performance

The following table provides PSE's performance in each of the key service quality areas for 2008. PSE met or exceeded nine out of the eleven service quality indexes for the reporting period. Each of these SQIs is discussed in the separate chapters that follow.

Table 1: PSE's performance for 2008

	Key measurement	Benchmark	2008 Results	Achieved
1	Overall customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	83%	☐
2	UTC complaint ratio	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.25	☑
3	SAIDI	136 minutes per customer per year	163 minutes	☐
4	SAIFI	1.30 interruptions per year per customer	1.01 interruptions	☑
5	Telephone Center answering performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator	77%	☑
6	Telephone Center transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	93%	☑
7	Gas safety response time	Average 55 minutes from customer call to arrival of field technician	35 minutes	☑
8	Field Service Operations transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	91%	☑
9	Disconnection ratio	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.024	☑
10	Appointments Kept	92% of appointments kept	99%	☑
11	Electric safety response time	Average 55 minutes from customer call to arrival of field technician	55 minutes	☑

2008 customer service performance summary

In 2008, the Company exceeded the SQI benchmarks in eight areas and met the benchmark in an additional area.

An area where PSE did not achieve its target was in overall customer satisfaction. PSE has not met this target since Fall 2000. Customers participating in this survey may not have any direct contact with PSE during the course of the year, except to pay their bill; thus, the satisfaction rating appears to be linked to energy sector issues in general and not specifically to PSE. The Company's experience has been that the overall customer satisfaction survey does not provide sufficient information to enable PSE to take action to improve performance. In 2008, per dockets UE-072300 and UE-072301, the UTC agreed to eliminate this SQI starting in 2009.

Even though PSE improved year-to-year performance in seven of the eleven measures, the other area where PSE missed the benchmark was in the average duration of a power outage. PSE reduced this time by four minutes average outage time per customer over 2007 but exceeded the benchmark by about 27 minutes.

Changes in 2009

Starting in 2009, the UTC and PSE have made several changes to service quality indexes and background information that will be reported to the UTC:

Service quality report

Starting in 2009,

- The general satisfaction rating and its benchmark (SQI #1) will be dropped because it does not provide sufficient information about service strengths and weaknesses to be useful. PSE, however, will continue to make customer satisfaction a priority and track customer satisfaction on a variety of more specific measures.
- The benchmark for SQI # 2 (UTC complaint ratio) will be revised from 0.50 to 0.40 complaints per 1,000 customers.
- Both the monthly and annual performance of calls answered within 30 seconds by PSE's Telephone Center will be included in the annual *Service Quality Report* (SQI # 5). In addition, the information regarding call abandonment and busy calls will also be included in the same report.
- PSE will report annually the percentage of responses to gas emergencies that are met within 60 minutes (SQI # 7).
- PSE has added a new customer service guarantee in which PSE will provide a credit of $50 when a customer experiences a qualifying 120 consecutive-hour power outage, subject to certain conditions and limitations.

Service provider report

Starting in 2009,

- The report will include new customer construction related penalties, which currently only include service guarantee reimbursements paid to PSE by its two main service providers.
- The report will also detail the actions that PSE or its two service providers have taken to improve customer satisfaction with the new service construction process.

Organization of this report

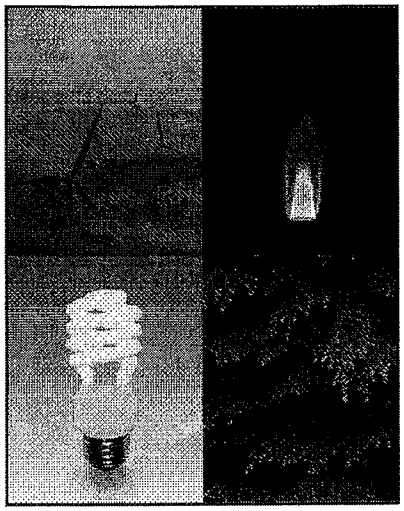
This report details PSE's performance on the current SQI benchmarks. Each chapter of the report discusses a different SQI. The chapters are organized into three Sections that reflect the new way of reporting the SQIs starting in 2010.

- Customer satisfaction
- Customer services
- Operations services

In addition, a fourth Section discusses Service Guarantees.

Table 2: Three SQI Sections

Customer satisfaction	Customer services	Operations services
Overall customer satisfaction (SQI #1) (for 2008)	Telephone Center answering performance (SQI #5)	SAIFI (SQI #4)
Telephone Center transactions customer satisfaction (SQI #6)	Disconnection ratio performance (SQI #9)	SAIDI (SQI #3)
Field Service Operations transactions customer satisfaction (SQI #8)		Electric safety response time (SQI #11)
UTC complaint ratio (SQI #2)		Gas safety response time (SQI #7)
		Appointments kept (SQI #10)

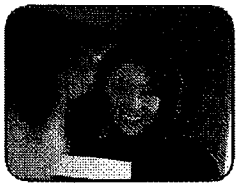


Customer satisfaction

Puget Sound Energy wants to know how customers feel about the service the Company provides so that resources can be directed to those functions that are most important to customers. To listen to customers, PSE conducts customer surveys of its own as well as hiring an outside survey firm. Customers are surveyed on how they feel overall about PSE and about specific attributes including Telephone Center transactions and Field Service operations. In addition, complaints to PSE or the Washington Utilities and Transportation Commission (UTC) are thoroughly followed up and appropriate actions are taken to address the issues and increase customer satisfaction.

This Section discusses the four Service quality indexes (SQIs) relating to customer satisfaction that are reported annually to the UTC:

- Overall customer satisfaction (SQI #1)
- Telephone Center transactions customer satisfaction (SQI #6)
- Field Service Operations transactions customer satisfaction (SQI #8)
- UTC complaint ratio (SQI #2)



2
Overall customer satisfaction (SQI #1)

Overview

Twice a year, an independent survey firm surveys Puget Sound Energy customers and prepares semi-annual reports. These reports determine the average customer satisfaction rating. In 2008, these independent surveys found that over four out of five PSE customers are satisfied with overall Company performance.

The 2008 results are reported in the following table.

Table 3: SQI #1–percent of customers satisfied with PSE's performance for 2008

	Key measurement	Benchmark	2008 Results	Achieved
1	Overall customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	83%	☐

About the benchmark

The independent survey firm selects customers at random from customer lists and asks them a series of questions including "How would you rate your satisfaction with Puget Sound Energy overall?" A rating of seven reflects that the customer is completely satisfied; one means the customer is not at all satisfied.

A customer is considered to be "satisfied" if they respond 5, 6 or 7.

Completely satisfied						Not at all satisfied
7	6	5	4	3	2	1

The annual performance is determined by semi-annual weighted average of residential and non-residential customer responses.

The formula for the semi-annual percentage follows:

$$\textit{Semi-annual percent of satisfied customers} = \frac{\textit{aggregate number of survey responses of 5, 6 or 7}}{\textit{aggregate number of survey responses of 1, 2, 3, 4, 5, 6 or 7}}$$

Note: Customers are said to be "extremely satisfied" if they respond 6 or 7, and "completely satisfied" if they respond 7.

What influences overall customer satisfaction?

PSE's experience shows that the overall customer satisfaction survey contains limited data that is useful in determining what matters most to PSE customers. Since customers are selected for the survey at random from customer lists, they are unlikely to have had contact with PSE other than paying their energy bill. Typically, a customer's overall satisfaction with a company is based on personal experiences with the company and its representatives. If there has been no opportunity for personal interaction between the customer and the company, customer opinions will be based on things they have heard or seen. In PSE's case, only 30 percent of surveyed customers have contacted PSE in the previous six months, giving PSE limited opportunities to directly impact customer satisfaction through personal contact.

Customers who contact PSE are generally less satisfied than those who do not, primarily because customers who make the effort to contact the Company are likely looking to resolve an issue or concern. This naturally makes them predisposed to feelings of dissatisfaction. PSE then has the opportunity to assist the customer and can make sure they leave the interaction feeling helped. Satisfying customers who contact the Company offers a tangible way of changing those feelings of dissatisfaction.

PSE has had success in changing customer feelings of dissatisfaction. Survey results show that many customers who contact PSE to resolve an issue are extremely satisfied after they leave the interaction.

Customers who are extremely satisfied with the contact (a 6 or 7 on a 7-point scale) were also more likely to give a positive satisfaction rating of PSE overall. This means that turning around a potentially unhappy situation will have a positive impact on the overall satisfaction score and is the best opportunity to make a strong impression on customers.

External influences

Customers' satisfaction ratings of PSE appear to be based largely on their perception of the utility industry in general, rather than any specific experience with PSE. Severe weather events, high gasoline and natural gas prices, greenhouse gas and CO_2 emissions issues, as well as the loss of trust and credibility in utilities in general (as indicated in the charts that follow), negatively affect all customers, regardless of which utility is actually providing the service. For example, during the 2000–2001 energy crisis, surrounding electric utilities were increasing their rates significantly, but PSE's own rates did not change. Nevertheless, PSE's overall customer satisfaction scores dropped along with those of neighboring utilities.

The Edison Electric Institute (EEI)'s report, *National Residential Customer Monitor*, compiles data on customers' opinions on their utilities. The charts below show how PSE compares to other utilities in the West (Pacific) region in terms of customer favorability and satisfaction.

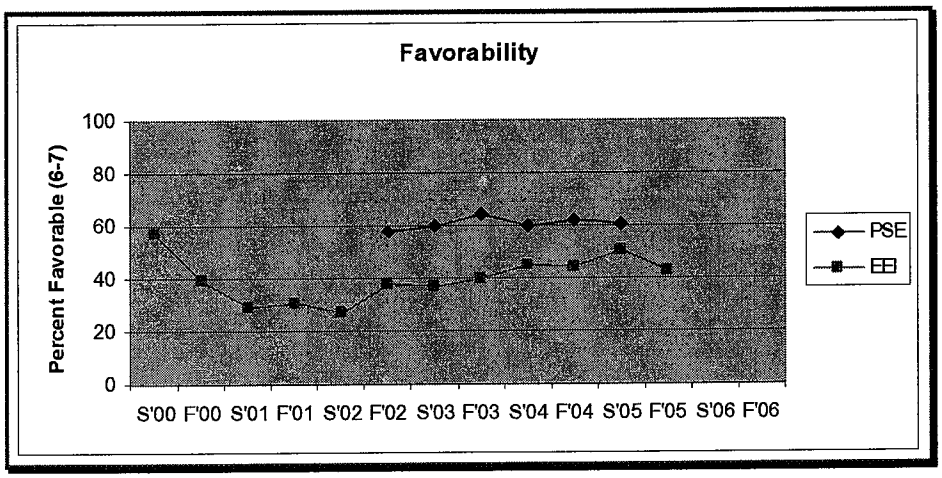


Figure 1: Percent of customers with a favorable opinion of their utility: PSE versus similar utilities (EEI)

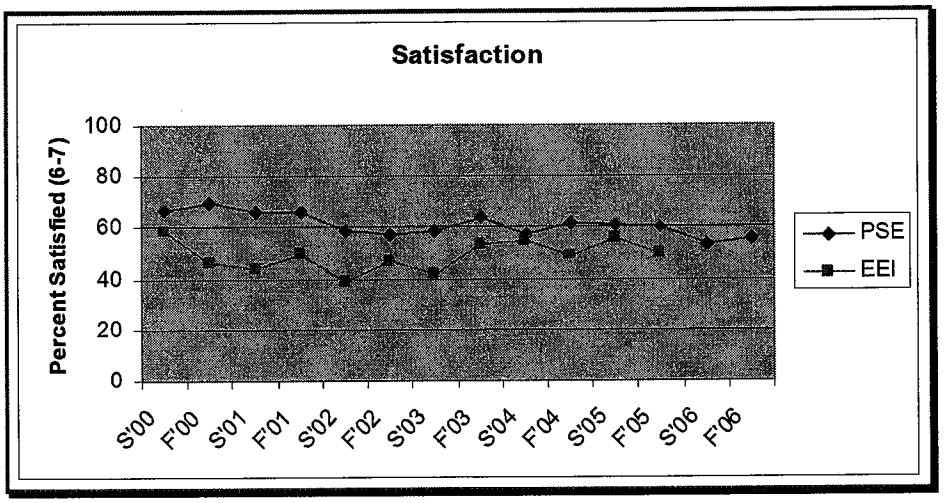


Figure 2: Percent of customers who are satisfied with their utility: PSE versus similar utilities (EEI)

Note that Figure 2 uses the EEI definition of satisfied customers as those who respond 6 or 7, while the SQI measurement presented earlier also includes customers who respond with a rating of 5.

Other influences

Issues that are specific to PSE, but not directly related to customer service, come into play in public perception of the Company. PSE's merger and general rate case filing, the Purchased Gas Adjustment (PGA) and Payer Cost Adjustment (PCA) tariff filings and their resulting rate changes and municipalization efforts that occurred in three counties served by PSE have likely had an impact on customer responses.

PSE's Overall Customer Satisfaction Survey looks at several other performance measures that can influence a customer's satisfaction rating as well. Most of the satisfaction ratings for the various measures have been fairly stable over time; others experience seasonal fluctuations such as price and value.

Examples of these other measures include:

- PSE's performance in areas such as responsiveness to customer inquiries, understanding the needs of the customer, knowledgeable service personnel, courtesy and accurate billing
  - Understanding the needs of customers is the most important contributor to overall satisfaction for customers who have contacted PSE and is also an important contributor for those who have not.
  - Billing accuracy and responding to customer inquiries promptly and efficiently are also important contributors to overall satisfaction.
- Price and value of energy
  - Customers' perception of price and value varies by season, dropping in the spring (following high winter bills) and rebounding in the fall (after low summer bills).
- PSE's corporate image and integrity
  - Honesty and trustworthiness, believability and concern for customers are areas that had a positive impact on this year's satisfaction score.
  - Perception of PSE's corporate integrity is the most important contributor for those customers who have had no contact with the Company, presumably since they have little else upon which to base their opinions. But, it is also an important contributor for those customers who had contact with PSE.

Historical trend for SQI #1

Table 4: Percent of customers satisfied with PSE's performance from 2005 to 2008

	Spring 2005	Fall 2005	Spring 2006	Fall 2006	Spring 2007	Fall 2007	Spring 2008	Fall 2008
Customer satisfaction	84%	85%	83%	85%	82%	84%	82%	84%
Mean score	5.6	5.7	5.7	5.7	5.5	5.6	5.7	5.6
Benchmark	90%	90%	90%	90%	90%	90%	90%	90%

Working to improve overall customer satisfaction

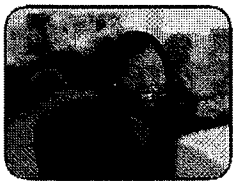
PSE has consistently named customer satisfaction one of the Company's primary objectives. Staff at all levels and divisions of the Company are challenged to keep customers top-of-mind in everything they do. This company-wide shared goal has resulted in significant improvements in service quality to customers.

Based on customer feedback, PSE now:

- Provides more information on PSE.com about energy conservation and ways to reduce energy usage. PSE has enhanced the section for rebates and promotions, making Green Power and renewable resources more prominent and accessible. There are also more ways customers can interact with PSE to learn about energy-efficient products and services.
- Offers expanded assistance programs for low-income families and seniors. In 2008, nearly 18,000 households participated in PSE's HELP program, and more than 4,100 households benefited from PSE's Warm Home Fund.
- Has implemented a Mobile Workforce Dispatch System, which provides real-time information on the status of natural gas field service appointments and is available to Telephone Center representatives.
- Has an improved phone system.
- Leads the region in renewable energy use. PSE's two wind facilities produce enough clean, renewable electricity to serve 100,000 households. PSE is on track with its goal to meet up to 10 percent of its customers' total electricity need with cost-effective renewable resources by 2013.
- Provides more ways to pay utility bills. For example, PSE's website enables people to pay bills online.
- Has added more local offices for bill payment and other services.
- Offers more rebates and incentives for energy-saving activities. In 2008, PSE customers saved enough electricity for almost 24,000 homes and natural gas for more than 4,400 homes, up from 19,000 and 3,200 in 2007, respectively.
- Works to ensure that every contact with a customer results in a positive experience.

Going forward

Even though this measurement is being dropped from the SQI report card beginning in 2009, PSE continues to place high value on customers' satisfaction. The previous survey did not provide adequate information about areas where PSE can influence satisfaction or take into account the various attributes that affect it. As a result, the Company will be taking steps to redesign the survey in an attempt to fill those information gaps. The revised survey will be conducted annually.



3 Telephone Center transactions customer satisfaction (SQI # 6)

Overview

Every month, an independent survey firm surveys Puget Sound Energy customers and prepares monthly and semi-annual reports on customer satisfaction with PSE's Telephone Center transactions. In 2008, these independent surveys found that over 93 percent of customers were satisfied with PSE's Telephone Center transaction performance. The 2008 results are reported in the following table.

Table 5: SQI #6–Telephone Center transactions customer satisfaction for 2008

	Key measurement	Benchmark	2008 Results	Achieved
6	Telephone Center transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	93%	☑

About the benchmark

The independent survey firm phones customers who have made calls to PSE that month at random and asks them "Overall, how would you rate your satisfaction with this call to Puget Sound Energy - would you say 7- completely satisfied, 1- not at all satisfied or some number in between?" A customer is considered to be "satisfied" if they responded 5, 6 or 7.

The annual performance is determined by the monthly average percent of satisfied customers.

The formula for the monthly percentage follows:

$$\textit{Monthly percent of satisfied customers} = \frac{\textit{aggregate number of survey responses of 5, 6 or 7}}{\textit{aggregate number of survey responses of 1, 2, 3, 4, 5, 6 or 7}}$$

What influences Telephone Center transactions customer satisfaction?

Many things influence if customers are satisfied with the Telephone Center's transaction performance. These include whether the Customer Service Representative (CSR)

- Explained things clearly
- Was knowledgeable
- Was polite

Satisfaction also depends on if PSE

- Followed through on the commitments discussed with the customer
- Resolved the issue during the initial phone call

Unfortunately, some issues, such as customer dissatisfaction with rates or disconnection for failure to pay limit the number of customers responding with a 100 percent satisfaction rating.

Historical trend for SQI #6

The following table shows customer satisfaction results from 2005 to 2008.

Table 6: Telephone Center transactions customer satisfaction from 2005 to 2008 chart

	2005	2006	2007	2008
Telephone Center transactions customer satisfaction	93%	94%	92%	93%
Benchmark	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)

PSE handles each customer inquiry with courtesy and with assurance to the customer that the Company has provided the best service to meet their needs. Telephone Center staff is provided with on-going training and coaching to continuously improve their performance.

Working to improve Telephone Center transactions customer satisfaction

In 2008, to address the drivers of customer satisfaction with Telephone Center transactions:

- CSRs received eight hours of training in communication skills to improve interaction with customers.
- Customer calls were recorded at random, and individual representatives were coached on skills needing improvement.
- Additional contact with electric and gas dispatchers and electric system operators was initiated by Customer Service supervisors to obtain current information on the status of field issues so that CSRs could respond to customer inquiries more quickly.
- CSRs had access to real time appointment status information through the Company's new Mobile Workforce Dispatch System.

Going forward

In 2009, PSE will:

- Continue to upgrade the automatic telephone answering system (IVR) by adjusting it around the reasons that customers call, such as for account updates and bill explanation.
- Improve IVR usability and performance by streamlining menu offerings and prioritizing those items based on volume of use.
- Continue to upgrade PSE.com to increase self-service options available to customers. This effort will include increasing its efficiency, effectiveness and ease of use.
- Begin tracking the percentage of calls that are resolved on the first call and continue training and coaching CSRs to improve performance in this area.

4
Field Service Operations transactions customer satisfaction (SQI # 8)

Overview

An independent survey firm surveys Puget Sound Energy customers weekly and prepares quarterly reports. In 2008, these independent surveys found that over 91 percent of customers were satisfied with PSE's Field Service Operations transaction performance. The 2008 results are reported in the following table.

Table 7: SQI #8–Field Service Operations transactions customer satisfaction for 2008

	Key measurement	Benchmark	2008 Results	Achieved
8	Field Service Operations transactions customer satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	91%	☑

PSE met this goal in 2008 and in every previous year.

About the benchmark

The independent survey firm phones customers at random who have called PSE that month and requested gas field service from the automatic telephone system. The survey firm asks the respondents a number of questions including "Thinking about the entire service, from the time you first made the call until the work was completed, how would you rate your satisfaction with Puget Sound Energy? Would you say 7- completely satisfied, 1- not at all satisfied or some number in between?" A customer is considered to be "satisfied" if they responded 5, 6 or 7.

The annual performance is determined by the monthly average of percent of satisfied customers. The formula for the monthly percentage follows:

$$\textit{Monthly percent of satisfied customers} = \frac{\textit{aggregate number of survey responses of 5, 6 or 7}}{\textit{aggregate number of survey responses of 1, 2, 3, 4, 5, 6 or 7}}$$

What influences Field Service Operations transactions customer satisfaction?

Many factors influence if customers are generally satisfied with the field service from PSE. These include if the customer was satisfied with the customer service representative (CSR) at the Telephone Center and if they were satisfied with the field technician site visit. The factors that influence satisfaction with the phone call in general are discussed in Chapters 3 and 6, while this chapter discusses the field response to a request for gas service.

Of the natural gas customers who requested field service, the most frequent reason included customers who:

- Suspected a natural gas leak or detected a natural gas odor
- Wanted to start up or stop service
- Had a question about gas meters or service
- Had a furnace that was not working, such as if the pilot light had gone out
- Needed miscellaneous repair service, such as for a gas dryer, fireplace or stove

Response to another question on the survey indicated over 92 percent of customers reported they had no trouble reaching a customer service representative, and the CSRs earned high ratings from customers (over 94 percent were satisfied). Satisfied customers said the CSR:

- Was courteous and polite
- Listened carefully
- Answered their questions
- Explained things clearly
- Went the extra mile

The customers who were less than satisfied suggested CSRs should:

- Resolve problems more quickly
- Have more information and be able to answer questions better
- Be more polite
- Provide narrower appointment frames

Customer satisfaction with field call

Survey respondents were asked their satisfaction with the field technician on several specific attributes. In general, PSE service technicians got high ratings from customers. (92 percent satisfied). Satisfied customers said the field technician:

- Was friendly, courteous and polite
- Was knowledgeable
- Fixed the problem and did a good job
- Was prompt in coming to the problem site
- Was helpful
- Provided information

Satisfied customers also remarked that the technician went the extra mile to help, explained things clearly, exhibited technical competence, left the work site in good condition and provided enough information about the work that was done.

The customers (18 percent) who gave less than a "7" rating were asked follow up questions to determine why they were not completely satisfied. These customers said the field technician:

- Was not friendly
- Was rude or abrupt
- Was not knowledgeable

Customers who were less than completely satisfied also wanted technicians to:

- Be more knowledgeable
- Offer better explanations
- Come more quickly to fix the problem
- Fix the problem in one trip

In 2008, more than 93 percent of customers said the technician was able to come on a day and time that was convenient for them, and 92 percent said the technician came within the time frame promised.

Historical trend for SQI #8

The following table shows Field Service Operations transactions customer satisfaction from 2005 to 2008

Table 8: Field Service Operations transactions customer satisfaction from 2005 to 2008

	2005	2006	2007	2008
Field Service Operations transactions customer satisfaction	90%	91%	90%	91%
Benchmark	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)	90% satisfied (rating of 5 or higher on a 7-point scale)

Working to increase Field Service Operations transactions customer satisfaction

In the third quarter 2008, PSE updated a database it uses to collect customer feedback to enable managers to extract additional information about the service provided to the customers surveyed. PSE's operations management team can now see specific information about a service order such as:

- When the customer call came in
- Which technician responded to the call
- What type of service was requested
- What work PSE actually performed for the customer
- When the work was completed
- Which CSR took the call

With this additional information, supervisors began examining the data to identify customer concerns raised during the survey to then coach and train employees to improve customer service.

Going forward

In 2009, PSE will use the information gained in the survey to maintain a customer-service focus. As a result of customer surveys, PSE will be:

- Providing general and specific feedback to field service technicians who responded to calls.
- Examining the comments for employee performance trends and developing appropriate action and training plans should they be necessary.
- Providing employee work groups with SQI performance, including monthly progress reports on SQI scores.
- Educating employees on how small improvements can make a big difference to demonstrate how every customer interaction is important. For example, with 200 customers surveyed per month, two additional positive responses increase the overall SQI score by 1 percentage point for that month.
- Tying employee incentives to the SQI for those employees performing the work.

5
UTC complaint ratio (SQI # 2)

Overview

Each year the Washington Utilities and Transportation Commission receives a number of complaints from PSE customers on a variety of topics, such as bill disputes and disconnects for non-payment.

In 2008, while serving more than 1 million electric and nearly 750,000 natural gas customers, the UTC received only 445 complaints concerning PSE, a 7 percent decrease over 2007. The complaint ratio for 2008 was just half of the performance benchmark.

The 2008 results are reported in the following table.

Table 9: SQI #2–UTC complaint ratio for 2008

	Key measurement	Benchmark	2008 Results	Achieved
2	UTC complaint ratio	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.25	☑

PSE exceeded this benchmark for 2008.

About the benchmark

The UTC complaint ratio is calculated by taking the sum of all gas and electric complaints reported to the UTC and dividing it by the average monthly number of PSE customers. The quotient is then multiplied by 1,000. The formula follows:

$$\textit{UTC complaint ratio} = \frac{\textit{electric and gas complaints recorded by UTC}}{\textit{average monthly number of electric and gas customers}} \times 1{,}000$$

The average monthly customer count is the average of the total number of PSE customers, per month, during the reporting period.

What influences the UTC complaint ratio?

The majority of customer complaints (68 percent in 2005, 63 percent in 2006, 69 percent in 2007 and 81 percent in 2008) are related to credit or price. Although PSE strives to control costs, the higher costs of providing energy service ultimately are passed on to customers. The effects of a recession, combined with higher energy costs, are expected to produce higher levels of credit and pricing complaints. To assist PSE customers with paying their bills, PSE offers a variety of programs, including the HELP (Home Energy Lifeline Program), which assist low-income customers. These programs are further discussed at the end of this chapter.

Historical trend for SQI #2

PSE is determined to minimize the number of complaints to the UTC. The following chart shows a downward trend since 2006.

Table 10: As filed UTC complaint ratio from 2005 to 2008

	2005	2006	2007	2008
UTC complaint ratio	0.17	0.28	0.27	0.25
Benchmark	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.50 complaints per 1,000 customers, including all complaints filed with UTC	0.50 complaints per 1,000 customers, including all complaints filed with UTC

In 2008, PSE was able to reduce the complaint ratio by over 7 percent.

Complaint ratio components

The following table shows the type of complaint by year:

Table 11: UTC complaint ratio components from 2005 to 2008 as of December 2008

	Complaints			
	2005	2006	2007	2008
Credit/price	200	307	336	361
Customer service	30	59	46	32
Service quality	30	71	73	28
Construction	22	34	20	11
Other	11	14	10	13
Total	***293***	***485***	***485***	***445***

Working to improve customer satisfaction

PSE investigates the facts and cause of each complaint and looks for ways to make process improvements or address employee training issues, as needed. PSE has taken the following actions as a method to improve performance in this area:

- Train staff to promptly solve the customer's problem in a way that meets their satisfaction whenever possible.
- Provide customers with online tools that enable them to view energy usage and correlate charges to reduce potential future billing surprises.

Retro-billing

About 20 percent of complaints to the UTC in 2008 were on the occasional natural gas meter that stopped working. Each year, a fraction of a percent of the Company's more than 1.8 million meters fail. When a meter stops functioning, the customer's statement shows zero usage, and the customer receives a bill for the minimum charge. When PSE replaces the meter, the customer receives a retro-bill for the amount of gas they used during the time the meter was not functioning properly. In some cases the amount of gas used needs to be estimated. These retro-bills are a source of customer dissatisfaction and UTC complaints.

Many of these meter problems are inherent with the technology that PSE helped pioneer in the 1990s called Automated Meter Reading (AMR). AMR is an evolving technology, and managing the transition from manual to automated meter reading is complex. AMR offers customers many advantages including:

- The ability to view their daily usage to help understand their usage pattern.
- The ability to take steps to conserve their energy usage based on their current usage pattern.
- Preliminary outage and restoration information in non-storm events.

PSE has examined issues involved with AMR and is in the process of implementing new operating procedures to help resolve retroactive billing issues.

In June 2008, PSE identified potential problems with more than 17,200 meters. PSE committed to resolving 100 percent of those problems by June 2009, and at least 75 percent by December 31, 2008. As the following graph shows, PSE succeeded in resolving 93 percent of the problems by year-end 2008.

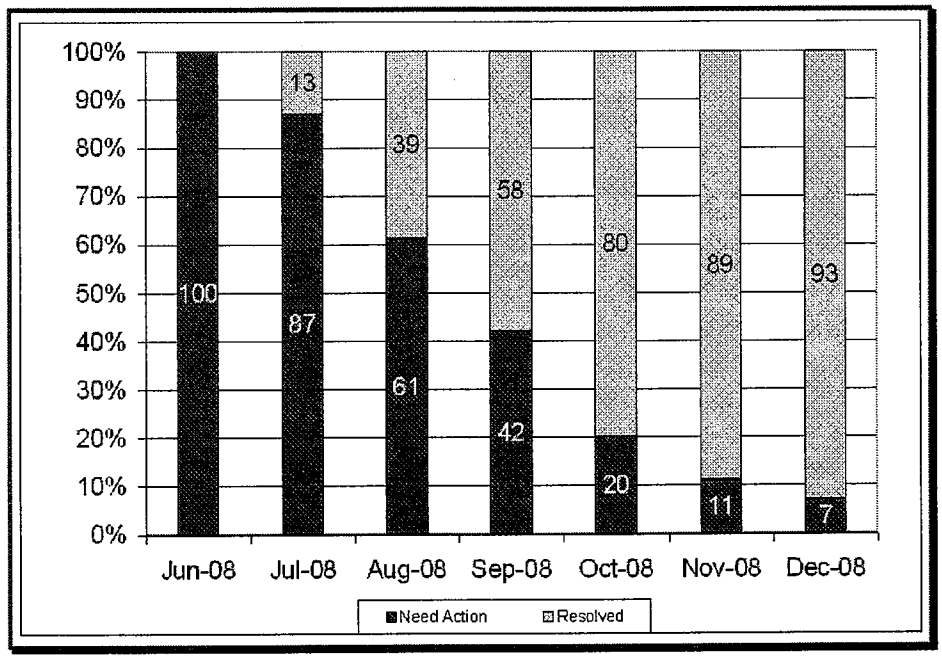


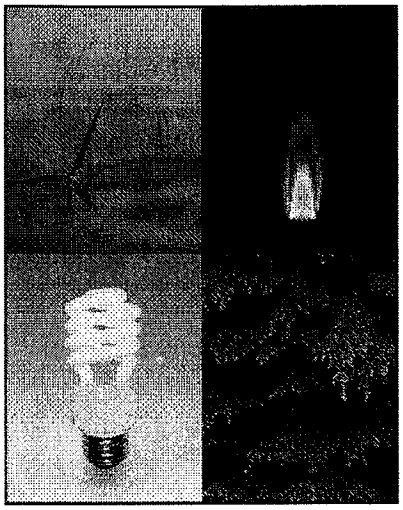
Figure 3: Percent of problems with meters resolved in second half of 2008

Additional details on this effort can be found in the *PSE Meter and Billing Performance Quarterly Report for the quarter ending December 31, 2008* filed with the UTC on January 30, 2009.

Going forward

PSE Customer Service staff work to resolve issues with customers before a complaint is made to the UTC. In 2009, PSE will be developing and refining an internal process to monitor, track, resolve and report escalated complaint issues.

Starting with the 2009 SQI performance year, the performance standard for SQI #2, Commission Complaint Ratio will be improved from 0.50 complaints per 1,000 customers to 0.40 complaints per 1,000 customers.



Customer services

PSE endeavors to provide quality service to customers as well as to be fiscally responsible about encouraging customers to pay their bills. The first point of contact for most customers is PSE's Telephone Center. PSE devotes resources and implements creative but consistent solutions to help ensure that telephones are answered promptly, customer service representatives (CSRs) are well trained to appropriately handle customer requests and customers are treated fairly and with respect with regard to disconnects for non-payment for services. To monitor and improve performance, PSE tracks many measures of customer service, including the number of calls that are answered within 30 seconds and the number of customers disconnected for non-payment.

This Section discusses the two Service quality indexes (SQIs) relating to customer services that are reported annually to the UTC:

- Telephone Center answering performance (SQI #5)
- Disconnection ratio performance (SQI #9)

6 Telephone Center answering performance (SQI # 5)

Overview

PSE maintains a Telephone Center (Customer Access Center) where Customer Service Representatives (CSRs) answer calls promptly and attempt to provide customers with the information or help they seek, as well as providing help with emergencies 24/7.

In 2008, PSE improved the answering performance measure by 1.5 percentage points over the previous year and surpassed the annual benchmark. The 2008 results are reported in the following table.

Table 12: SQI #5–Telephone Center answering performance for 2008

	Key measurement	Benchmark	2008 Results	Achieved
5	Telephone Center answering performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator	77%	☑

About the benchmark

When a customer calls PSE, the call first goes into an automatic telephone answering system (IVR) where 40 percent of the calls are resolved through the customer's use of their telephone keypad. At any time, the customer can press 0 to be connected to a live operator. Telephone Center performance is measured from the time the customer requests to speak with a live operator until the operator comes on the line.

The percentage of the calls answered within 30 sections is computed for each month. The formula for the monthly percentages follows:

$$\textit{Monthly call performance} = \frac{\textit{aggregate number of calls answered by a company rep within 30 seconds}}{\textit{aggregate number of calls received}}$$

The annual performance is determined by the average of the monthly percentages.

What influences how quickly a call is answered?

PSE receives about 4 million calls each year. Many calls come in at peak times and seasons, while at other times and seasons fewer calls come in. This variation creates a staffing challenge—to allocate resources when the demand is high, while at the same time avoiding inefficiently overstaffing when the demand is low.

The following chart shows the types of calls that were received in 2008:

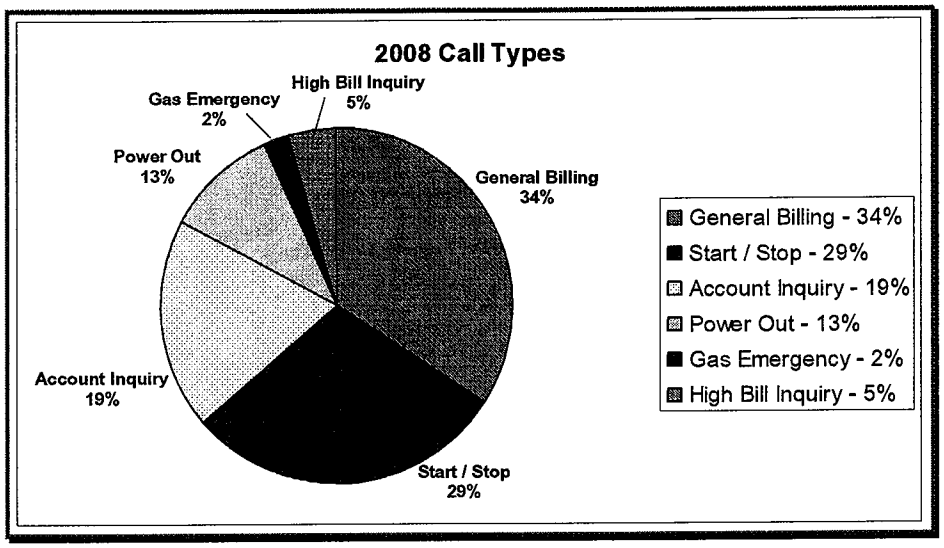


Figure 4: 2008 call types

To answer these calls, PSE has over 220 customer service representatives (CSRs); approximately 12 percent are home-based agents, 3 percent are fluent in Spanish and 2 percent focus on web-based transactions. Web-based customer inquiries are handled by a dedicated team who provide Level 1 support for customers who are using the online self-serve applications. Level 1 support includes such services as start/stop service requests, account balance inquiries and questions of a general nature.

Historical trend for SQI #5

The following table shows PSE's Telephone Center answering performance from 2005 to 2008.

Table 13: Telephone Center answering performance from 2005 to 2008

	2005	2006	2007	2008
Telephone Center answering performance	75%	75%	75%	77%
Benchmark	75% of calls answered by a live representative within 30 seconds of request to speak with a live operator	75% of calls answered by a live representative within 30 seconds of request to speak with a live operator	75% of calls answered by a live representative within 30 seconds of request to speak with a live operator	75% of calls answered by a live representative within 30 seconds of request to speak with a live operator

Working to improve Telephone Center answering performance

In 2008, PSE had several initiatives to maintain and improve performance by:

- Adding training so CSRs could resolve a customer's issue the first time they called.
- Using technology to enable customers to handle more issues themselves without waiting for a CSR.
  - Providing an improved automatic telephone answering system that includes more self-serve options and better call routing to agents with the appropriate skill set, reducing call transfers and wait times for customers.
  - Making website improvements that enable customers to view and print bills, view account information, examine and graph their energy use, receive and pay bills online, start and stop service and several other tasks.
- Establishing a team of agents who are able to resolve the more complex calls, freeing other CSRs to answer a higher volume of calls dealing with more typical inquiries.
- Training additional support staff and personnel in other departments to assist the Telephone Center during high call volume times such as during and after storms, the day after a holiday and the first of the month.
- Using at-home agents to improve handling during high electric outage periods and provide flexibility to better meet peak demands.

- In November, creating a centralized team (Command Center) within the Telephone Centers that will work to improve operational efficiencies through:
  - Closely monitoring call volumes
  - Balancing resources throughout the day
  - Improving longer term staff scheduling based on call volume forecasts

Going forward

As agreed upon in UE-072300 and UG-072301, PSE plans to make a good faith effort in 2009 and beyond to provide a more consistent level of performance at its Telephone Centers throughout the year, taking into account the impact of catastrophic storms or other extreme events that impact customer call volume fluctuations. In 2009, PSE plans to:

- Further address staffing issues to be able to consistently answer a higher volume of customer calls within 30 seconds during peak call seasons.
- Continue developing the Command Center model to improve the management of resources.
- Proactively adjust staffing levels in anticipation of storms, flooding or weather-related emergencies including expanding the number of at-home agents who can also quickly start answering calls from customers during storms.
- Increase the training of CSRs to increase the percentage of calls that are resolved on the first call.
- Increase management staff who will handle more complex calls and provide CSRs with additional one-on-one coaching and supervision.
- Provide more information on PSE.com, including storm information and outage alerts, so customers can obtain information without phoning PSE.

Call abandonment and busy calls

Beginning with the 2009 SQI performance year, PSE will report call abandonment and busy calls in its *2009 Annual Service Quality Report* (to be filed in 2010).

Although not required in this filing, PSE provides the following four-year history on its call abandonment performance:

Table 14: Abandoned call history

	2005	2006	2007	2008
Calls abandoned	91,306	150,161	74,694	69,256
Total calls	3,452,990	5,070,763	4,119,289	3,938,249
Percent	4.35%	1.47%	1.81%	1.76%

Busy call statistics were not kept for previous years, but a method for capturing and recording the information has been established for 2009.

Calls answered within 30 seconds

Finally, starting with the 2009 SQI performance year, PSE will report in its annual SQI filing with the UTC for the SQI on Telephone Center Answering Performance (SQI #5), the monthly percentage of calls answered by PSE's Telephone Centers within 30 seconds. Additionally, with the SQI filing for the 2009 SQI performance year (due in 2010), PSE will submit a report stating its position regarding changing the current SQI #5 measurement and penalty to a two-part (annual and monthly thresholds) SQI.

7 Disconnection ratio (SQI # 9)

Overview

PSE actively works with customers to avoid service disconnection by providing notices of payment delinquencies and offering payment arrangements where possible. For some customers who may qualify for energy assistance, PSE provides information about programs available and how to apply. However, service disconnection is necessary when PSE is faced with continued customer non-payment. In 2008, 2.4 percent of customers were disconnected for non-payment, which was well within the benchmark parameter of up to 3 percent.

The results from 2008 are shown in the following table.

Table 15: SQI #9–disconnection ratio for 2008

	Key measurement	Benchmark	2008 Results	Achieved
9	Disconnection ratio	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.024	☑

About the benchmark

The overall disconnection ratio is calculated by adding the number of electric customers disconnected and the number of natural gas customers disconnected and then dividing that by the sum of the average number of electric customers and the average number of natural gas customers. The formula follows:

$$\textit{Annual disconnection ratio} = \frac{\textit{number of electric customers disconnected} + \textit{number of natural gas customers disconnected}}{\textit{average annual electric customers} + \textit{average annual natural gas customers}}$$

What influences disconnections?

2008 performance was impacted by extreme cold weather and storm conditions that occurred in the last months of 2008. Field personnel who often perform disconnects were activated to respond to an elevated number of gas "no heat" inquiries or were diverted to respond to electric system outages. Additionally, when extreme cold temperatures hit the region, PSE chose not to perform disconnects in order to minimize the health risks and possible household damage that could occur when a building is not heated.

Economics is the biggest external factor that impacts the Company's disconnection ratio. The current recession, with a greater number of customers unemployed or facing foreclosure, has increased the rate of bad debt on uncollected bill payments. Unfortunately, bad debt dollars will likely increase in 2009, and more customers will be facing disconnections.

As a utility, the limitations of this benchmark pose some serious challenges. The prospect of disconnected service encourages customers to pay their bills and therefore reduces the amount of bad debt to be absorbed by remaining customers. However, to meet the disconnection SQI benchmark, the number of disconnections the Company can perform is limited, possibly leaving even more bills unpaid. The SQI limit puts a greater burden on customers who pay their bills.

Historical trend for SQI #9

The following table shows the disconnection ratio from 2005 to 2008.

Table 16: Disconnection ratio from 2005 to 2008

	2005	2006	2007	2008
Disconnection ratio	0.030	0.024	0.028	0.024
Benchmark	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment	0.030 disconnections per customer for non-payment of amounts due when UTC disconnection policy would permit service curtailment

Working to help customers avoid disconnections

PSE provides its customers with the following options to try to avoid disconnection:

- **Energy Conservation**—PSE offers a variety of information to help customers manage their energy usage, including home energy audits, energy-efficient appliance rebate programs, fluorescent lighting coupons and weatherization rebates. PSE.com contains information on energy efficiency, and customers can contact PSE's Energy Efficiency department directly with their questions and requests.
- **Budget payment plan**—To help families balance their utility expenses over the year, PSE offers its customers a Budget Payment Plan. The Budget Payment Plan is designed to minimize large fluctuations of energy bills from season-to-season. Customers can get details and sign up by calling PSE Customer Services toll free at 888-225-5773 and asking about the Budget Payment Plan.
- **Pay online and automatic funds transfer options**—To make bill paying more convenient, PSE customers can pay their bills online or arrange for funds to be transferred automatically from their bank accounts. Bills can also be paid by mail, in person or by telephone. Details on these options are available on PSE.com.

PSE also offers a variety of programs to help some groups of customers pay for the natural gas and electricity they use:

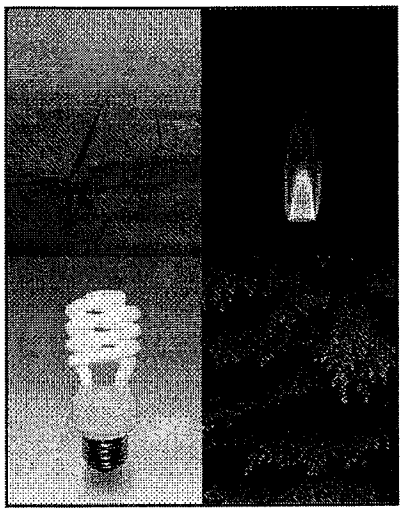
- **Bill payment assistance**—Monetary assistance is available from two low-income programs administered by community service agencies. During the 2007–2008 heating season, nearly 18,000 families received bill assistance from PSE's HELP (Home Energy Lifeline Program) and the federally-funded Low Income Home Energy Assistance Program (LIHEAP). PSE customers can also apply to The Salvation Army Warm Home Fund for emergency, short-term utility bill assistance. This fund is maintained by voluntary contributions from PSE employees, customers and shareholders. Few qualified low-income customers who receive bill-payment assistance with their energy bills need to be disconnected from their PSE service for non-payment.
- **Payment arrangements**—Customers may be eligible for payment arrangements. They are encouraged to learn more about this option by visiting the PSE website and registering for My PSE Account, using PSE's automated phone service or contacting PSE's customer service staff, by telephone or in person.

Going forward

PSE is piloting new technology that will provide near-real-time access to a customer's energy consumption information and projected cost data for agents to use when speaking with customers about their bill.

PSE is expanding its efforts to assist low-income customers by providing additional administrative and account look-up support to the agencies who administer bill payment assistance funds to help ensure the maximum fund amounts are distributed.

However, a key challenge PSE faces in this difficult economy is the growing number of newly poor customers who may not qualify for low-income assistance but need bill-payment help. PSE will continue working with customers having difficulty paying their bills, setting up payment arrangements when needed.



Operations services

PSE's fundamental purpose is to provide electricity and natural gas to customers in the Company's service territory. Many factors influence how reliably energy can be delivered.

Providing electric service to homes and businesses is inherently less reliable than providing gas service because storms and related tree damage can damage power lines and equipment, disrupting electric service. Gas service is less susceptible to damage from storms but can be interrupted by excavation and natural disasters, such as flooding. In addition, gas leaks, low-hanging or downed power lines and other system equipment damage can pose serious safety risks. PSE has teams dedicated to responding quickly to electric and gas emergency situations and to restoring service to customers.

To measure electric service reliability, PSE uses a variety of indexes including the System Average Interruption Frequency Index (SAIFI) and the System Average Interruption Duration Index (SAIDI). These indexes track how often power is interrupted and how long it takes to restore service, respectively. PSE also measures how quickly response teams respond to emergency situations.

Another operations service issue customers find important is that PSE keeps appointments it has made to perform requested services. PSE monitors appointments kept and missed and provides a monetary credit to customers when an appointment is missed. For more information, see Chapter 13 on Service Guarantees.

This Section discusses the five Service quality indexes (SQIs) relating to operations service that is reported annually to the UTC:

- SAIFI (SQI #4)
- SAIDI (SQI #3)
- Electric safety response time (SQI #11)
- Gas safety response time (SQI #7)
- Appointments kept (SQI #10)

8
SAIFI (SQI # 4)

Overview

For electric companies, maintaining a high level of reliability requires constant commitment. Supplying power depends on an interconnected network of generation, transmission and distribution systems to get power to homes and businesses. Most interruptions can be traced to weather, especially storm damage caused by wind, snow, ice and trees.

The System Average Interruption Frequency Index (SAIFI) measures the number of outages or interruptions per customer per year. Most electric utilities use this measurement in reviewing the reliability of their electrical system, excluding extreme outage events that cause interruptions to a significant portion of their customer base.

At PSE, for the purpose of measuring electric system reliability SQIs, major events are defined as days when 5 percent or more of the electric customer base in a 24-hour period experiences power interruption and days following, until all those customers have service restored (carried-forward days). Major event days are excluded from this service quality index (SQI) measurement.

The 2008 results are reported in the following table.

Table 17: SQI #4–SAIFI for 2008

	Key measurement	Benchmark	2008 Results	Achieved
4	SAIFI	1.30 interruptions per year per customer	1.01 interruptions	☑

The year 2008 had one major event, which caused 802 outage events affecting 115,310 customers. These outage events were excluded from this SQI measurement.

About the benchmark

PSE, like most utilities, excludes major events in which large numbers of customers lose power. This is because major events, predominately storms, vary considerably from year-to-year. Excluding major events provides a more accurate measure of how well the system typically performs. For the SAIFI and SAIDI SQI measurements, PSE excludes major events in which more than 5 percent of the customers lose power during a 24-hour period.

SAIFI is calculated by adding up the number of interruptions (sustained outages 60 seconds or longer) customers experienced during the reporting period and then dividing it by the average annual number of electric customers, excluding outages occurred during major event days. The formula follows:

$$Annual\ SAIFI = \frac{annual\ customer\ interruptions\ excluding\ major\ events}{average\ annual\ electric\ customer\ count}$$

In the 2007 Institute of Electrical and Electronics Engineers (IEEE) survey of 66 member utilities, PSE ranked in the top 12 percent (1st quartile) of this measure for 2007, slightly improved over 2006's performance. The results of the 2008 IEEE survey are expected in August 2009.

What influences SAIFI?

Weather plays a significant role in SAIFI. Most of the outages in 2008 and previous years are related to system damage from trees and tree limbs. Other major causes include:

- Equipment failures (a majority of these outages are also tied to tree limbs)
- Bird and other animal damage
- Car-pole accidents
- Scheduled outages for system maintenance

The following graph shows the common causes for interruptions in 2008 and their impact on customers.

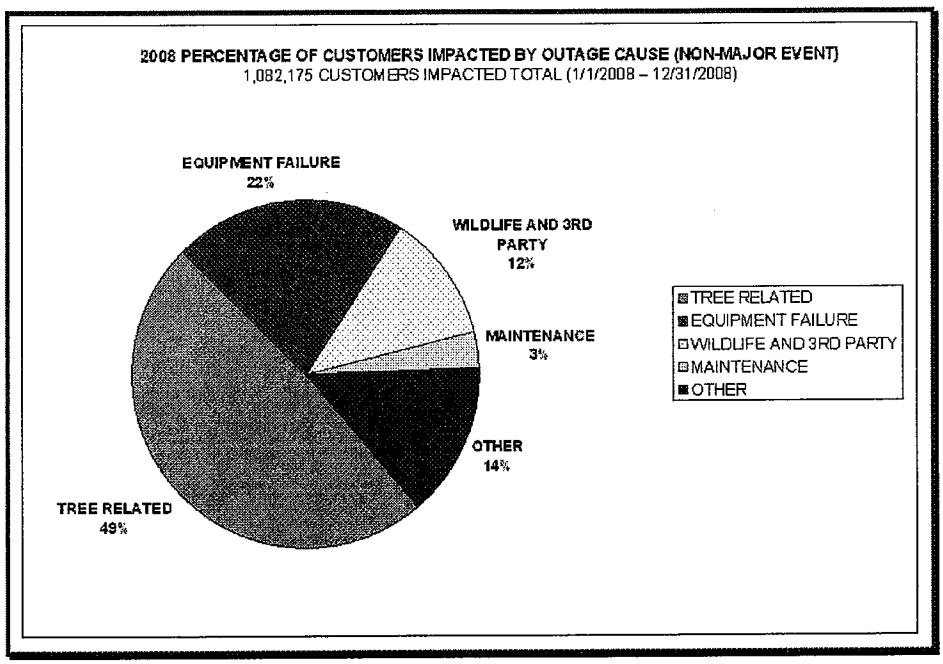


Figure 5: 2008 percentage of customers out of service by outage cause

Historical trend for SQI #4

The following table shows SAIFI from 2005 to 2008.

Table 18: SAIFI from 2005 to 2008 (excluding major events)

	2005	2006	2007	2008
SAIFI	0.94	1.23	0.97	1.01
Benchmark	1.30 interruptions per year per customer	1.30 interruptions per year per customer	1.30 interruptions per year per customer	1.30 interruptions per year per customer

Long-term historical trend

The following chart shows the SAIFI from 1999 to 2008. For the past 10 years, PSE's performance has been better than the SQI.

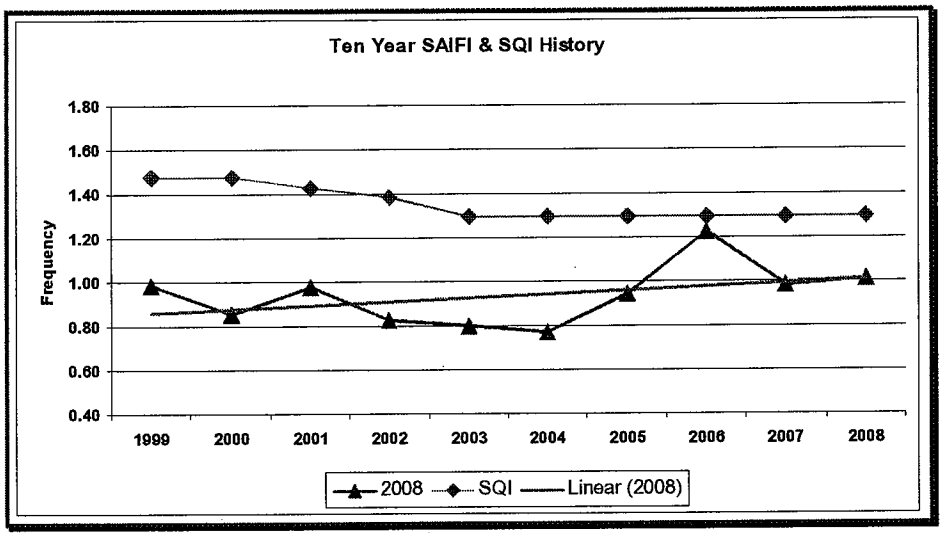


Figure 6: Ten-year SAIFI and SQI history

Working to improve reliability

PSE works diligently to provide reliable electric service. This chapter discusses the most frequent causes of outages and the efforts PSE took to reduce the number of outages.

The increase in SAIFI over the past few years is attributed to the increasing outages related to vegetation. As a result of the load growth in PSE's service areas, the outages have been impacting more customers than in past years, as shown in the chart below by the narrowing gap between trends in SAIFI and the average customers impacted per incident.

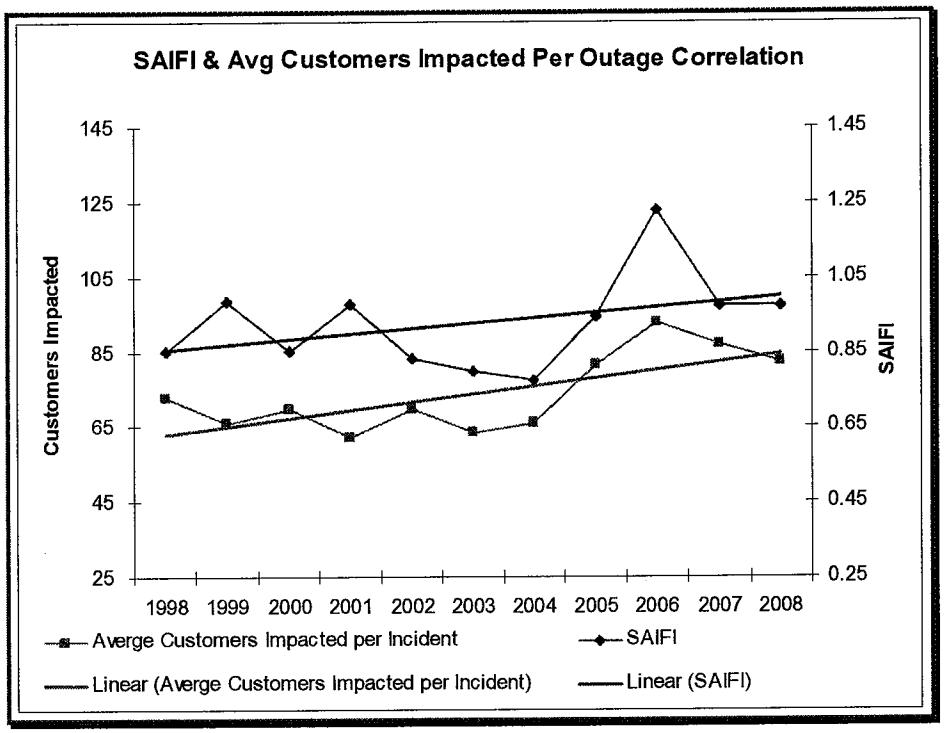
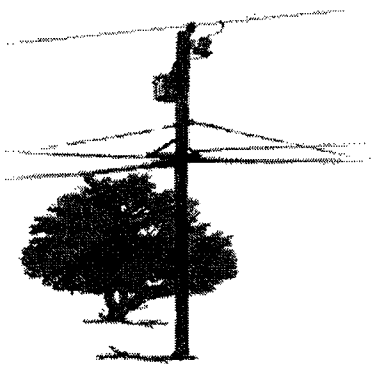


Figure 7: SAIFI and average customers impacted per outage correlation

Vegetation management

Trees are a vital element of the region's quality of life. But under certain conditions, they can be dangerous. Toppled trees and broken branches are a major cause of power outages for local homes and businesses. In fact, trees cause more than 2,000 PSE outages each year. However, on average, each tree-related outage impacts over 150 customers.



Cyclical programs

PSE spends more than $12.5 million annually on a systematic, cyclical vegetation management program to reduce outages in its overhead electric distribution and transmission systems.

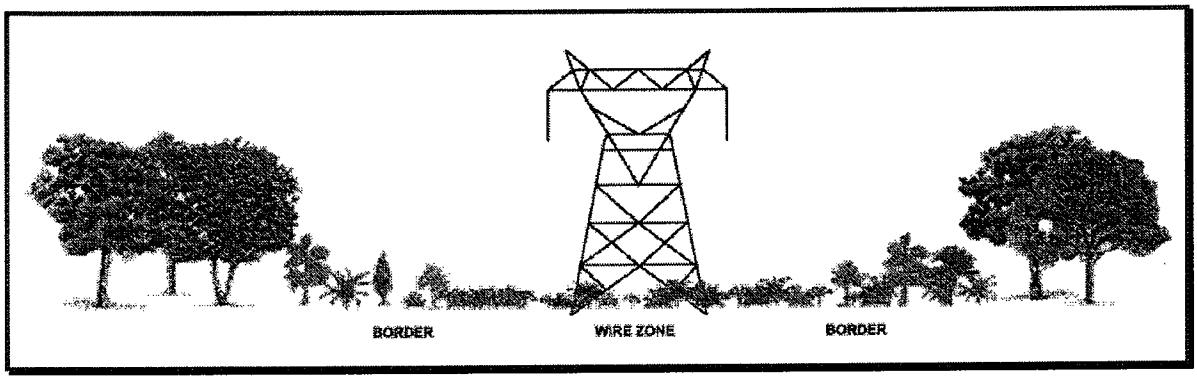
- **Electric distribution system**—Usually trees are trimmed every four years for lines in urban areas and every six years for lines in rural areas.
  - Those trees that are an imminent threat of falling into power lines (danger trees) are removed in these right-of-way corridors at the same time that trees are trimmed.
  - PSE usually completes roughly 2,000 miles of vegetation management on its distribution lines each year. However, in 2008, vegetation maintenance was performed on only 910 miles of overhead distribution. PSE focused its vegetation management efforts on the new tree-clearing federal requirement on bulk transmission systems and storm-related vegetation management work.
- **High-voltage distribution system and cross-country transmission corridor system**—Trees are trimmed every three years on PSE's high-voltage distribution system and maintained annually in cross-county transmission corridors.
  - Spray and mowing activities are performed and danger trees are removed along the edge of these corridors at the same time trees are trimmed.
  - In 2008, 578 miles of high-voltage distribution and 327 miles of transmission corridors were maintained under new federal clearing requirements, which represents a 22 percent increase over 2007 miles.
- **Fast growing, undesirable species**—Hot spotting and mid-cycle work and patrols occur yearly on the overhead distribution system, high voltage distribution system and the cross-country transmission system to remove fast growing undesirable species of trees.
  - In 2008, a total of 30 miles were treated for undesirable trees.

TreeWatch program

PSE also manages vegetation impacts with its TreeWatch program. The program addresses trees growing on private property beyond the typical 12-foot radius of the lines on PSE's rights-of-way. Certified arborists work with communities and property owners to identify "at-risk" trees more than 12 feet away from power lines. With the owner's consent, these trees that pose danger to power lines are removed at no charge to the customer.

In 2008, the TreeWatch program was used on approximately 300 miles of transmission and high voltage distribution lines. Trees removed or pruned numbered nearly 20,000.

In 2009, PSE plans to remove or prune 15,000 off right-of-way trees under PSE's TreeWatch program, again focusing on transmission and high-voltage distribution lines.



Tree replanting program

PSE devotes about $500,000 each year to replanting trees and non-construction-related mitigation in PSE's service area. For the past eight years, PSE has earned the Tree Line USA award from the National Arbor Day Foundation in recognition of PSE's efforts to protect and enhance urban forests while ensuring reliable energy service.

To help customers improve system reliability, PSE has developed a vegetation planning guide called *Energy Landscaping*. The print and online handbook helps customers evaluate landscaping opportunities and is a how-to for planting trees and shrubs and tree care solutions. It also lists recommended trees and shrubs to plant near power lines.

Equipment upgrades

Equipment failure is the second leading cause of non-storm outages. To reduce outages, PSE regularly inspects PSE's electric system to identify and correct deficiencies before they cause an outage or power-quality problem. PSE's maintenance programs involve testing certain equipment components on a regular schedule and identifying needed upgrades.

Tree wire

PSE works to reduce outages by installing "tree wire," which is a tough, thick-coated power line capable of withstanding contact with tree branches that would otherwise cause an outage.

Cable remediation

For an underground power-distribution system, age and moisture make buried cable vulnerable to failures and prolonged outages. Since 1989, PSE has managed a cable-remediation program that can extend the life of underground power cable for 20 years through injections of silicone material that restores the cable's insulating properties. Over the past three years, PSE's cable remediation has prevented 1,000 outages annually. PSE also tests hundreds of cable sections annually and, based on their vintage and failure rate, replaces a significant portion.

Wildlife and third party outages

Birds and other animals cause nearly 2,000 outages annually, but each of these outage events typically only impacts 50 customers per event. To reduce animals, such as squirrels, rats or raccoons, from damaging transformers and other equipment, PSE installs animal guards around new transformers and adds these devices on selected circuits that had a history of experiencing animal-related outages. PSE also has installed raptor protection on selected sites. Since 2004, animal-related outages have decreased 13 percent despite an increase in animal population, specifically Eastern Grey squirrels.[1]

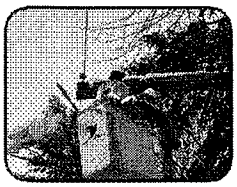
When a vehicle hits a utility pole or similar third party events occur, some customers will likely lose power. As part of a continuous effort, PSE planners review the location of the poles whenever a car pole incident causes an outage. The pole may be relocated if there is a high probability that the pole may be hit again.

Maintenance (planned outages)

Scheduled outages, typically for maintenance, are the third leading cause of non-storm service interruptions. Unfortunately, service must be interrupted to safely repair and replace an aging or damaged infrastructure. And the more improvements that are made, the more planned outages are necessary.

Whenever an outage is planned, PSE attempts to notify the affected customers through phone calls, notices in the mail, door hangers or a knock on the door.

[1] Washington Department of Fish and Wildlife biologist Mary Linden.



9 SAIDI (SQI # 3)

Overview

Providing reliable electric service is a top priority of electric companies. But sometimes power outages are simply unavoidable. Most power outages are caused by weather-related events. When the power does go out, electric companies work around the clock to restore service as soon as possible.

The System Average Interruption Duration Index (SAIDI) measures the number of outage minutes per customer per year. Most electric utilities use this measurement in reviewing the reliability of their electrical system, excluding outage events that cause interruptions to a significant portion of their customer base.

SAIDI is similar to SAIFI, but SAIDI measures the duration of customer interruptions while SAIFI measures their frequency.

At PSE, for the purpose of measuring electric system reliability SQIs, major events are defined as days when 5 percent or more of the electric customer base in a 24-hour period experiences power interruption, and days followed, until all those customers have their service restored (carried-forward days). Major event days are excluded from this service quality index (SQI) measurement.

The 2008 results are reported in the following table.

Table 19: SQI #3–SAIDI for 2008

	Key measurement	Benchmark	2008 Results	Achieved
3	SAIDI	136 minutes per customer per year	163 minutes	☐

While PSE missed the goal, the average customer outage was shortened by four minutes over 2007's performance.

About the benchmark

SAIDI is calculated by adding up the customer minutes of all the customers that have been without power and then dividing by the average annual number of electric customers, excluding outages occurred during major event days. The formula follows:

$$Annual\ SAIDI = \frac{Total\ annual\ customer\ outage\ minutes\ excluding\ major\ events}{Average\ annual\ electric\ customer\ count}$$

While the formula looks straightforward, different organizations use slightly different definitions for a major event and even for a sustained outage in calculating SAIDI.

To assist in benchmarking between utilities, many utilities use the Institute of Electrical and Electronics Engineers (IEEE) methodology for determining SAIDI. In the 2007 IEEE survey of member utilities, PSE ranked in the top 57 percent (2nd quartile) of this measure for 2007, having improved 4.3 percent over 2006. The results of the 2008 IEEE survey are expected in August 2009.

For more information on how SAIDI can be calculated, see www.IEEE.org.

What influences SAIDI?

Damage to the system from trees and wind causes the most outage minutes. Seventy-five percent of PSE's transmission system is exposed to trees. This exposure includes large, tall trees that are a fair distance away on private property but that could hit the lines if the tree toppled.

Equipment failure, the second largest cause of outages, is also often caused by tree limbs and branches that hit the line and cause fuses to open. (Fuses are designed to open to limit system damage.)

The causes of outage minutes for 2008 are shown in the following graph:

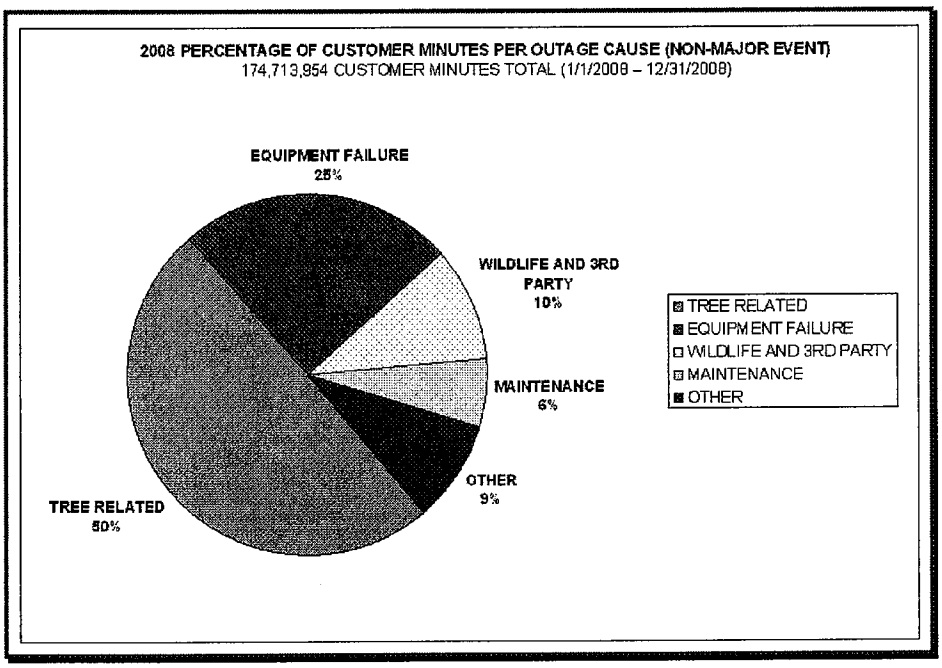


Figure 8: 2008 percent of customer minutes per outage cause

How long it takes to restore service depends on the complexity and location of the problem. The number of outages occurring at one time may also impact the availability of repair personnel to respond.

PSE tracks all outages one minute or longer for the duration of the outage and the number of customers affected. The length of time of an outage is composed of both response and repair time.

- **Response time**—the time it takes from when the customer notifies PSE until a service technician arrives at the site of the outage. SQI #11, Electric Safety Response Time, benchmarks performance of PSE electric first response time.
- **Repair time**—the time it takes from when the service technician arrives at the site of the outage until the time service is restored.

The repair time is impacted by several factors:

- The lack of sectionalizing devices or system to transfer the load to another source.
- Underground outages in general take longer to identify the problem source and repair than do outages on the overhead system.
- Improvements and system maintenance improve reliability or increase capacity. Unfortunately, in some cases, service must be interrupted to safely repair, maintain or replace aging infrastructure. The more improvements that are made, the more planned outages are necessary.

PSE files an Electric Reliability Report with the UTC annually in March of each year. The report provides additional information on outage causes, statistics and comparison to other utilities.

Historical trend for SQI #3

The following table shows SAIDI from 2005 to 2008.

Table 20: SAIDI from 2005 to 2008 (excluding major events)

	2005	2006	2007	2008
SAIDI	129	214	167	163
Benchmark	136 minutes per customer per year	136 minutes per customer per year	136 minutes per customer per year	136 minutes per customer per year

In 2008, PSE's company-wide non-major event SAIDI did not meet the Service Quality Index even though there was continued improvement since 2006. In 2008, PSE experienced a number of wind events that contributed to more outages and thus more outage minutes. For example,

- In January and February, multiple minor wind storms caused outages, accumulating 36.1 SAIDI minutes compared to the 10-year average (1998–2007) of 27.5 minutes.
- In June through August, wind and lightning storms, unusual for the Northwest, caused multiple outages, adding 44.2 SAIDI minutes compared to the 10-year average (1998–2007) of 29.3 minutes.

- In December, snow storms followed by flooding caused heavy snow accumulation, avalanches and landslides resulting in extended outages. The severe weather increased crew response times because crews needed to chain up vehicles, walk in to sites when their vehicles were unable to navigate deep snow on roads and detour around bridge and road closures caused by landslides and flooding. All of these factors contributed to longer customer outages.

Additionally, PSE increased the number of capital improvement projects on the electric distribution system in 2008, further increasing the number of scheduled outages. All of these factors contributed to more outages and more outage minutes per customer, increasing the overall company-wide SAIDI.

Long-term historical trend

The following chart shows the SAIDI from 1999 to 2008. Prior to 2006, PSE continually met the SAIDI SQI. Since 2006, PSE has not met the SQI, even though it has experienced improvement each year after 2006.

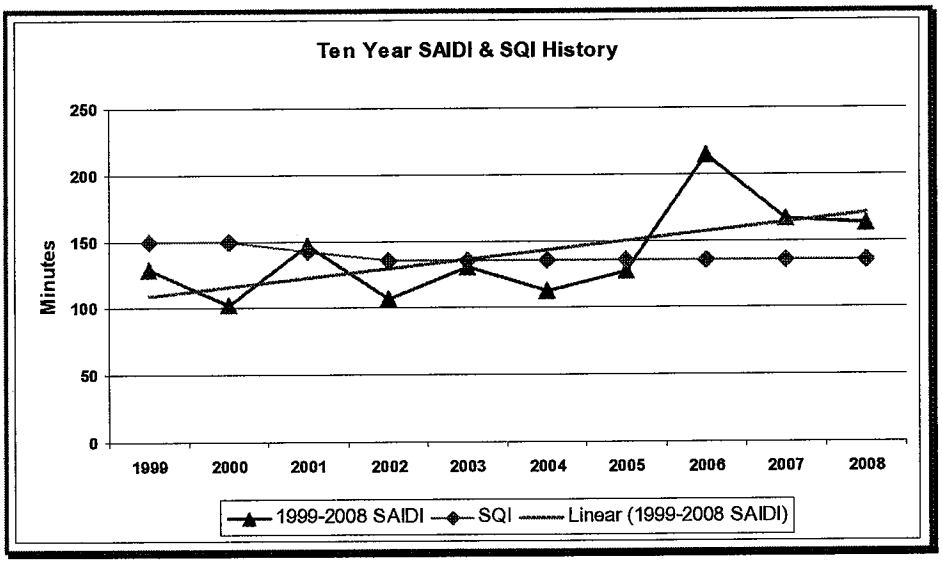


Figure 9: Ten year SAIDI and SQI history

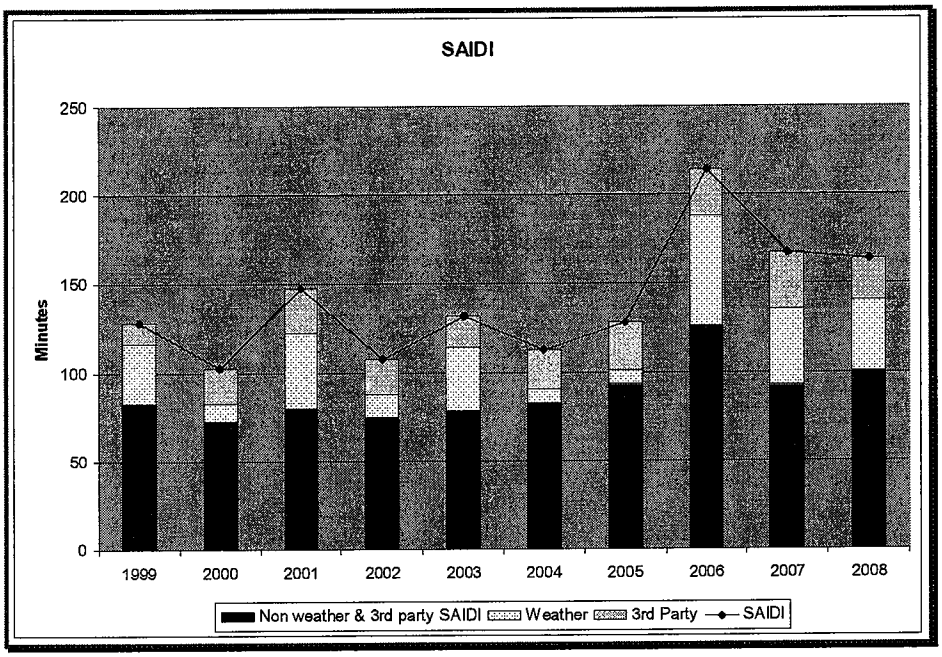


Figure 10: SAIDI from 1999 to 2008

Weather (wind and trees), as well as third party caused outages (car hit pole, cable damaged by excavation) play significant roles in SAIDI. Excluding major event and third party outages, SAIDI is 100 minutes or below in every year except 2006.

Crew response and repair time

The Company also monitors crew response and repair times to ensure appropriate resource availability. The average crew repair time improved 13 percent in 2008 over 2007.

Working to improve SAIDI

PSE continues to manage and evaluate opportunities to enhance the electric system to perform more effectively. PSE's Total Energy System Planning department analyzes and plans projects to:

- Improve the reliability of the system.
- Expand capacity to meet increased demand.

A key focus is programs and projects that help prevent outages (listed under Working to improve reliability in Chapter 8 SAIFI). Additional projects are designed to:

- Reduce the time to diagnose the outage.
- Reduce the duration of the outage.

50 worst circuits

PSE continues to review the performance of the 50 worst circuits in the Company to identify cost-effective solutions. These 50 circuits represent 4.6 percent of the circuits within the Company but contribute 33 percent of the total company-wide SAIDI minutes over the past five years. In 2008, 21 projects were completed and put into service on these circuits, specifically targeted at reducing SAIDI.

Substations and equipment

Along with projects to improve the system, PSE maintains substations and equipment and replaces aging infrastructure.

- Additional equipment, such as reclosers or breakers, is being installed on the system to help isolate and minimize the effects of customer outages.
- PSE continues to add more infrastructure, such as new conductors and distribution substations, to serve new loads, which additionally improves reliability. For example, adding a new substation enables adjacent substations to shift customers to the new station during an outage.
- PSE has spent over $123M since 1998 to remediate underground cables, which generally take longer to repair than an outage on the overhead system.

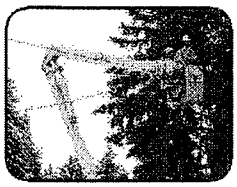
2008 UTC penalties

For the 2008 performance results, PSE incurred a $446,691 penalty for missing the benchmark for the length of time the average customer was without power. PSE refunded the penalty to customers as an offset to the costs included in the electric conservation program filing on February 27, 2009.

Going forward

PSE has continuous programs to improve SAIDI as described earlier. To further improve SAIDI, in 2008, a high-level reliability roadmap was developed for the next 10 years and beyond. Specific programs, tactics and area-specific plans are currently under development for future funding.

Additionally, a thorough study of the High Voltage Distribution and Transmission system vegetation management practices and system conditions was conducted in 2008 by a consultant, Ecological Solutions, Inc. Going forward, findings and recommendations from this study, received in February 2009, will be used to evaluate future initiatives involving tree-related outages. For example, based on the mortality rate of the species of trees in the PSE service territory, more frequent hazard-tree patrols are recommended, with all hazard trees within 30 feet of the lines to be removed. The Company will be reviewing the recommendation and determining what actions it will take.



10 Electric safety response time (SQI # 11)

Overview

PSE has a group of employees known as the Electric First Response (EFR) team whose primary responsibility is to respond to outage and non-outage emergencies. They restore service through temporary or permanent repairs or reconfiguration of the electric system. Approximately 75 percent of all outages are addressed by EFR personnel. EFR personnel are located throughout PSE's service territory and are available on a 24 × 7 × 365 basis. PSE receives over 9,500 calls annually concerning electric safety. When EFR personnel are unable to restore service, construction crews are called in to make permanent repairs.

PSE continues to meet this benchmark, just as it has since the inceptions of this metric. The following table reports the results for 2008.

Table 21: SQI #11–electric safety response time for 2008

	Key measurement	Benchmark	2008 Results	Achieved
11	Electric safety response time	Average of 55 minutes from customer call to arrival of field technician	55 minutes	☑

About the benchmark

The electric safety response time is calculated by logging the time of each customer call and the time the electric field technician arrives on site. The annual performance is determined by the average number of minutes from customer call to arrival of electric field technician.

The formula follows:

$$\textit{Annual electric safety response time} = \frac{\textit{sum of all response times}}{\textit{annual number of electric safety incidents}}$$

Events are excluded from the measurement on days that:

- Are excluded for SAIDI and SAIFI performance measurement, such as major events and associated carried-forward days.
- All available first responders in a local area are dispatched to respond to service outages (localized emergency event days).

What influences electric safety response time?

Electric safety response time is influenced by many factors, including:

- **Time of day an event occurs**—events that occur outside of normal business hours often require call-out response. Events that occur in early morning or late afternoon may experience longer response times due to traffic conditions. For example, more than 32 percent of outages in the 12 months that ended August 2008 occurred during the peak commute hours of 8 a.m. – 10 a.m. and 4 p.m.–6 p.m.
- **Traffic congestion**—traffic congestion has increased commute times over the past several years. For example, the Washington state DOT reports the following travel time changes for evening commutes in central King county area in the following table.

Table 22: Changes in evening commute times in King county

Evening commute	Average peak travel time–based on peak time (in mins)		Percent increase or decrease from 2004 to 2006 (percent)
	2004	2006	
Bellevue to Everett	40	44	10%
Bellevue to Tukwila	28	33	18%
Bellevue to Issaquah	16	19	19%
Bellevue to Redmond	14	15	7%
Renton to Auburn	17	20	18%
Tukwila to Bellevue	21	20	-5%

- **Location of the safety situation**—some areas in PSE's service territory can only be reached by ferry, bridge and border crossings, or are remote, so access may require snow-machines or "walk-ins."
- **Location of the nearest, available responder**
- **Number of other electric safety calls**

Historical trend for SQI #11

The following table shows average electric safety response time from 2005 to 2008.

Table 23: Average electric safety response time from 2005 to 2008

	2005	2006	2007	2008
Electric safety response time	49 minutes	49 minutes	52 minutes	55 minutes
Benchmark	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician

2008 was a challenging year for PSE in its efforts to improve electric safety response time. In Spring 2008, Electric First Responders and field service personnel began to use the Mobile Workforce Dispatch System and computer-aided dispatching tools. On several occasions, field personnel needed to attend training sessions on the technology, leaving fewer workers available to respond.

Additionally, the learning curve in applying the new technology and the performance of several hardware components initially slowed down, rather than improved, performance. Once employees became more accustomed to using the technology, hardware and connectivity issues were resolved and new processes were developed and implemented, improvements began to take place.

Working to reduce electric safety response time

In 2008, PSE implemented several procedures aimed at reducing electric safety response time, including:

- Implemented non-core work schedules to be able to more quickly handle outages occurring outside of normal business hours.
- Held internal meetings with field personnel to identify challenges that negatively affect response times.
- Worked with union representatives to address call-out response concerns.
- Improved laptop communications equipment.
- Provided employees with weekly performance information.

Going forward

In 2009, PSE will continue its efforts to improve communication and coordination between field service personnel and dispatchers. The efforts include:

- Continue measuring and communicating response performance, broken down by office, dispatch and field personnel for individual operating bases.
- Develop analytics and process improvement pertaining to staffing, optimal shifts and call-out response.
- Review technology enhancements to improve Mobile Workforce Dispatch System usage to achieve consistent and efficient response.

11
Gas safety response time (SQI # 7)

Overview

The primary responsibility of the Gas First Response (GFR) organization is to respond to natural gas emergencies. In 2008, PSE responded to about 70 gas incidents each day concerning gas safety. These emergencies include reports of inside or outside odors, third party damage to PSE's system, leaks, carbon monoxide concerns and other miscellaneous responses to support other first response organizations, such as fire departments. PSE's ability to respond to these emergencies is tracked and reported in SQI # 7.

In 2008, PSE exceeded the response time benchmark by an average of 20 minutes, reducing the time by 8 percent over its 2007 performance. The following table reports the results for 2008.

Table 24: SQI #7–gas safety response time for 2008

	Key measurement	Benchmark	2008 Results	Achieved
7	Gas safety response time	Average of 55 minutes from customer call to arrival of field technician	35 minutes	☑

About the benchmark

The gas safety response time is calculated by logging the time each customer service call is created and the time the gas field technician arrives on site. The difference is then calculated and averaged.

$$\textit{Annual natural gas safety response time} = \frac{\textit{sum of all response times}}{\textit{annual number of natural gas safety incidents}}$$

PSE has Gas First Responders located throughout its service territory. These technicians are available on a 24 × 7 × 365 basis.

What influences gas safety response time?

The response time for a typical safety-related customer request, such as if a gas leak is suspected, depends on a number of factors, including:

- Time of day
- Location of the incident—especially if it can only be reached by ferry, such as Vashon Island
- Traffic conditions
- Location of the nearest, available responder
- Number of other gas safety calls

In case of a natural gas emergency, such as a ruptured gas main, firefighters may be the first to arrive. PSE works with the fire departments in PSE's service area to train them in the appropriate practices for responding to natural gas emergencies. For example, firefighters are trained in how to turn off the gas to a building and evacuate occupants, and in what not to operate, such as main valves. Some firefighters have gas scopes that determine the amount of natural gas in the atmosphere and are trained in using them.

PSE also works with the police departments, who will control traffic, street closures and spectators.

The GFR also has other important work to do on behalf of customers:

- Perform compliance work, which includes performing leak surveys done on the gas delivery system, changing out meters for testing or that may have stopped working properly and other maintenance and inspection activities that are required on a periodic basis.
- Respond to customer needs, such as equipment issues ranging from no heat or no hot water to lighting gas-fired equipment after maintenance. When responding to these requests, PSE also:
  - Inspects the customers' equipment to ensure it is in safe operating condition.
  - Makes any necessary adjustments or red-tags the equipment until it can be repaired or remediated.
  - For a fee, makes minor repairs or replaces some parts to restore customer equipment to proper functioning.

Historical trend for SQI #7

The following table shows the average gas safety response time from 2005 to 2008.

Table 25: Gas safety response time from 2005 to 2008

	2005	2006	2007	2008
Gas safety response time	35 minutes	36 minutes	38 minutes	35 minutes
Benchmark	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician	Average of 55 minutes from customer call to arrival of field technician

Working to reduce gas safety response time

PSE has implemented several procedures designed to reduce gas safety response time. For example, in 2008 PSE:

- Implemented the Mobile Workforce Dispatch System with computer-aided dispatching, which enables PSE to better assign the available service technicians required in a gas safety situation and to determine the closest possible responder.
- Developed contingency plans to cope with large emergencies.
- Added and qualified subcontractors as possible second responders to assist with excavation, shoring and aspirating, for large-scale emergencies.
- Enhanced the call-out procedures for after hours emergencies to ensure timely response.

Going forward

In 2009, PSE is:

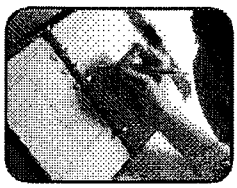
- Adding a more formal root cause(s) analysis for events with long response times.
- Continuing its employee training efforts.
- Evaluating the Mobile Workforce Dispatch System to identify additional efficiency improvements in the dispatch and field response processes.

Also starting with the 2009 SQI performance year (filed in 2010), PSE will report annually to the UTC on the monthly percentage of responses to gas emergencies that are met within 60 minutes. For example, in 2008, the percentage of responses within 60 minutes averaged 90 percent. Monthly percentages are shown in the following table:

Table 26: Gas safety response times within 60 minutes in 2008

Month	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Percent responses within 60 minutes	88%	90%	91%	88%	91%	91%	92%	92%	92%	92%	90%	85%

Finally, with the SQI filing for the 2010 SQI performance year (filed in 2011), PSE will submit a report stating its position regarding whether the current SQI metric for Gas Response Time should be changed to a performance standard requiring PSE to respond to a minimum of 95 percent of gas emergencies within 60 minutes.



12
Kept service appointments (SQI # 10)

Overview

PSE provides its customers with a variety of services that can be scheduled, including:

- Starting, stopping and transferring natural gas and electric service.
- Repairing malfunctioning natural gas appliances that pose unsafe conditions.
- Lighting pilot lights on natural gas furnaces and hot water heaters.
- Performing credit reconnects.
- Installing a new customer gas or electric service line.

Other types of service, such as those involving safety, do not require scheduling and are performed on a 24-hour basis. These non-scheduled services include restoring electric service due to PSE outages or equipment malfunction or responding to a reported gas odor.

When a customer requests scheduled service, PSE provides the customer with either a guaranteed appointment (such as in the morning on April 15) or a guaranteed commitment (on or before April 15) for both natural gas and electric service at their home, depending on the type of request.

In 2008, PSE kept 99 percent of the appointments made.

Table 27: SQI #10–kept service appointments for 2008

	Key measurement	Benchmark	2008 Results	Achieved
10	Appointments kept	92% of appointments kept (8% of appointments missed)	(99% kept (1% missed)	☑

About the benchmark

The kept service appointments benchmark is calculated by dividing the number of Appointments Kept by the total number of kept and missed appointments.

The formula follows:

$$\textit{Kept service appointments} = \frac{\textit{annual appointments kept}}{\textit{annual appointments missed} + \textit{annual appointments kept}}$$

Appointments will be considered missed when PSE does not meet the time period agreed upon when the appointment was initially set or subsequently rescheduled through mutual agreement with the customer. The following are not considered missed appointments:

- The customer fails to keep the appointment.
- The customer requests that the appointment be rescheduled.
- PSE reschedules the appointment because conditions at the customer site make it impractical to perform the service.
- The appointment falls during a major event day.

Appointments that have been canceled by the customer, regardless of the customer's reason, will be considered "canceled" appointments and are not counted as either kept or missed appointments.

The service does not have to be completed, such as when additional action or parts are needed to complete a natural gas furnace repair, for the appointment to be considered "kept." And any additional appointment to complete the job shall be considered a new appointment.

Historical trend for SQI #10

The following table shows kept service appointments from 2005 to 2008.

Table 28: Kept service appointments from 2005 to 2008

	2005	2006	2007	2008
Appointments kept	99%	98%	99%	99%
Benchmark	92% of appointments kept	92% of appointments kept	92% of appointments kept	92% of appointments kept

Working to increase kept appointments

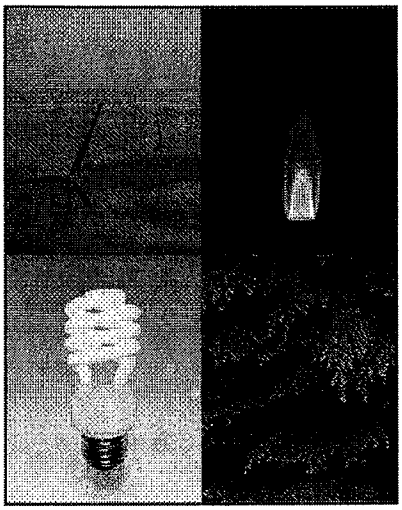
Initiatives and practices PSE has put into place to maintain and improve customer satisfaction with field service operations transactions were discussed in Chapter 4 on Field Service Operations transactions customer satisfaction. Many of these initiatives enable the Company to better keep appointment commitments to customers. These include:

- Pilot programs to test different procedures for providing customers with earlier notification and tighter timeframes.
- Use of deployed technology to better track the locations of service technicians so dispatchers are able to monitor and redistribute work as needed to keep appointments.

Going forward

In 2009, PSE and UTC have determined to change the name of this SQI and its metric to Appointments Kept. The new name is reflected in this report.

In addition, PSE has a customer service guarantee, explained in the next section, concerning appointments not kept.



Service guarantees

PSE's Customer Service Guarantee (CSG) program is designed to give customers a credit if the Company misses an appointment for certain services. Beginning in 2009, PSE is offering a second customer service guarantee that provides a credit whenever a customer experiences a 120 consecutive-hour power outage.

This Section discusses PSE's service guarantees.

13 Service guarantees

Overview

The Customer Service Guarantee (CSG) program is designed to give customers a $50 missed appointment credit if the Company fails to arrive by the mutually agreed upon time and date to provide one of the following types of service:

- **Permanent service**—Permanent natural gas service from an existing main or permanent secondary voltage electric service from existing secondary lines
- **Reconnection**—Reconnection following move-out, move-in or disconnection for non-payment
- **Natural gas diagnostic service request**—For water heater, furnace checkup, furnace not operating, other diagnostic or repair or follow-up appointments

Note: This service appointment guarantee applies in the absence of major storms, earthquakes, supply interruptions or other adverse events beyond PSE's control. In these cases, PSE will reschedule service appointments as quickly as possible.

2008 customer credits

In 2008, PSE credited customers a total of $10,200 for missing one percent of 121,000 scheduled appointments. The 2008 Service Provider Report provides additional detail on missed appointment credits paid.

Restoration service guarantee

Starting in 2009, PSE is offering another guarantee to its customers: Restoration Service Guarantee. Whenever a customer experiences a 120 consecutive-hour power outage, the customer may be eligible for a $50 credit. The total annual payments are limited to $1.5 million, or 30,000 customers, payable to eligible customers who request such payment on a first-come, first-served basis. The pledge is always applicable but will be suspended if PSE lacks safe access to its facilities to perform the needed repair work. To receive the service guarantee payment, affected customers must report the outage within 7 days of their outage.

Information on this Restoration Service Guarantee is provided on PSE.com and in the 2009 January-February customer newsletter. It will also be publicized each fall.

When 5 percent or more of PSE's customers are without power or PSE opens its Emergency Operations Center, PSE's phone system will provide messaging regarding the guarantee when a customer is on hold and will advise customers how to make their request.