



PUGET SOUND ENERGY

The Energy To Do Great Things

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July 31, 2009

VIA ELECTRONIC FILING AND REGULAR MAIL

Mr. David Danner, Executive Director and Secretary
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 ("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 June 30, 2009.

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, this filing includes the Meter and Billing Performance Quarterly Report for the second quarter of 2009.

The Meter and Billing Performance Quarterly Report details, as of June 30, 2009:

- 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 for meter and billing problems identified in 2008 and under the ongoing standards for problems identified in 2009 and after (per paragraph 36 of the Settlement Stipulation)

Mr. David Danner
July 31, 2009
Page 2 of 2

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

Enclosure

cc: Chuck Eberdt - The Energy Project
Simon ffitich - Public Counsel
Robert Cedarbaum - WUTC
Steve King - WUTC
Thomas Schooley - WUTC

Puget Sound Energy

Meter and Billing Performance Quarterly Report
for the quarter ending June 30, 2009

Filed July 31, 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 June 30, 2009.

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 5th of the month or the 20th 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 5th of the month or the 20th of the month will have the same monthly vintage.)

Summary Progress to Date

As of June 30, 2009, PSE has met its performance standards set for the following vintages and resolved 100% of the meter and billing problems within their specific timeframes: Phase-in Group One, Phase-in Interim, electric problems identified between January and April, and natural gas problems identified in January and February. PSE has rounded the results in this report to the nearest whole percentage and realizes that some results rounded to 100% do not reflect resolution of all meter and billing problems. These differences are discussed on the following pages of this report.

Phase-in Vintages

Electric meter information:

Phase-in Vintage	# Electric Meter and Billing Issues	Resolved Up-to-date	% Resolved Up-to-date
Group One	5,538	5,537	100%
Interim	19,735	19,734	100%

Natural gas meter information:

Phase-in Vintage	# Gas Meter and Billing Issues	Resolved Up-to-date	% Resolved Up-to-date
Group One	11,738	11,734	100%
Interim	64,403	64,400	100%

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	17,271	100%
Interim	84,138	84,134	100%

Steady State (Ongoing Vintages)

Electric meter information

Ongoing Vintage	# Electric Meter and Billing Issues	Resolved Within 1 Month of Identification	% Resolved Within 1 Month of Identification	Resolved Within 2 Months of Identification	% Resolved Within 2 Months of Identification
Jan-09	2,180	1,657	76%	2,178	100%
Feb-09	1,671	1,339	80%	1,669	100%
Mar-09	2,139	1,663	78%	2,138	100%
Apr-09	1,490	1,239	83%	1,489	100%
May-09	2,157	1,899	88%	1,899	88%
Jun-09	2,208	952	43%	952	43%

Natural gas meter information

Ongoing Vintage	# Gas Meter and Billing Issues	Resolved Within 2 Months of Identification	% Resolved Within 2 Months of Identification	Resolved Within 4 Months of Identification	% Resolved Within 4 Months of Identification
Jan-09	2,951	2,724	92%	2,945	100%
Feb-09	3,126	2,799	90%	3,125	100%
Mar-09	4,163	3,803	91%	4,010	96%
Apr-09	2,442	2,262	93%	2,262	93%
May-09	4,079	3,504	86%	3,504	86%
Jun-09	4,856	2,665	55%	2,665	55%

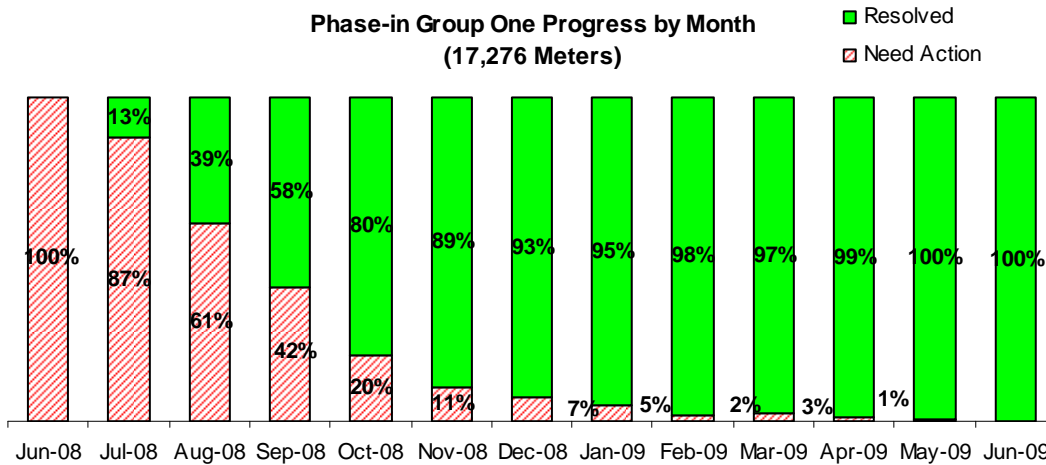
Phase-in Group One

As of June 30, 2008, PSE identified, but had not yet investigated, 17,276 potential meter problems. As of June 30, 2009:

- 17,271 items (100 percent) have been resolved.
- The five remaining items (which constitute less than .03 percent) are lost meters and will be discussed in the *Issues Discussion* section of this report.

Aging Comparison

The chart below shows the progress of Phase-in Group One.



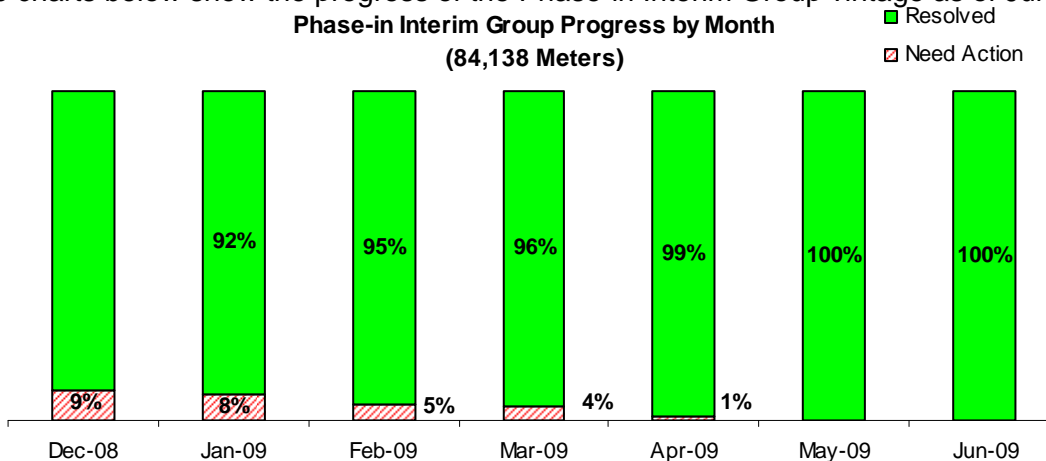
Phase-in Interim Group

From July 1, 2008, to December 31, 2008, PSE had identified potential problems with 84,138 meters. As of June 30, 2009:

- 84,134 items (100 percent) have been resolved.
- The remaining four items (which constitute less than .005 percent) include two stopped meters and two lost meters. One of the stopped meters served an apparently abandoned building and has been located and resolved prior to the end of this reporting period. The three outstanding meters will be discussed in the *Issues Discussion* section.

Aging Comparison

The charts below show the progress of the Phase-in Interim Group vintage as of June 30, 2009.



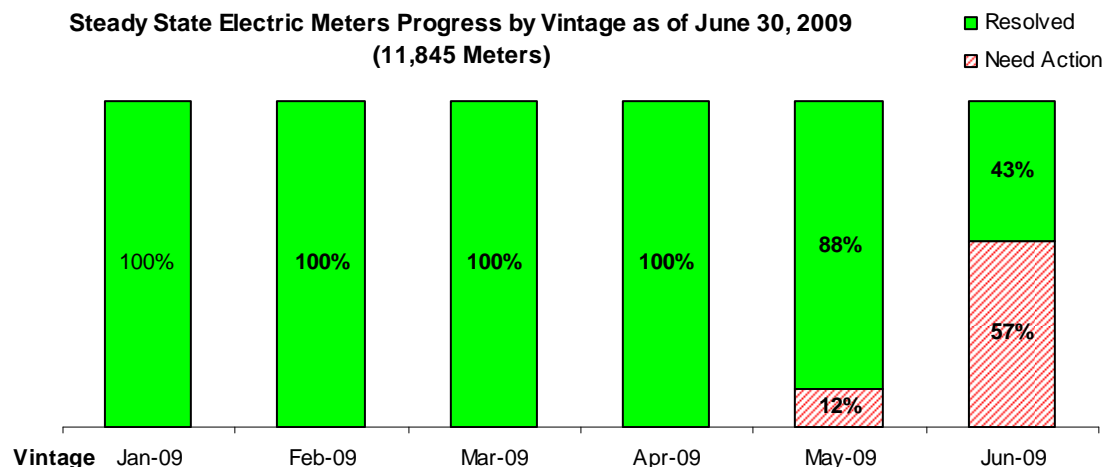
Steady State (Ongoing Standards)

Electric Meter Issue Resolution

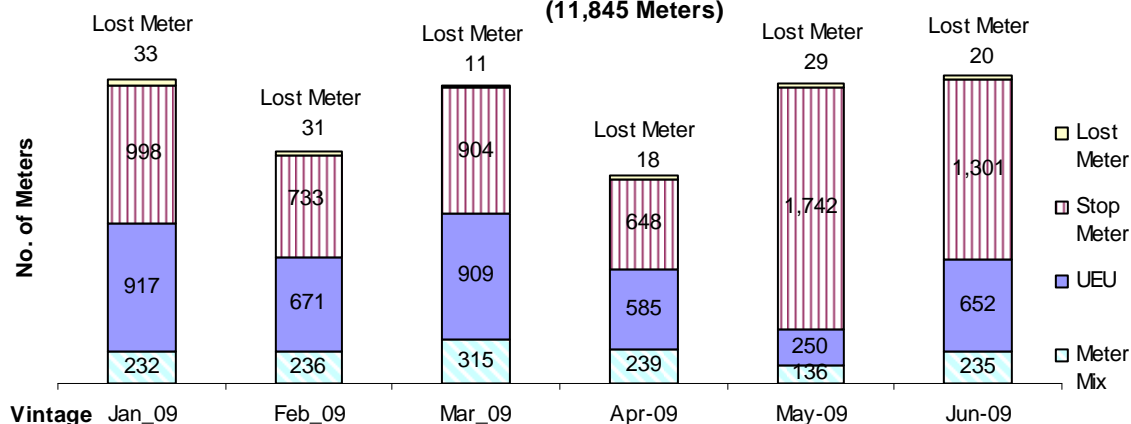
- January 2009 vintage: PSE identified potential problems with 2,180 electric meters. Of those meters, 1,657 (76 percent) were resolved within one month of identification and 2,178 (100 percent) were resolved within two months of identification. PSE resolved the two exceptions (which constitute less than .01 percent) before June 30, 2009.
- February 2009 vintage: PSE identified potential problems with 1,671 electric meters. Of these 1,339 (80 percent) were resolved within one month of identification. An additional 330 items were resolved in the next month. In total, 1,669 (100 percent) were resolved and PSE met both performance standards of this vintage. The two residuals (which constitute less than .12 percent) were resolved prior the end of this reporting period.
- March 2009 vintage: 2,139 potential problems were identified and 1,663 (78 percent) were resolved within one month of identification. Within two months of identification a total of 2,138 (100 percent) were resolved. The remaining one item (which constitutes less than .05 percent) was resolved in June 2009.
- April 2009 vintage: PSE identified potential problems with 1,490 electric meters. Of those meters, 1,239 (83 percent) were resolved within one month of identification and 1,489 (100 percent) were resolved within two months. The exception (which constitutes less than .07 percent) will be discussed in the *Issues Discussion* section.
- May 2009 vintage: PSE identified potential problems with 2157 electric meters. Of these 1,899 (88 percent) were resolved as of June 30 , 2009
- June, 2009 vintage: 2,208 potential problems were identified and 952 (43 percent) were resolved by the end of June.

Aging and Composition comparisons

The charts below show the aging and the meter issue category composition of the Steady State electric meter vintages as of June 30, 2009.



**Composition of Steady State Electric Meters by Vintage as of June 30, 2009
(11,845 Meters)**



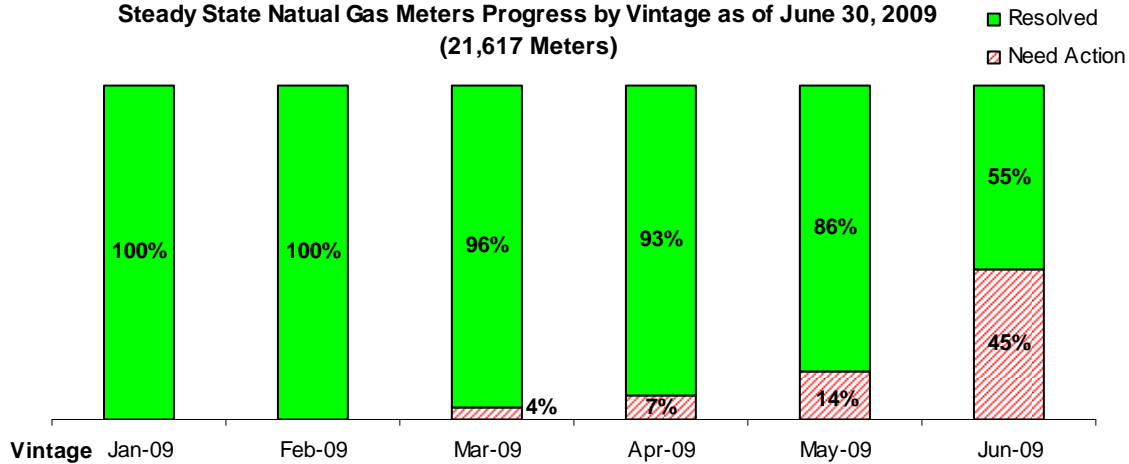
Gas Meter Issue Resolution

- January 2009 vintage: 2,951 potential problems were identified. After two months of identification, 2,724 (92 percent) were resolved. At the end of this reporting period, all 2,951 were resolved: 2,945 (100 percent) were resolved before May 31, 2009 and the six residuals (which constitute less than .21 percent) were resolved in June 2009.
- February 2009 vintage: PSE identified potential problems with 3,126 gas meters. Of these, 2,799 (90 percent) were resolved within two months of identification. In total, 3,125, (100 percent) were resolved within four months of identification. The one outstanding item (which constitutes less than .03 percent) will be discussed in the *Issues Discussion* section of this report.
- March 2009 vintage: 4,163 potential problems were identified and 3,803 (91 percent) were resolved within two months of identification. As of June 30, 2009, 96 percent (4,010 items) were resolved. PSE is on track to resolve 100 percent of the potential problems by July 31, 2009.
- April 2009 vintage: 2,442 potential problems were identified in April 2009. As of June 30, 2,262 (93 percent) were resolved.
- May 2009 vintage: PSE identified potential problems with 4,079 gas meters. Of these meters, 3,504 (86 percent) were resolved as of June 30, 2009.
- June 2009 vintage: 4,856 potential problems were identified and 2,665 (55 percent) were resolved in the same month they were identified.

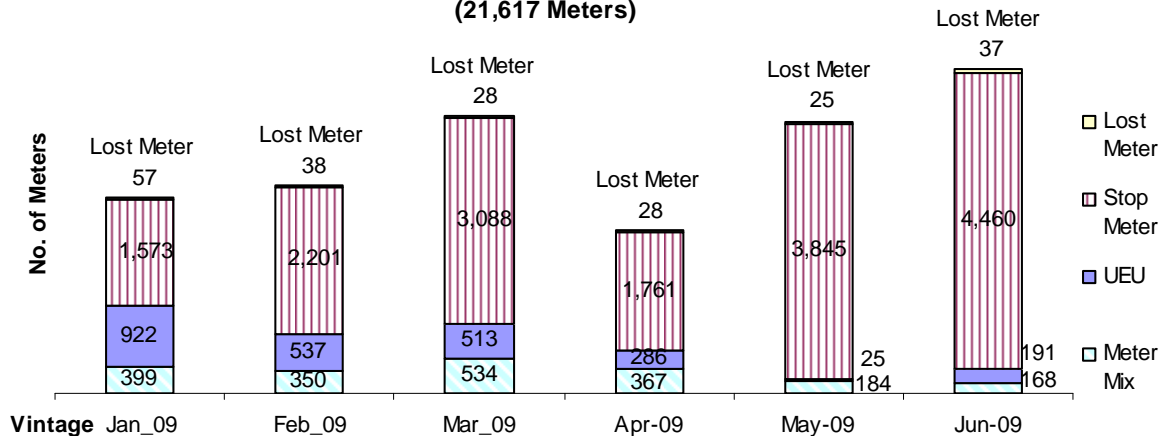
Aging and Composition comparisons

The following charts show the aging and the meter issue category compositions of the Steady State natural gas meter vintages as of June 30, 2009.

**Steady State Natural Gas Meters Progress by Vintage as of June 30, 2009
(21,617 Meters)**



**Composition of Steady State Natural Gas Meters by Vintage as of June 30, 2009
(21,617 Meters)**



Tracking and Reporting Monthly Vintage of Meter/Billing Issues

During the final review of the natural gas January 2009 vintage, PSE discovered that three meters were dropped out of the tracking and reporting process. This discovery was made too late to for PSE to meet the May 31 deadline, but all three were resolved within the first week of June. A root cause analysis revealed that service orders that need a second field visit may be automatically rejected by CLX due to data conflict. This problem apparently only affected natural gas meters and there was no check in the prior process to catch these exceptions. PSE has updated its tracking and reporting process and implemented preventative measures to help capture all service orders.

PSE continues to review its tracking and reporting processes to improve efficiency and accuracy.

Other Actions Taken by PSE and Assessment of Impact

Two other process updates were implemented in the second quarter of 2009, including improvements in routing of the job assignment both by location and by work type and a new computer user interface designed to help staff identify customer accounts that need attention more efficiently.

Issues Discussion

Several issues have been identified that resulted in a few exceptions that have not been resolved as of June 30, 2009. The following table lists these outstanding meters:

Vintage	Redacted Meter ID	Category	Issue Type
Group One Electric	9694	Lost Meter	Not Located
Group One Gas	0432	Lost Meter	Not Located
Group One Gas	0947	Lost Meter	Not Located
Group One Gas	1426	Lost Meter	Not Located
Group One Gas	9421	Lost Meter	Not Located
Interim Electric	8923	Stopped Meter	Not Located
Interim Gas	1760	Lost Meter	Not Located
Interim Gas	4974	Lost Meter	Not Located
Apr-09 Electric	3028	Lost Meter	Not Located
Feb-09 Gas	2125	Stopped Meter	Access
Interim Gas	9711	Stopped Meter	Engineering

Not Located Issue

Among the 2,697 lost meters that had been identified since 2008, PSE were not able to locate nine of these meters as of June 30, 2009. Eight meters show no usage and one meter has low daily usage. A three-person PSE crew had spent 25-50 hours searching for each of the nine meters since the initial identification of those meters.

Meter IDs 9694, 8923, and 4974 were subsequently located and resolved after the end of this reporting period. PSE has not yet been able to locate the other six meters at the time this report is prepared. In the next quarterly report, PSE will include status updates on the remaining meter problems.

Engineering Issue

The metering and billing problems associated with the Interim vintage Meter ID 9711 are due to incorrect sizing of the metering equipment. A temporary solution is currently in place to allow the customer to receive accurate bills. Meanwhile, PSE's customer construction department is currently working with the customer to get the appropriate equipment installed on the site and permanently resolve the stopped meter issue.

Access Issue

Meter ID 2125 is a stopped meter that PSE has been trying to resolve but can't due to an access issue. As of June 30, 2009, the customer hasn't provided PSE access to the meter for PSE to make necessary repairs.

PSE will continue to track the impact of access issues on its meter and billing performance.