Puget Sound Energy

Meter and Billing Performance Quarterly Report

for the quarter ending December 31, 2009

Filed January 29, 2010

PUGET SOUND ENERGY
The Energy To Do Great Things

Contents

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, 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 December 31, 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 and natural gas problems identified between January and October 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 previous 2009 quarterly reports due to an enhancement in meter reviewing processes that were implemented in August 2009. The Q3 Report did not accurately reflect all of the changes to the Vintages. Notes on changes to previously reported vintages are listed below. *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 December 31, 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) as December 31, 2009

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	# of Issues Identified As Reported in Q3	Reason for Change
Jan-09	2,180	1,657	76%	2,178	100%	2,180	
Feb-09	1,667	1,339	80%	1,665	100%	1,667	
Mar-09	2,187	1,879	86%	2,186	100%	2,139	Note 1
Apr-09	1,574	1,242	79%	1,573	100%	1,490	Note 1
May-09	4,473	4,334	97%	4,473	100%	4,474	Note 2
Jun-09	3,257	1,713	53%	3,257	100%	3,257	Note 1
Jul-09	2,703	2,440	90%	2,702	100%	2,702	Note 1
Aug-09	2,013	1,939	96%	2,013	100%	2,006	Note 1
Sep-09	6,571	6,424	98%	6,567	100%	6,377	Note 1
Oct-09	2,837	2,729	96%	2,836	100%		
Nov-09	3,789	3,649	96%	3,649	96%		
Dec-09	3,134	2,767	88%	2,767	88%		

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	# of Issues Identified As Reported in Q3	Reason for Change
Jan-09	2,936	2,707	92%	2,931	100%	2,951	Note 1
Feb-09	3,124	2,885	92%	3,123	100%	3,126	Note 1
Mar-09	4,180	3,803	91%	4,180	100%	4,180	
Apr-09	2,489	2,290	92%	2,489	100%	2,490	Note 1
May-09	7,754	7,382	95%	7,753	100%	7,757	
Jun-09	8,723	8,615	99%	8,722	100%	8,723	
Jul-09	33,155	33,112	100%	33,155	100%	33,166	Note 1
Aug-09	15,202	15,191	100%	15,202	100%	15,205	Note 1
Sep-09	13,448	13,416	100%	13,416	100%	13,390	Note 3
Oct-09	10,231	10,190	100%	10,190	100%		
Nov-09	5,882	5,744	98%	5,744	98%		
Dec-09	9,379	5,202	55%	5,202	55%		

Notes

1) The Q3 report did not completely reflect query and process changes implemented in August and September 2009. These changes had a material impact to the number of issues discovered and resolved in some of previously reported vintages.
2) A duplicate meter count was discovered in September 2009.
3) The Sep-09 UEU numbers were not included in the electric or natural gas total for the vintages in the Q3 report.

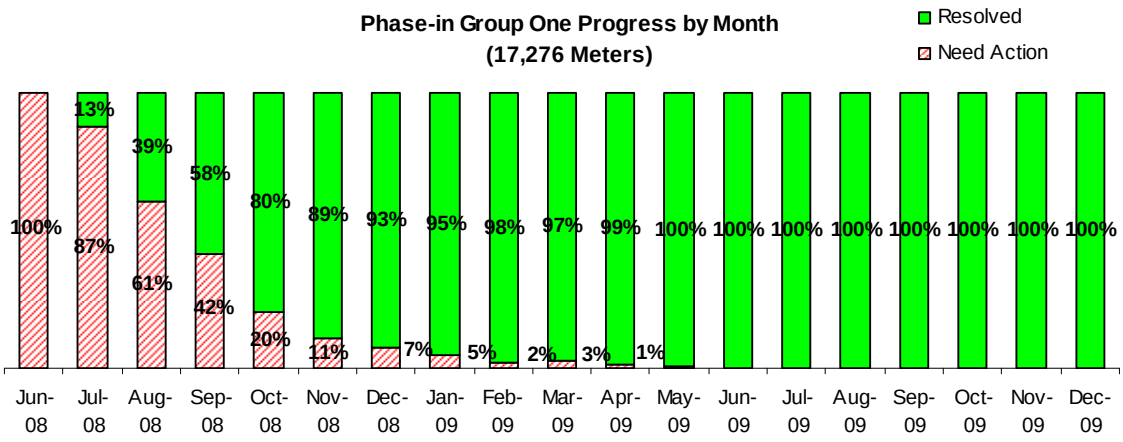
Phase-in Group One

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 meter problem, associated with electric meter ID 9694 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.



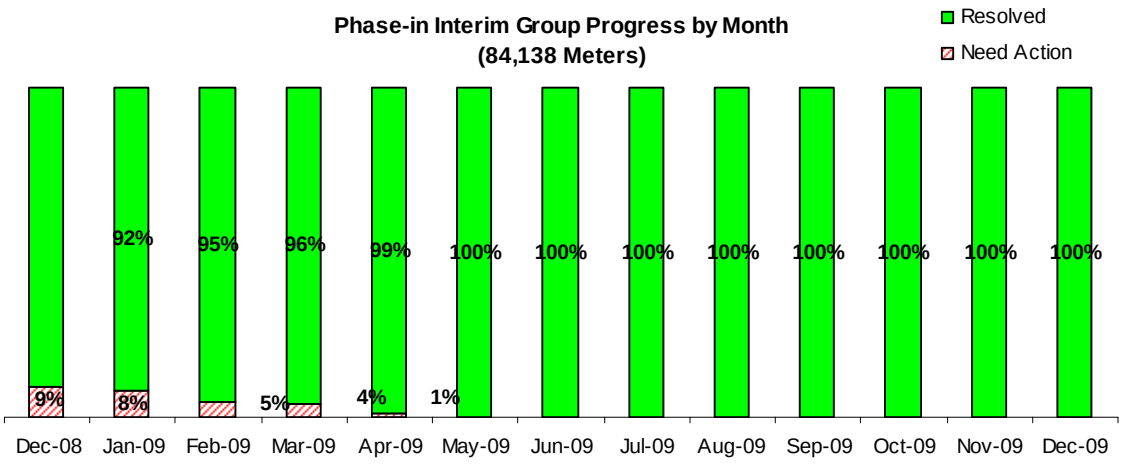
Phase-in Interim Group

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, electric meter ID 8923 and natural gas meter ID 4974, were resolved outside of the Standards. Meter ID 4974 was found and has been in service since July 7, 2009. Meter ID 8923 was found and moved on July 8, 2009. Meter ID 9711 was resolved in July 2009.
- The remaining one item is a Lost Meter and 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 December 31, 2009.



Steady State (Ongoing Standards)

For some of the monthly vintages, the total number of meter and billing problems varies from what PSE previous presented in its quarterly reports. The reason for the change for each of affected vintages is noted at the end of Summary Progress to Date section above. The following discussion is based upon the revised monthly results as of December 31, 2009.

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 .09 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. 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 outside of standards, one in August 2009 and the other one in September 2009.

- March 2009 vintage: 2,187 potential problems were identified and 1,879 (86 percent) were resolved within one month of identification. Within two months of identification a total of 2,186 (100 percent) were resolved. The remaining one item (which constitutes less than .05 percent) was resolved on June 18, 2009.

- April 2009 vintage: PSE identified potential problems with 1,574 electric meters. Of those meters, 1,242 (79 percent) were resolved within one month of identification and 1,573 (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 4,473 electric meters. Within one month of identification, a total of 4,334 (97 percent) were resolved. All the issues were resolved by July 31, 2009.

- June, 2009 vintage: PSE identified potential problems with 3,257 electric meters. Within one month of identification, a total of 1,713 (53 percent) were resolved. All of them were resolved by August 31, 2009.

- July 2009: PSE identified potential problems with 2,703 electric meters and 2702 issues were resolved by September 30, 2009. The one exception (which constitutes less than .04%) was resolved on October 7, 2009.

- August 2009: PSE identified potential problems with 2,013 electric meters. Within one month of identification, a total of 1,939 (96 percent) were resolved. All the issues were resolved by October 31, 2009.

- September 2009: PSE identified potential problems with 6,571 electric meters. 6,424 issues were resolved by November 30, 2009. All 4 exceptions (which constitute less than .07 percent) were resolved in December 2009. Two of the 4 exceptions were stopped

meters with access issues. The other two exceptions were Lost Meters that had been dropped out of the tracking and reporting process. An analysis revealed that Lost Meters that need a service order had not been identified as a meter issue in CLX. PSE has modified the process and implemented measures to prevent this problem from occurring again.

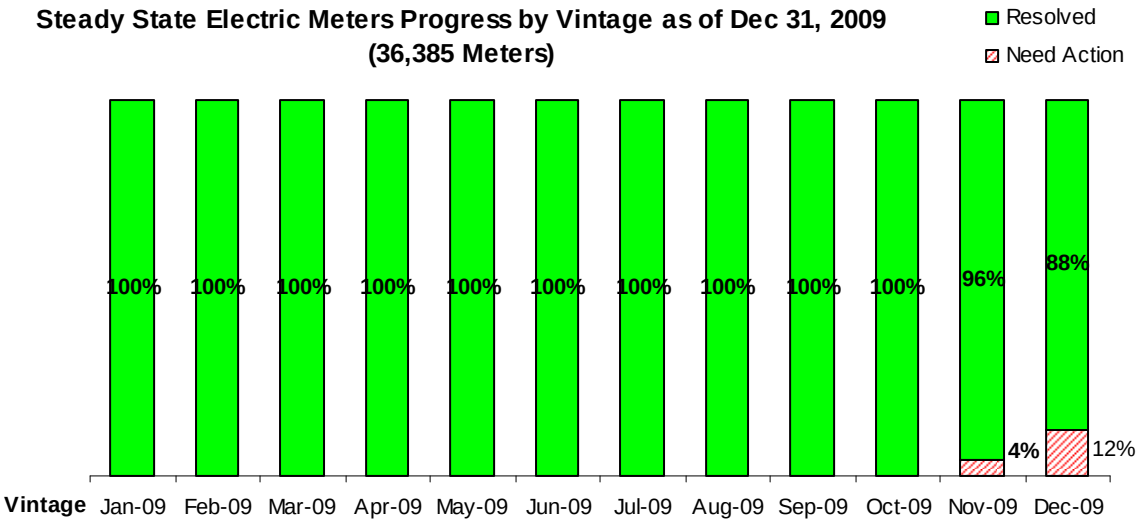
- October 2009: PSE identified potential problems with 2,837 electric meters. 2,729 issues were resolved by December 31, 2009. The only exception (which constitutes less than .04 percent) was a stopped meter was resolved on January 26, 2010.

- November 2009: PSE identified potential problems with 3,789 electric meters. 3,649 issues have been resolved at the time this report was filed.

- December 2009: PSE identified potential problems with 3,134 electric meters. 2,767 issues have been resolved at the time this report was filed.

Aging and Composition comparisons

The following chart shows the aging of the Steady State electric meter vintages as of December 31, 2009.



The following table details the composition of Steady State electric meters by vintage as of December 31, 2009.

Category	Stopped Meter	Lost Meter	UEU	Meter Mix	Total
JAN_09	998	33	917	232	2,180
FEB_09	733	31	670	233	1,667
MAR_09	902	11	955	319	2,187
APR_09	644	18	673	239	1,574
MAY_09	4,052	29	269	123	4,473
JUN_09	2,198	20	747	292	3,257
JUL_09	1,883	18	597	205	2,703
AUG_09	1,683	23	126	181	2,013
SEP_09	6,020	22	188	341	6,571

Category	Stopped Meter	Lost Meter	UEU	Meter Mix	Total
OCT_09	2,367	22	255	193	2,837
NOV_09	3,121	19	408	241	3,789
DEC_09	2,105	32	882	115	3,134

Gas Meter Issue Resolution

- January 2009 vintage: 2,936 potential problems were identified. Within two months of identification, 2,707 (92 percent) were resolved. 2,931 (100 percent) were resolved before May 31, 2009 and the five residuals (which constitute less than .20 percent) were resolved in June 2009.

- February 2009 vintage: PSE identified potential problems with 3,124 gas meters. Of these, 2,885 (92 percent) were resolved within two months of identification. In total, 3,123, (100 percent) were resolved within four months of identification. The one outstanding item was resolved in August 2009.

- March 2009 vintage: 4,180 potential problems were identified. Within two months of identification, 3,803 (91 percent) were resolved. As of July 31, 2009, all the items were resolved.

- April 2009 vintage: 2,489 potential problems were identified in April 2009. As of June 30, 2,290 (92 percent) were resolved. Within four months of identification, all the 2,489 potential problems were resolved.

- May 2009 vintage: PSE identified potential problems with 7,754 gas meters. Within two months of identification, 7,382 (95 percent) were resolved. Of these meters, 7,753 (100 percent) were resolved as of September 30, 2009. The one exception (which constitutes .01 percent) was a Stopped Meter with an access issue and was resolved on October, 19, 2009.

- June 2009 vintage: PSE identified potential problems with 8,723 gas meters. Within two months of identification, 8,615 (99 percent) were resolved. 8,722 of the issues were resolved by October 31, 2009. The one exception (which constitutes .01 percent) will be discussed in the *Issues Discussion* section.

- July 2009: PSE identified potential problems with 33,155 gas meters. Within two months of identification, 33,112 (100 percent) were resolved. 33,155 of the issues were resolved as of November 30, 2009

- August 2009: PSE identified potential problems with 15,202 gas meters. Within two months of identification, 15,191 (100 percent) were resolved. 15,202 of the issues were resolved as of December 31, 2009.

- September 2009: PSE identified potential problems with 13,448 gas meters. Within two months of identification, 13,416 (100 percent) were resolved. 13,416 of the issues were resolved at the time this report was filed. PSE is on track to resolve 100 percent of the potential problems by the end of January 31, 2010.

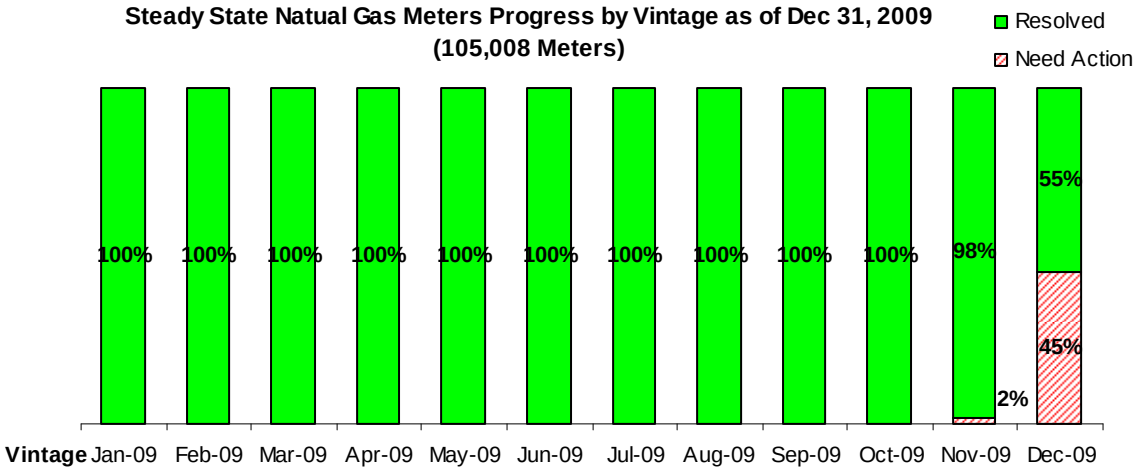
- October 2009: PSE identified potential problems with 10,231 gas meters. 10,190 of the issues were resolved at the time this report was filed. PSE is on track to resolve 100 percent of the potential problems by the end of February 28, 2010.

- November 2009: PSE identified potential problems with 5,882 gas meters. 5,744 of the issues were resolved at the time this report was filed. PSE is on track to resolve 100 percent of the potential problems by the end of March 31, 2010.

- December 2009: PSE identified potential problems with 9,379 gas meters. 5,202 of the issues were resolved at the time this report was filed. PSE is on track to resolve 100 percent of the potential problems by the end of April 30, 2010.

Aging and Composition comparisons

The following chart shows the aging of the Steady State natural gas meter vintages as of December 31, 2009.



The following table details the composition of Steady State natural gas meters by vintage as of December 31, 2009.

Category	Stopped Meter	Lost Meter	UEU	Meter Mix	Total
JAN_09	1,573	57	922	384	2,936
FEB_09	2,201	37	540	346	3,124
MAR_09	3,086	28	534	532	4,180
APR_09	1,762	28	332	367	2,489
MAY_09	7,527	22	25	180	7,754
JUN_09	8,262	37	183	241	8,723
JUL_09	32,835	21	84	215	33,155
AUG_09	14,961	15	60	166	15,202
SEP_09	13,138	20	85	230	13,448
OCT_09	9,734	9	251	237	10,231
NOV_09	4,827	8	895	152	5,882
DEC_09	7,595	12	1,629	143	9,379

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. In August and September of 2009, PSE subsequently implemented a new application to better identify and manage zero consumption meters and stopped meters. The new application fully automates the process of identifying, reporting, and tracking of zero consumption meters. 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.

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

Other Actions Taken by PSE and Assessment of Impact

In 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 been decreased since the last reporting period. The following table lists these unresolved meters as of December 31, 2009:

Vintage	Redacted Meter ID	Category	Issue Type
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
Jun-09 Gas	5722	Lost Meter	Not Located

Not Located Issue

PSE has not been able to locate the seven meters that have been outstanding since the end of last quarter. 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.

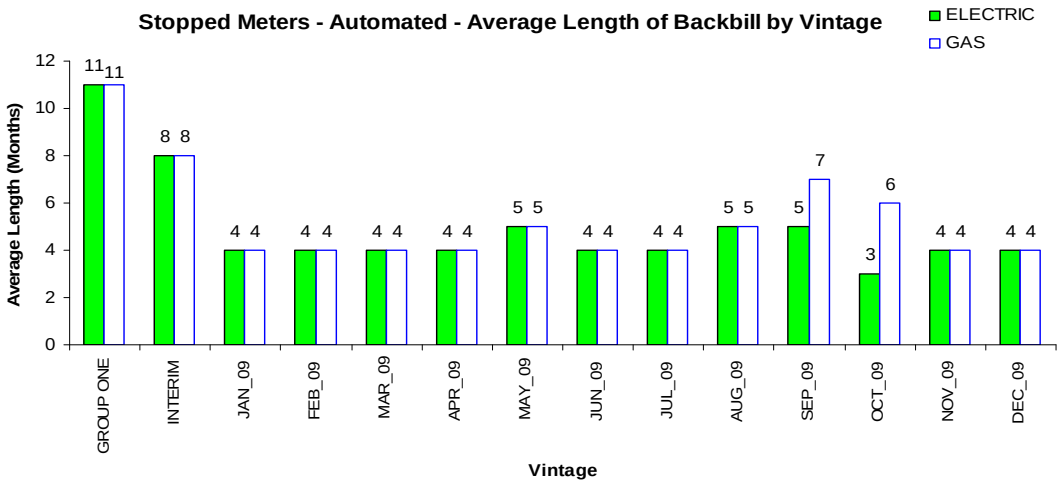
Addendum Reporting

PSE has been including the following information related to meters with Stopped Meter issue on the average length of meter issue and the average billed amount by vintage in its quarterly reporting since its third quarter filing per a WUTC staff request in September 2009.

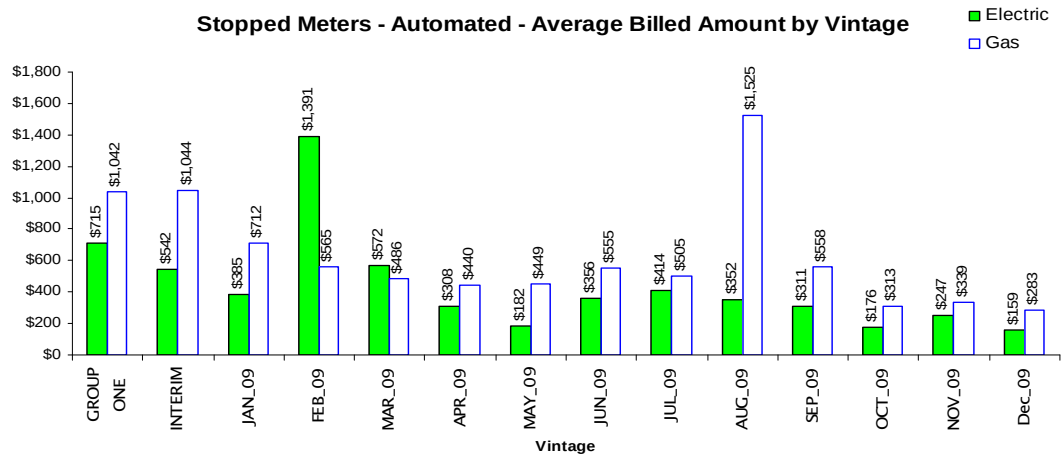
In the 4th quarter of 2009, manually-read meters were added to the meter and billing performance tracking application and are now being reviewed regularly. The charts below reflect this continued refinement of the process. The average length and amount of backbilling have been reduced more than 50% since PSE first tracking of its meter and billing performance.

As shown in the charts, PSE's backbilling performance for manually-read meters and automated meters is very different. PSE will continue to show separately the data for manually-read meters until the backbilling results for manually-read meters are similar to that of automated meters.

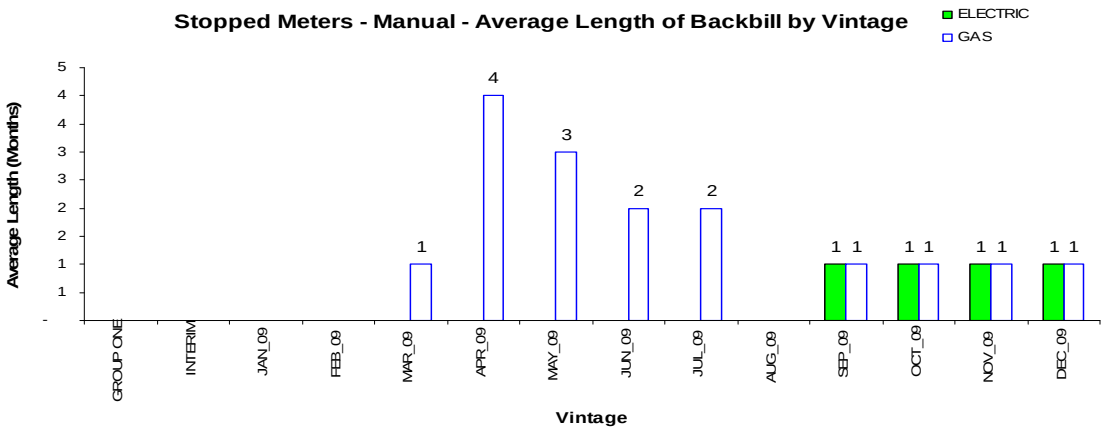
The chart below shows the average length of backbilling in months of automated meters with Stopped Meter issue by vintage as of December 31, 2009.



The chart below shows the average billed amount by vintage for automated meters with Stopped Meter issues as of December 31, 2009.



The chart below shows the average backbilling length in months of manually-read meters with Stopped Meter issue by vintage as of December 31, 2009.



The chart below shows the average backbilled amount by vintage for manually-read meters with Stopped Meters as of December 31, 2009.