

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-072300

Docket No. UG-072301

PUGET SOUND ENERGY, INC.'S  
MOTION FOR CLARIFICATION

1 Pursuant to WAC 480-07-835, Puget Sound Energy, Inc. ("PSE" or "the Company") requests that the Commission clarify a matter set forth in Order 14 in this proceeding related to modifications of Service Quality Index ("SQI") benchmarks. The Company is not seeking through this motion to change the outcome of Order 14, which amended the annual benchmark for SQI-9: Disconnection Ratio. Rather, the Company seeks clarification of Paragraph 11 of Order 14, and specifically a ruling that Paragraph 11 does not require all requests for modification to SQI benchmarks to be brought to the Commission *only* in a general rate case. This issue was not addressed in PSE's application, nor has PSE had a full and fair opportunity to provide input to the Commission on this issue.

2 PSE does not interpret Paragraph 11 of Order 14 to require all requests for modifications to SQI benchmarks to be brought in a general rate case,<sup>1</sup> but other parties

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<sup>1</sup> PSE interprets Paragraph 11 of Order 14 to state that if further reexamination of SQI-9 is necessary—as requested by The Energy Project and alluded to by Commission Staff—it would be best done in the next general rate case rather than in a separate proceeding as requested by The Energy Project.

and/or their counsel have interpreted Order 14 in this way. PSE seeks clarification of Paragraph 11 of Order 14 so that it may proceed with ongoing analyses and collaborative discussions with other stakeholders regarding certain SQI requirements that may require revision.

**A. The 2001 Settlement Stipulation Allows PSE To Seek Changes To SQIs at Any Time**

3 PSE's service quality program and its SQI benchmarks were established as part of the settlement of the Puget Sound Power & Light and Washington Natural Gas merger proceeding in Docket UE-960195.<sup>2</sup> PSE agreed to extend the service quality program for at least five years in the settlement stipulation in its 2001 general rate case, Docket Nos. UE-011570 and UG-011571.<sup>3</sup> In its 2007 general rate case, PSE entered into another settlement stipulation, approved by the Commission, which continued the service quality program with some modifications to SQI benchmarks.<sup>4</sup> None of the settlement stipulations or orders in the above-referenced dockets requires PSE to bring proposed changes to SQI benchmarks to the Commission in a general rate case. In fact, the settlement stipulation in Docket Nos. UE-011570 and UG-011571 expressly provides that PSE (or any other parties to the settlement stipulation) "may bring a request to terminate the service quality program to the

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<sup>2</sup> See *In the Matter of the Application of Puget Sound Power & Light Co. and Wash. Natural Gas Co. For an Order Authorizing Merger of Wash. Energy Co. and Wash. Natural Gas Co. with and into Puget Sound Power & Light Co.*, Docket UE-960195, Fourteenth Supplemental Order (Feb. 5, 1997).

<sup>3</sup> See *Wash Utils. and Transp. Comm'n v. Puget Sound Energy, Inc.*, Docket Nos. UE-011570 and UG-011571, Settlement Stipulation at Exh. J (June 20, 2002).

<sup>4</sup> See *Wash Utils. and Transp. Comm'n v. Puget Sound Energy, Inc.*, Docket Nos. UE-072300 and UG-072301, Partial Settlement Re: Service Quality, Meter and Billing Performance, and Low Income Billing Assistance (Aug. 19, 2008).

Commission *at any time . . .*" and "may propose changes to a benchmark at the time of the filing of the annual report."<sup>5</sup>

**B. SQI Benchmarks and Methods Need To Be Reviewed Periodically and the Review May Not Coincide with the Timing of a General Rate Case**

4 PSE's SQI program covers a broad range of the Company's operations and services provided to customers. However, the Company's SQI performance can be significantly affected by many external conditions such as economic, weather, and nature events. SQI benchmarks and program mechanics should be able to reflect, in a timely manner, the changes in external conditions that are beyond PSE's control. The process and procedure of a general rate case may not be the appropriate vehicle when a timely SQI modification is needed to respond to change in those external conditions. Moreover, PSE believes that, in general, a litigated rate case is not the most effective and efficient way to address SQI issues.

5 After the completion of PSE's 2007 general rate case, Docket Nos. UE-072300 and UG-072301, in light of deteriorating global economic conditions, PSE met with stakeholders including Commission Staff, Public Counsel and The Energy Project to discuss proposed revisions to SQI-9 as described in PSE's Application for Approval of Amendments to Service Quality Index Benchmark, filed October 16, 2009 ("Application"). The stakeholders were aware of PSE's intention to request a modification of SQI-9 at some point in time, and no stakeholder suggested that the proposed revision should be brought in PSE's general rate case. No party opposed the requested modification—although The Energy Project requested

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<sup>5</sup> See *Wash Utils. and Transp. Comm'n v. Puget Sound Energy, Inc.*, Docket Nos. UE-011570 and UG-011571, Settlement Stipulation at Exh. J, p1 and App. 2 (June 20, 2002).

a short term lifting of the benchmark with further review by a Commission-sanctioned workgroup.<sup>6</sup>

**C. Conclusion**

6 For the reasons set forth above, the Company requests that the Commission clarify Paragraph 11 of Order 14 and specifically rule that Order 14 was not intended to impose a new requirement that any change to an SQI benchmark must be brought in a general rate case. This issue was not addressed in PSE's application, nor has PSE had a full and fair opportunity for input on this issue. If Order 14 was intended to amend the long-standing SQI process by requiring any change to an SQI to be brought in a general rate case proceeding, PSE respectfully requests the Commission treat this motion as a motion for reconsideration under WAC 480-07-850 and allow PSE a full opportunity to address this issue in briefing before the Commission.

**DATED:** November 23, 2009

Respectfully Submitted,

**PERKINS COIE LLP**



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<sup>6</sup> See Order 14 at ¶ 6.