

Puget Sound Energy

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

Filed October 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 September 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 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

As of September 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 August 2009, and natural gas problems identified between January and July 2009. 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.

The total number of meter and billing problems in some of the 2009 monthly vintages under the Ongoing Standards (Steady State) is different from the results PSE reported in its 2009 first and second quarter reports due to an enhancement in meter reviewing processes that were implemented in August 2009. *Tracking and Reporting Monthly Vintage of Meter/Billing Issues* section of this report describes in details of the enhancement and its impact.

Meter and Billing Performance as of September 30, 2009  
(Percentages shown are rounded the nearest hundredth)

### Phase-in Vintages

Electric meter information

Phase-in Vintage	# Electric Meter and Billing Issues	Resolved Within Standards	% Resolved Within Standards
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 Within Standards	% Resolved Within Standards
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	Resolved Within Standards	% 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	1,667	1,339	80%	1,665	100%
Mar-09	2,139	1,663	78%	2,138	100%
Apr-09	1,490	1,239	83%	1,489	100%
May-09	4,474	4,334	97%	4,474	100%
Jun-09	3,257	2,939	90%	3,257	100%
Jul-09	2,702	2,665	99%	2,702	100%
Aug-09	2,006	1,984	99%	1,984	99%
Sep-09	6,377	6,002	94%	6,002	94%

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	4,180	3,830	92%	4,180	100%
Apr-09	2,490	2,335	94%	2,490	100%
May-09	7,757	7,372	95%	7,754	100%
Jun-09	8,723	8,629	99%	8,705	100%
Jul-09	33,166	33,120	100%	33,120	100%
Aug-09	15,205	15,117	99%	15,117	99%
Sep-09	13,390	12,126	91%	12,126	91%

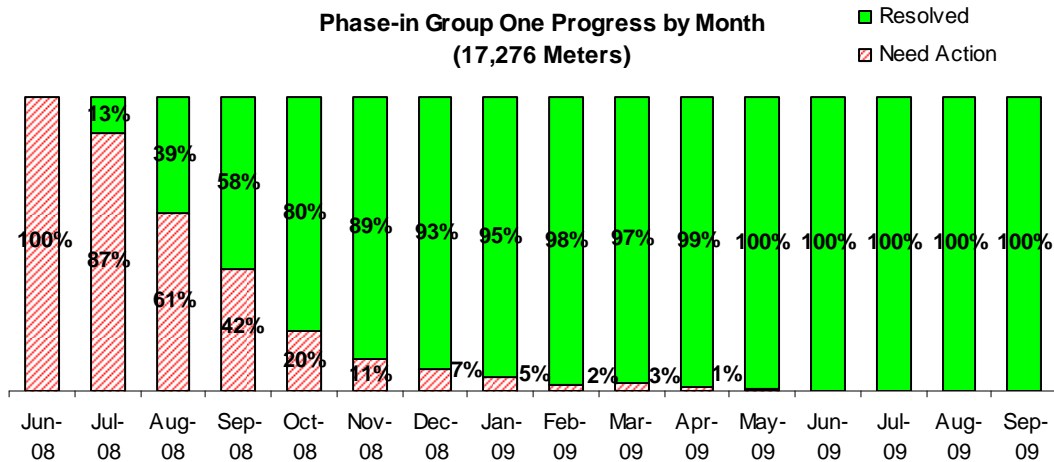
Phase-in Group One

As of June 30, 2008, PSE identified and resolved 17,276 meter problems.

- 17,271 items (100 percent) were resolved with in Phase-in Standards.
- One was resolved outside of the Standards. Electric meter ID 9694, a lost meter that PSE were not able to locate at the end of last quarterly reporting period, has been located and resolved on August 11, 2009.
- The four remaining items (which constitute less than .02 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.



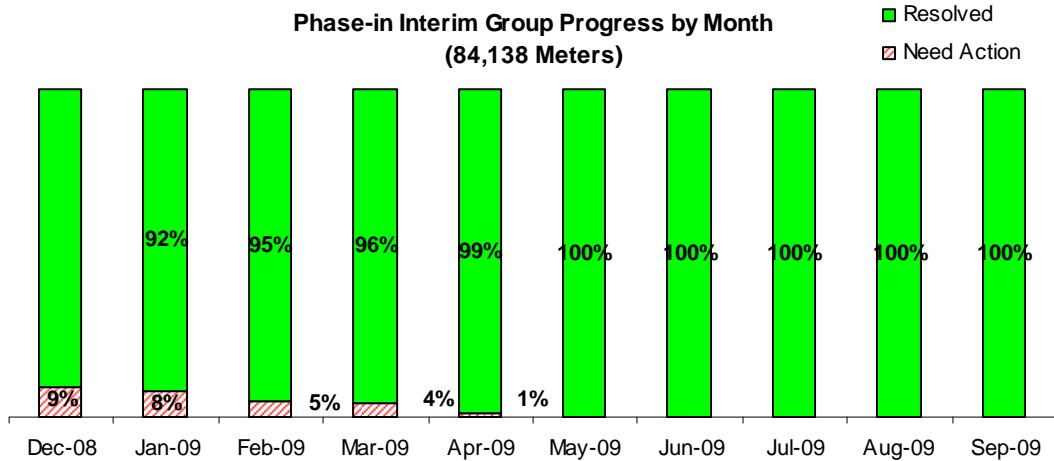
Phase-in Interim Group

From July 1, 2008, to December 31, 2008, PSE had identified potential problems with 84,138 meters.

- 84,134 items (100 percent) were resolved within Phase-in Standards
- Two items were resolved outside of the Standards. Electric meter ID 8923 and natural gas meter ID 4974, two of the meters that were outstanding in the last quarter have been located and resolved prior to the end of this reporting period. Meter ID 8923 was found and moved on July 8, 2009. Meter ID 4974 was found and has been in service since July 7, 2009.
- The remaining two items (which constitute less than .002 percent) include one stopped meter and one lost meter. The two outstanding meters will be discussed in the *Issues Discussion* section.

### Ageing Comparison

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



### Steady State (Ongoing Standards)

For some of the monthly vintages, the total number of meter and billing problems varies from what PSE previously reported in its quarterly reports. The reporting enhancement is detailed in the *Tracking and Reporting Monthly Vintage of Meter/Billing Issues* section of this report. The following discussion is based upon the revised monthly results after the implementation of the enhancement.

### Electric Meter Issue Resolution

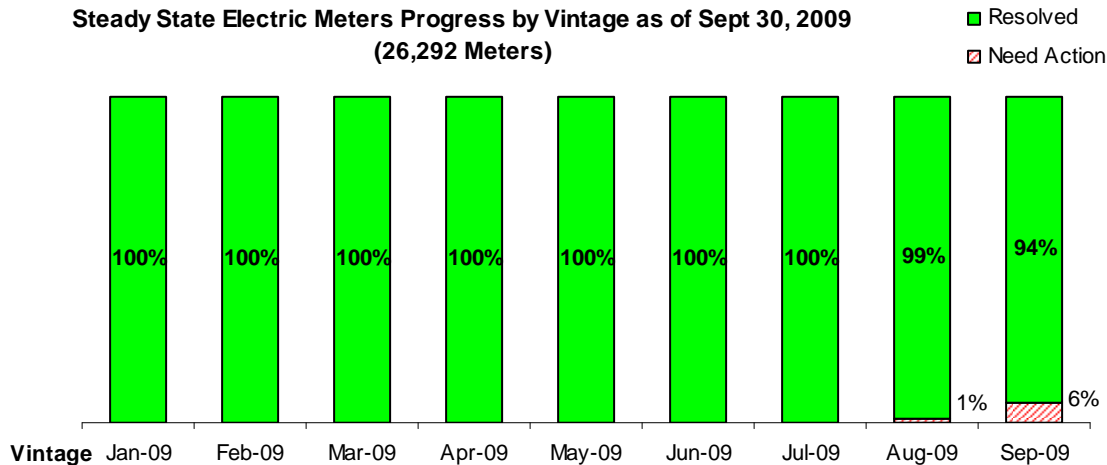
- January 2009 vintage: PSE identified potential problems with 2,180 electric meters. Of those meters, 1,657 (76 percent) were resolved within one month of identification and 2,178 (100 percent) were resolved within two months of identification. PSE resolved the two exceptions (which constitute less than .01 percent) before June 30, 2009.
- February 2009 vintage: PSE identified potential problems with 1,667 electric meters. Of these 1,339 (80 percent) were resolved within one month of identification. An additional 326 items were resolved in the next month of identification. In total, 1,665 (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 but outside of standards. Meter ID 2125 was outstanding as the end of last quarter but was replaced and resolved on August, 18, 2009. The other one is a seasonal-use meter that was discovered through the enhanced meter reviewing process implemented in August 2009 but the meter has been in used again as of September 30, 2009.
- 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 4,474 electric meters and all the issues were resolved by July 31, 2009.
- June, 2009 vintage: PSE identified potential problems with 3,257 electric meters and all of them were resolved by August 31, 2009.
- July 2009: PSE identified potential problems with 2,702 electric meters and all the issues were resolved by August 31, 2009.
- August 2009: PSE identified potential problems with 2,006 electric meters. More than 99% of the issues were resolved by September 30, 2009. PSE is on track to resolve all the issues within its Ongoing Standards for this vintage.
- September 2009: PSE identified potential problems with 6,377 electric meters. 6,002 issues were resolved as of September 30, 2009.

#### Aging and Composition comparisons

The following chart shows the aging of the Steady State electric meter vintages as of September 30, 2009.



The following table details the composition of Steady State electric meters by vintage as of September 30, 2009.

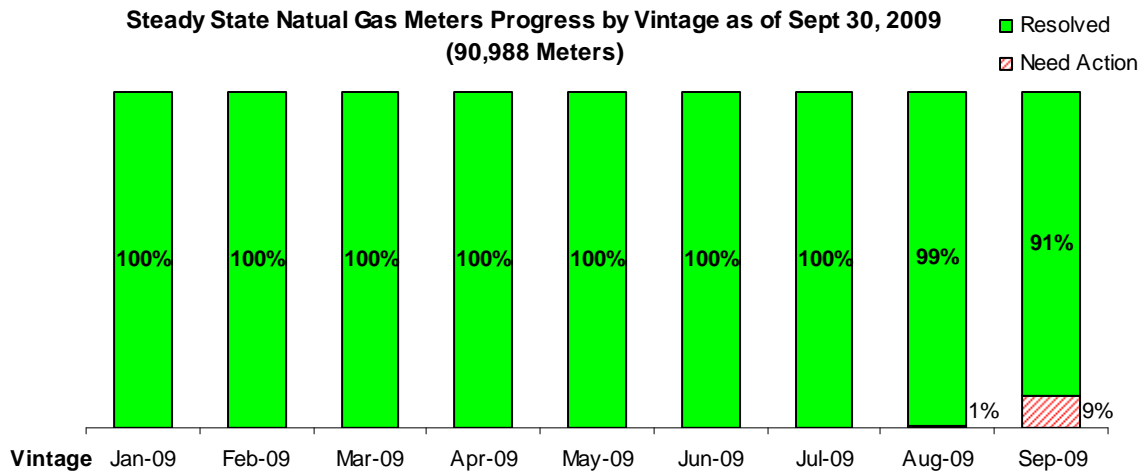
CATEGORY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Lost Meter	33	31	11	18	29	20	18	23	21
Meter Mix	232	233	315	239	123	292	205	181	336
Stop Meter	998	733	904	648	4,053	2,198	1,883	1,683	6,020
UEU	917	670	909	585	269	747	596	119	-
<b>Total</b>	<b>2,180</b>	<b>1,667</b>	<b>2,139</b>	<b>1,490</b>	<b>4,474</b>	<b>3,257</b>	<b>2,702</b>	<b>2,006</b>	<b>6,377</b>

### Gas Meter Issue Resolution

- January 2009 vintage: 2,951 potential problems were identified. Within two months of identification, 2,724 (92 percent) 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 outstanding item, identified in the last quarterly report as Meter ID 2125, was replaced and the customer has been billed in August 2009.
- March 2009 vintage: 4,180 potential problems were identified. As of July 31, 2009, all the items were resolved.
- April 2009 vintage: 2,490 potential problems were identified in April 2009. As of June 30, 2,335 (94 percent) were resolved. Within four months of identification, all the 2,490 potential problems were resolved.
- May 2009 vintage: PSE identified potential problems with 7,757 gas meters. Of these meters, 7,754 (100 percent) were resolved as of September 30, 2009. Two of remaining items were resolved on 6/4/2009 but didn't get included in meter and billing performance tracking system as they were completed incorrectly in the system. PSE has initiated additional employee training to address this issue. The one exception will be discussed in the Issues Discussion section.
- June 2009 vintage: PSE identified potential problems with 8,723 gas meters. 8,705 of the issues were resolved as of September 30, 2009. PSE is on track to resolve all the potential problems by the end of October, 2009.
- July 2009: PSE identified potential problems with 33,166 gas meters. 33,120 of the potential problems were resolved as of September 30, 2009. PSE is on track to resolve all the potential problems by the end of November, 2009.
- August 2009: PSE identified potential problems with 15,205 gas meters. 15,117 of the issues were resolved as of September 30, 2009. PSE is on track to resolve all the potential problems by the end of December, 2009.
- September 2009: PSE identified potential problems with 13,390 electric meters. 12,126 of the issues were resolved as of September 30, 2009. PSE is on track to resolve 100 percent of the potential problems by the end of January, 2010.

Aging and Composition comparisons

The following chart shows the aging of the Steady State natural gas meter vintages as of September 30, 2009.



The following table details the composition of Steady State natural gas meters by vintage as of September 30, 2009.

CATEGORY	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Lost Meter	57	38	28	28	24	37	21	15	19
Meter Mix	399	350	532	367	180	241	215	166	230
Stop Meter	1,573	2,201	3,086	1,763	7,528	8,262	32,846	14,964	13,141
UEU	922	537	534	332	25	183	84	60	-
Total	2,951	3,126	4,180	2,490	7,757	8,723	33,166	15,205	13,390

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

In the first quarter of 2009, in order to streamline reporting procedure to improve the current process of resolving meter and billing issues, PSE initiated a review of how validation codes are assigned to identify zero consumption meters and stopped meters. PSE subsequently implemented a new enterprise application to better identify and manage zero consumption meters and stopped meters. In August of 2009, the new application was put in place and the identifying, reporting, and tracking of zero consumption meters became fully automated. Prior to that, the identification of zero consumption meters was automated; however, the tracking and reporting on the status of these meters was handled manually.

As meters are identified as valid zero consumption meters, majority of them are in fact seasonal-use meters (i.e.; space-heat only, pool heaters, pumps, irrigation etc). In particular, most of these seasonal-use meters are natural gas meters. In the new application, all zero consumption meters are coded to indicating seasonal use to prevent unnecessary field visits. Meanwhile, the new application also has specific time parameter on all the codes for scheduling future field visit to prevent any zero consumption meters from going an extended period of time without being checked again. If a timer expires and a zero consumption meter still doesn't show any usage then it will be included into the current vintage to as a stopped

meter. This robust functionality enables PSE to better manage seasonal-use meters. However, it also increases the number of stopped meters in PSE's quarterly reporting by the systematic inclusion of the seasonal-use meters in the stopped meter category.

The meter and billing performance results PSE reported in its 2009 first and second quarterly reports were based upon the manual tracking and reporting system and have been revised in this report to reflect a more comprehensive view of stopped meters. By comparison of the manual and automated processes, PSE realized that the manual reporting previously used was missing a portion of the zero consumption meters. This difference is more apparent for May-09 and June-09 vintages as PSE was in the middle of the new application implementation and more natural gas customers turned off their space heater. These increased numbers represent all stopped meters that were investigated but only a subset of those would require billing correction as seasonal-use meters become active again.

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

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

In the third quarter of 2009, PSE finished the new application that automated the entire process of managing zero consumption meters as described above. PSE also enhanced its graphical user interface related to the new application.

### **Issues Discussion**

The number of outstanding meter issues has dropped since the last reporting period. The following table lists these unresolved meters as of September 30, 2009:

<b>Vintage</b>	<b>Redacted Meter ID</b>	<b>Category</b>	<b>Issue Type</b>
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 Gas	1760	Lost Meter	Not Located
Apr-09 Electric	3028	Lost Meter	Not Located
Interim Gas	9711	Stopped Meter	Engineering
May-09 Gas	8964	Stopped Meter	Access
Jul-09 Electric	4354	Stopped Meter	Access

#### Not Located Issue

PSE has not yet been able to locate the six meters that have been outstanding since the second quarter of 2009. PSE continues to make every effort to locate all lost meters and will include status updates on these meter problems in the next quarterly report.

#### Engineering Issue

The metering and billing problems associated with the Interim vintage Meter ID 9711 are due to incorrect sizing of the metering equipment. PSE's customer construction department worked with the customer to get the appropriate equipment installed on the site and permanently resolve the stopped meter issue. PSE is working on the billing correction at this time.

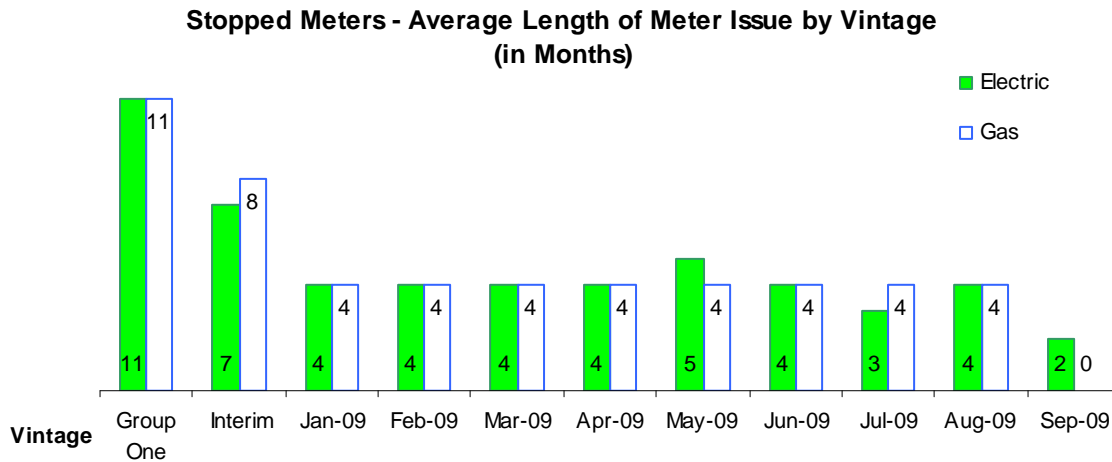
Access Issue

PSE had gained access to Meter ID 8964 and is addressing the billing issue. Meter ID 4354 is a stopped meter. This meter issue was resolved on October 7, 2009, after the end of this quarterly reporting period.

**Addendum Reporting**

The following information related to stopped meters on the average length of meter issue by vintage and on the average billed amount by vintage is now part of PSE’s quarterly reporting of meter and billing performance per a WUTC staff request on September 10, 2009. The results for electric 2009 August and September vintages and natural gas 2009 June through September vintages are preliminary as PSE is still in the process of resolving some of the potential issues.

The chart shows the average length in months of stopped meter issue by vintage as of September 30, 2009.



The chart below shows the average billed amount by vintage for stopped meters as of September 30, 2009.

