



# PUGET SOUND ENERGY

*The Energy To Do Great Things*

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January 30, 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 Meter and Billing Performance Quarterly Filing  
Docket Nos. UE-072300 and UG-072301 (consolidated)**

Dear Mr. Danner:

Pursuant to the Partial Settlement Stipulation of Service Quality, Meter and Billing Performance, and Low-Income Bill Assistance ("Settlement Stipulation") adopted by the Commission on October 8, 2008, in consolidated Docket Nos. UE-072300 and UG-072301 Order 12: Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing ("Order"); Puget Sound Energy ("PSE") provides herewith an original and twelve copies of PSE's meter and billing performance quarterly filing for the period ended December, 31, 2008.

This filing addresses requirements and conditions set forth in the Order and in accordance with additional detailed terms prescribed in the Settlement Stipulation. In particular, for this reporting period, the filing includes the 2008 4<sup>th</sup> quarter meter and billing performance report (Attachment A) and a one-time report of meter and billing staffing update (Attachment B).

The meter and billing performance quarterly report details, as of December 31, 2008:

- PSE's ability and plan to track and report monthly vintages of potential meter and billing problems (per paragraph 34.i of the Settlement Stipulation)
- PSE's meter and billing performance under the phase-in period standards (per paragraph 36 of the Settlement Stipulation)

Attachment B provides an overview of PSE's hiring of personnel resource to accommodate the meter and billing standards (per paragraph 34.ii of the Settlement Stipulation.)

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  
Robert Cedarbaum - WUTC  
Steve King - WUTC  
Thomas Schooley - WUTC

**Attachment A**

**PSE Meter and Billing Performance Quarterly Report**

Puget Sound Energy

Meter and Billing Performance Quarterly Report  
for the quarter ending December 31, 2008

Filed January 30, 2009



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In accordance with the multi-party Settlement Stipulation of Service Quality, Meter and Billing Performance, and Low-income Bill Assistance ("Settlement Stipulation") adopted by the Washington Utilities and Transportation Commission on October 8, 2008, in Docket Nos. UE-072300 and UG-072301 Order 12: Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing, Puget Sound Energy ("PSE" or the "Company") submits this report for the quarter ending December 31, 2008.

## Definitions and Standards per the Settlement Stipulation

### Definitions of "Identified"

The following definitions are used throughout this document and define when a specific category of meter issues is considered "identified."

a. Stopped Meter: Date the meter is validated to be a probable stopped meter from manual analysis of the zero consumption report or other similar report.

b. Unassigned Energy Usage ("UEU"): Date that energy usage reaches the following established thresholds:

Customer group	Gas	Electric
Residential	100 therms	1,000 kWh
Commercial and Industrial	100 therms	7,150 kWh

c. Lost Meter: Date that the meter has been correctly transmitting energy usage for more than sixty days; yet no associated account exists in the ConsumerLinX ("CLX") system.

d. Meter Mix/Other Field Identified: Date of notification of a potential meter mix (meter correctly recording and transmitting energy, but is assigned to an incorrect account in CLX) or other field identified problem as reported either from a customer or a PSE field representative.

e. Other: For meter and billing problems that do not fall into one of the above categories, that problem will be considered "identified" when it is first brought to the attention of a PSE representative by any party, or when through the course of normal work, a representative identifies a meter and billing error or problem.

### Definition of "Resolved"

An identified meter and billing problem will be considered resolved when a correct bill is issued to the customer and any associated equipment problems are corrected.

### Performance Standards

#### Phase-in Standards

Group One: As of June 30, 2008, PSE had identified potential problems with 17,276 meters. PSE commits to resolving 100 percent of this legacy population by June 30, 2009. The Company will also resolve 75 percent of the population by December 31, 2008.

Interim: PSE will resolve potential gas and electric meter and billing problems identified between July 1, 2008, and December 31, 2008, by June 30, 2009.

#### Ongoing Standards, applicable starting January 1, 2009

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

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

## Summary Progress to Date

Meter and Billing Performance as of December 31, 2008

Electric meter information:

Phase-in Vintage	# Electric Meter and Billing Issues	Resolved Up-to-date	% Resolved Up-to-date
Group One	5,538	5,026	91%
Interim	19,735	15,984	81%

Natural gas meter information:

Phase-in Vintage	# Gas Meter and Billing Issues	Resolved Up-to-date	% Resolved Up-to-date
Group One	11,738	10,955	93%
Interim	64,403	57,534	89%

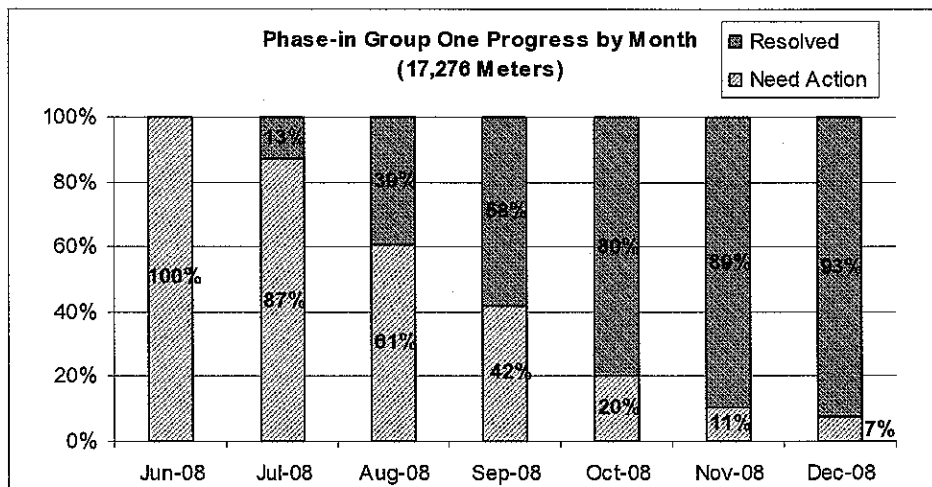
Combined (electric and natural gas) meter information:

Phase-in Vintage	Total # Meter and Billing Issues	Total Up-to-date Resolved Within Standards	% Total Up-to-date Resolved Within Standards
Group One	17,276	15,981	93%
Interim	84,138	73,518	87%

### Phase-in Group One

As of June 30, 2008, PSE identified, but had not yet investigated, 17,276 potential meter problems. As of December 31, 2008:

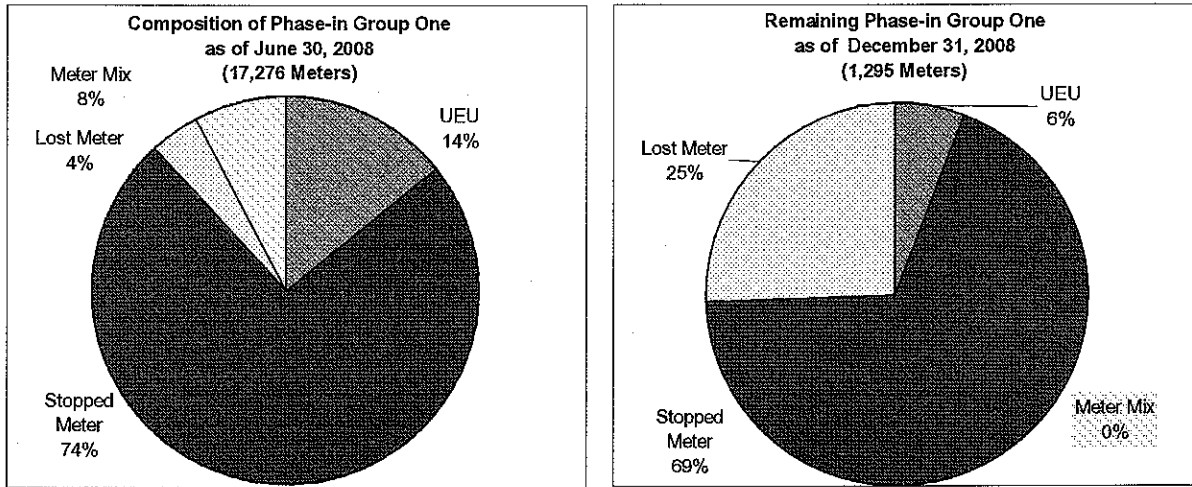
- 15,981 items (93 percent) have been resolved.
- 1,295 items (7 percent) remain. (The following chart depicts PSE's progress.)
- PSE is on track to complete 100 percent by June 30, 2009.





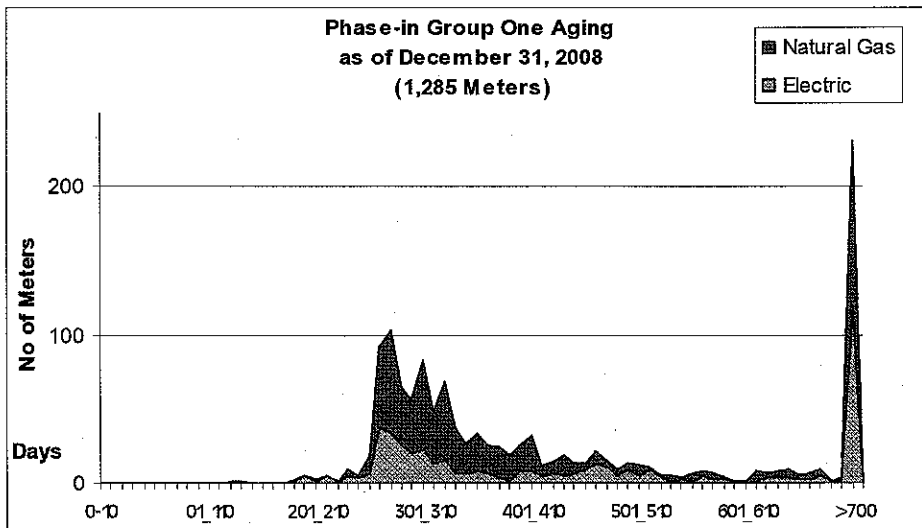
Composition comparison

The charts below compare the initial composition and aging of the Phase-in Group One meters as of June 30, 2008, and December 31, 2008.

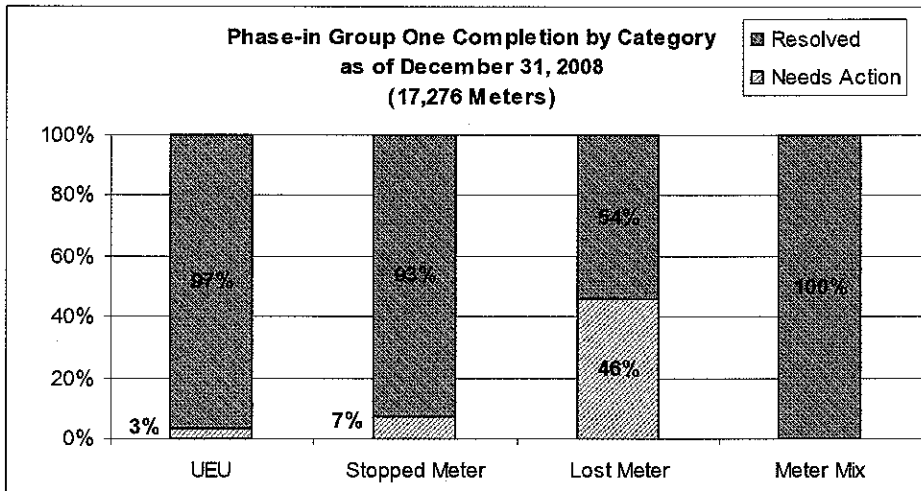


Aging comparison

PSE has sought to improve capacity by focusing on technology, equipment, process and resources. Consistent progress has been made over the last three months, as depicted in the following graphs.



The rate of resolution has varied due to unique challenges in each issue category. The following graph demonstrates progress by issue category (UEU, Stopped Meter, Lost Meter and Meter Mix):



Phase-in Interim Group

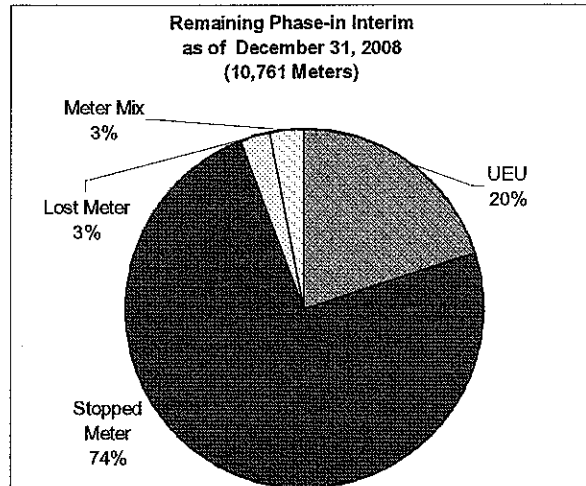
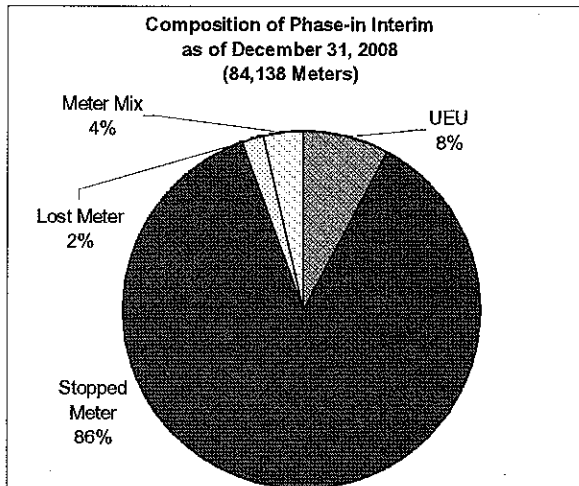
From the period of June 30, 2008, to December 31, 2008, PSE had identified potential problems with 84,138 meters.

As of December 31, 2008:

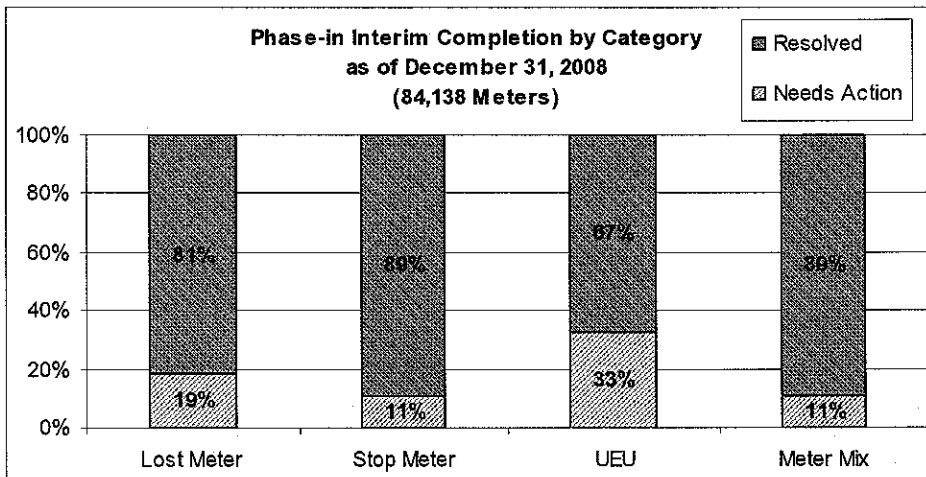
73,377 items (87 percent) have been resolved.

10,761 items (13 percent) still require investigation.

The charts below compare the composition of the Interim Group meters as of December 31, 2008:



The following graph demonstrates progress by issue category (UEU, Stopped Meter, Lost Meter and Meter Mix) for the Interim Group:



### Steady State (Ongoing Standards):

PSE is committed to meet the higher Meter and Billing Standards starting January 1, 2009, per the Settlement Stipulation. The Company will validate the reporting and identification of potential new problems and initiate remediation plans (if necessary) within three months of applying the Ongoing Standards (i.e., by March 31, 2009).

### **Tracking and Reporting Monthly Vintage of Meter/Billing Issues**

PSE continues to consolidate various data sources and streamline reporting procedure to improve the current process of resolving meter/billing issues. An archiving procedure has been developed to track progress and completion of each vintage during the 2008 4<sup>th</sup> quarter. The Company's goal is to establish a more effective process to meet the Ongoing Meter and Billing Standards.

### **Other Actions Taken by PSE and Assessment of Impact**

Update on staffing is provided in a separate report. PSE has continued to review all relevant processes looking improvement opportunities.

### **Issues Discussion**

In the course of implementing the new Ongoing Standards, the following issues have been identified:

#### Impact of Inclement Weather:

The freezing temperatures that occurred in December had resulted in greater percentage of meter equipment failure. Until now, PSE has indentified over 1,500 potential meter equipment failures. PSE is working closely with its equipment providers to identify and remediate suspect units in a timely manner. If unresolved, these meters would become Stopped Meters in the February Vintage.

#### Lost Meters

To date PSE has had limited success developing a field process to find Lost Meters. Lost Meters made up 5% of the original backlog group. Currently Lost Meters make up 25% of remaining backlog. The cost to find and resolve a single Lost Meter is in excess of \$350. PSE will continue closely monitor and evaluate the Lost Meter process to find the most cost effective solution.

**Attachment B**

**PSE's Hiring of Metering and Billing Personnel**

In accordance with the Settlement Stipulation of Service Quality, Meter and Billing Performance, and Low-Income bill Assistance ("Settlement Stipulation") adopted by the Washington Utilities and Transportation Commission on October 8, 2008, in Docket Nos. UE-072300 and UG-072301 Order 12: Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing, Puget Sound Energy ("PSE" or the "Company") submits this update to address the condition prescribed in paragraph 45, item 2, of the Order 12:

"PSE will identify and commence a hiring process for appropriate qualified personnel resources by Dec 31 2008."

### **Company's Action**

PSE conducted an assessment to identify staffing shortfalls and to determine the appropriate staffing levels to meet the ongoing meter and billing standards. The results of this assessment indicated that PSE would need additional 24 customer service positions and 44 field positions to deliver the standards.

As of Dec 8, 2008, all 68 positions have been filled.

- Customer Service Representatives: 18 level-two Customer Service Representatives and 6 level-one Customer Service Representatives have been added to the Corporate Billing Department. The additional personnel will reduce lag in identifying and mending billing issues.
- Field Positions: The Meter Network Services Department added 38 new hires and upgraded 6 positions to increase field service capacity in investigating and revolving metering problems.

PSE will continually re-assess staffing and adjust accordingly to levels required to achieve and sustain the ongoing meter and billing standards.