Puget Sound Energy

Meter and Billing Performance Quarterly Report

for the Quarter Ending June 30, 2010

Filed July 30, 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 June 30, 2010.

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, 2010, PSE has resolved 100% of the meter and billing problems within their specific timeframes and met its performance standards set for the following vintages: Phase-in Group One, Phase-in Interim, natural gas problems identified between January 2009 and February 2010, and electric problems identified between January 2009 and April 2010. 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.

Meter and Billing Performance as of June 30, 2010

(Percent of completion shown are rounded to the nearest whole percentage)

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 June 30, 2010

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 Q1	Reason for Change
Jan-09	2,180	1,657	76%	2,178	100%		
Feb-09	1,667	1,339	80%	1,665	100%		
Mar-09	2,187	1,879	86%	2,186	100%		
Apr-09	1,574	1,242	79%	1,574	100%		Note 1
May-09	4,473	4,334	97%	4,473	100%		
Jun-09	3,257	1,713	53%	3,257	100%		
Jul-09	2,703	2,440	90%	2,702	100%		
Aug-09	2,013	1,939	96%	2,013	100%		
Sep-09	6,571	6,424	98%	6,567	100%		
Oct-09	2,837	2,729	96%	2,836	100%		
Nov-09	3,791	3,649	96%	3,790	100%		
Dec-09	3,189	2,905	91%	3,189	100%		
Jan-10	3,322	3,101	93%	3,321	100%		
Feb-10	2,513	2,408	96%	2,513	100%		
Mar-10	4,997	4,836	97%	4,997	100%	4,985	Note 2
Apr-10	3,128	3,071	98%	3,128	100%		
May-10	7,423	7,170	97%	7,170	97%		
Jun-10	16,972	14,063	83%	14,063	83%		

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 Q1	Reason for Change
Jan-09	2,936	2,707	92%	2,931	100%		
Feb-09	3,124	2,885	92%	3,123	100%		
Mar-09	4,180	3,803	91%	4,180	100%		
Apr-09	2,489	2,290	92%	2,488	100%		Note 1
May-09	7,754	7,382	95%	7,753	100%		
Jun-09	8,720	8,615	99%	8,7 22	100%	8,723	Note 3
Jul-09	33,155	33,112	100%	33,155	100%		
Aug-09	15,197	15,191	100%	15,202	100%	15,202	Note 3
Sep-09	13,484	13,416	99%	13,416	100%		
Oct-09	10,239	10,190	99.5%	10,190	100%	10,231	Note 4

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 Q1	Reason for Change
Nov-09	5,879	5,744	98%	5,879	100%		
Dec-09	9,506	9,251	97%	9,506	100%		
Jan-10	7,716	7,588	98%	7,716	100%		
Feb-10	4,828	4,774	99%	4,828	100%		
Mar-10	6,434	6,331	98%	6,331	98%	6,412	Note 2
Apr-10	4,949	4,891	99%	4,891	99%		
May-10	5,739	4,851	85%	4,851	85%		
Jun-10	3,869	3,282	85%	3,282	85%		

Notes

1. The Apr-09 vintage exception had been reported in the summary table both as an electric meter and a gas meter in the prior reports when it is in fact a gas meter. Therefore, the Apr-09 electric results is adjusted in this report to reflect the reporting correction..
2. In the vintages noted (Mar-10 gas and electric), additional meters related to a separate meter mix issue needed to be added to complete the investigation.
3. In each of the vintages noted, duplication of entries was discovered
4. In the Oct-09 gas vintage, additional meters related to a meter mix issue needed to be added to complete the investigation.

Phase-in Group One

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

- 17,271 items (100 percent) were resolved within 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.

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
- Three items, electric meter ID 8923 and natural gas meter IDs 4974 and 9711, were resolved outside of the Standards in July 2009.
- The remaining one item is a Lost Meter and will be discussed in the *Issues Discussion* section.

Steady State (Ongoing Standards)

This section describes the progress of 2010 monthly vintages and the 2009 monthly vintages with residual unresolved meter or billing problems although PSE has met its benchmark of 100 percent for each of the vintages. The meter and billing problems associated with the 2009 vintages not listed below have been resolved completely and detailed results can be found in PSE's 2009 4th quarter and 2010 1st quarter reports.

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 the *Summary Progress to Date* section above. The following discussion is based upon the revised monthly results as of June 30, 2010.

Electric Meter Issue Resolution

- April 2009: PSE identified potential problems with 1,574 electric meters. Of those meters, 1,242 (79 percent) were resolved within one month of identification and 1,574 (100 percent) were resolved within two months. However, an Apr-09 vintage exception had been reported both as a gas issue and an electric issue when in fact it is an unresolved gas issue. (See Note 1 of the Summary Table.)

- November 2009: PSE identified potential problems with 3,791 electric meters. Of those meters 3,649 (96 percent) were resolved within one month of identification and 3,790 (100 percent) were resolved within 2 months. The only exception (which constitutes less than .03 percent) was found and returned to PSE inventory April 30, 2010.

- January 2010: PSE identified potential problems with 3,322 electric meters. 3,101 (93 percent) were resolved within one month identification and 3,321 (100 percent) were resolved within 2 months. The only exception (which constitutes less than .03 percent) will be discussed in the *Issues Discussion* section.

- February 2010: PSE identified potential problems with 2,513 electric meters. 2,408 (96 percent) were resolved at the time this report was filed. All the 2,513 (100 percent) were resolved within 2 months.

- March 2010: PSE identified potential problems with 4,997 electric meters. 4,836 (97 percent) were resolved within one month identification and 4,997 (100 percent) were resolved within 2 months.

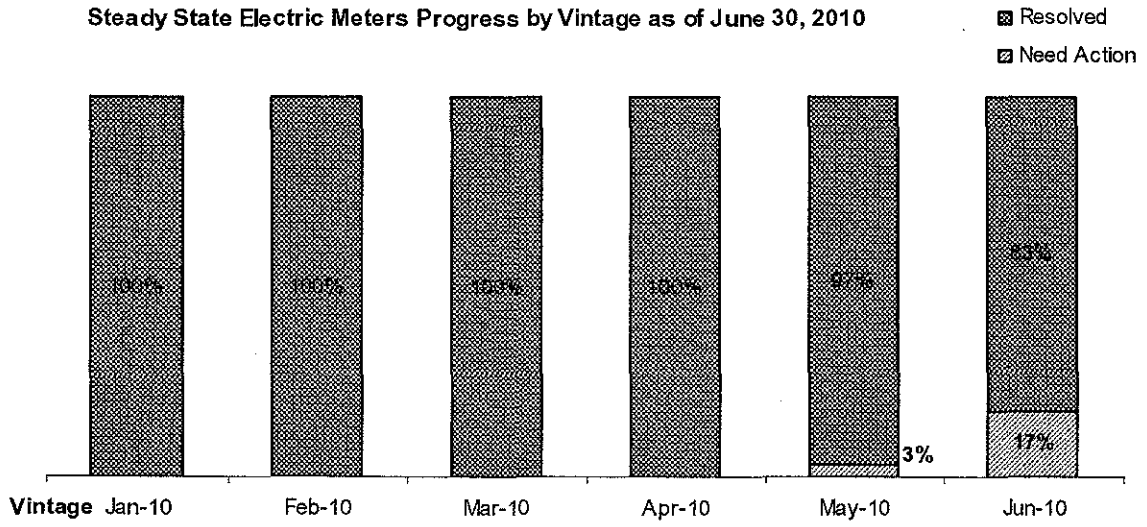
- April 2010: PSE identified potential problems with 3,128 electric meters. 3,071 (98 percent) were resolved within one month identification and 3,128 (100 percent) were resolved within 2 months.

- May 2010: PSE identified potential problems with 7,423 electric meters. 7,170 (97 percent) were resolved within one month identification. PSE is on track to resolve 100 percent of the potential problems by July 31, 2010.

- June 2010: PSE identified potential problems with 16,972 electric meters. 14,063 (83 percent) were resolved within one month identification. PSE is on track to resolve 100 percent of the potential problems by August 31, 2010.

Aging and Composition comparisons

The following chart shows the aging of the Steady State electric meter vintages as of June 30, 2010.



The following table details the composition of Steady State electric meters by vintage as of June 30, 2010.

	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	2198	20	747	292	3,257
Jul-09	1,883	18	597	205	2,703
Aug09	1,683	23	126	181	2,013
Sep-09	6,020	22	188	341	6,571
Oct-09	2,367	22	255	193	2,837
Nov--09	3,121	19	408	243	3,791
Dec-09	2,105	32	882	170	3,189
Jan-10	2,315	16	715	276	3,322
Feb-10	1,794	20	443	256	2,513
Mar-10	4,213	4	465	315	4,997
Apr-10	2,184	3	332	609	3,128
May-10	6,906	16	272	229	7,423
Jun-10	16,507	12	268	185	16,972

Gas Meter Issue Resolution

- April 2009: PSE identified potential problems with 2,489 gas meters. 2488 (100 percent) were resolved within 4 months of identification. The exception (which constitutes less than .04 percent) had been reported as an electric Apr-09 vintage exception in the prior reports but is corrected in this report. (See notes in the Summary Table and the *Electric*

Meter Issue Resolution section.) The exception will be discussed in the *Issues Discussion* section.

- June 2009: 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 less than .01 percent) will be discussed in the *Issues Discussion* section.

- January 2010: PSE identified potential problems with 7,716 gas meters. 7,588 (98 percent) were resolved within 2 months. All 7,716 (100 percent) were resolved within 4 months.

- February 2010: PSE identified potential problems with 4,828 gas meters. 4,774 (99 percent) were resolved at the time this report was prepared. All 4,828 (100 percent) were resolved within 4 months.

- March 2010: PSE identified potential problems with 6,434 gas meters. 6,331 (98 percent) were resolved as of March 31, 2010. PSE is on track to resolve 100 percent of the potential problems by July 31, 2010.

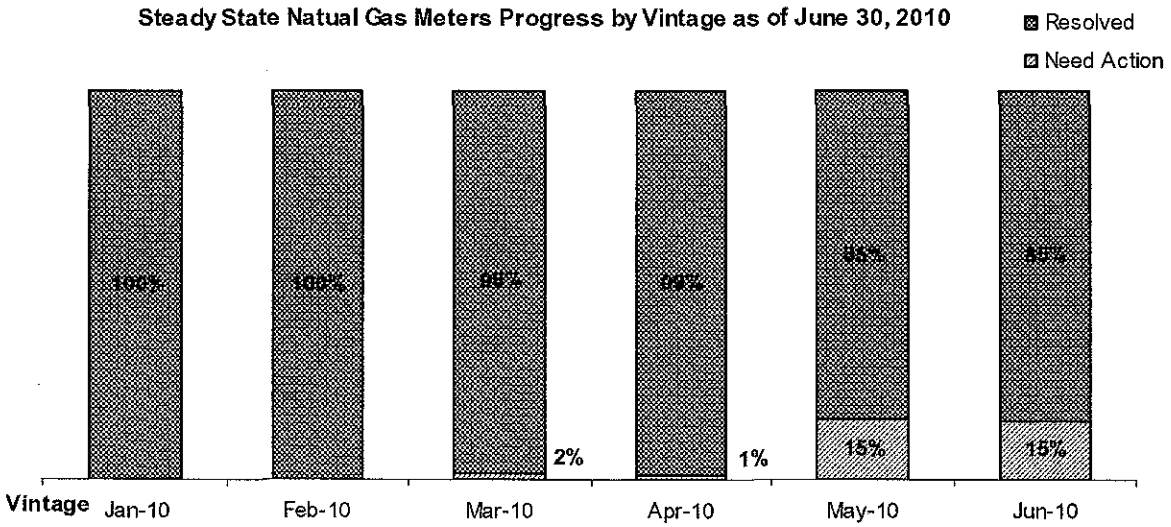
- April 2010: PSE identified potential problems with 4,949 gas meters. 4,891 (99 percent) were resolved 2 months identification. PSE is on track to resolve 100 percent of the potential problems by August 31, 2010.

- May 2010: PSE identified potential problems with 5,739 gas meters. 4,851 (85 percent) were resolved as of June 30, 2010. PSE is on track to resolve 100 percent of the potential problems by September 30, 2010.

- June 2010: PSE identified potential problems with 3,869 gas meters. 3,282 (85 percent were resolved at the time this report was prepared. PSE is on track to resolve 100 percent of the potential problems by October 31, 2010.

Aging and Composition comparisons

The following chart shows the aging of the Steady State natural gas meter vintages as of June 30, 2010.



The following table details the composition of Steady State natural gas meters by vintage as of June 30, 2010.

	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	8,259	37	183	241	8,720
Jul-09	32,835	21	84	215	33,155
Aug-09	14,956	15	60	166	15,197
Sep-09	13,138	20	85	241	13,484
Oct-09	9,734	9	251	245	10,239
Nov-09	4,827	8	895	149	5,879
Dec-09	7,595	12	1,629	270	9,506
Jan-10	6,549	11	933	223	7,716
Feb-10	4,029	18	494	287	4,828
Mar-10	5,548	9	546	331	6,434
APR-10	4,224	7	458	260	4,949
MAY-10	5,062	6	373	298	5,739
JUNE-10	3,331	7	224	307	3,869

Tracking and Reporting Monthly Vintage of Meter/Billing Issues

On May 22nd, PSE completed an upgrade of its Meter Data Management System ("MDMS"). This is the system of record for all automated-read meters ("AMR"s). Additionally, the MDMS can determine when a meter first registering zero consumption. Another enhancement is the improvement in meter reading precision. Currently the resolution of the daily reads is at the kilo-watt-hour level for electric and at the 100 cubic foot level for gas. If a customer consumes less than that amount of energy, the usage for that day would show as zero. Having the high resolution reads now gives us the capability to see usage down to the watt-hour level for electric and the cubic foot for gas. This is particularly beneficial for the gas zero consumption meters, as small usage such as the pilot light will be recorded and can be used to determine the seasonal customers vs. those that are true stopped meter.

With the implementation of MEMS ("Meter Exception Management System"), PSE now has the ability to capture other metering issues, not just those that reached the current zero consumption parameters, which is meters that have been zero for 60 days.

Other Actions Taken by PSE and Assessment of Impact

There is no other action except the aforementioned MDMS upgrade and MEMS related initiative at this time.

Issues Discussion

The following table lists these unresolved meters as of June 30, 2010:

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 Gas	3028	Lost Meter	Not Located
Jun-09 Gas	5722	Lost Meter	Not Located
Jan-10 Electric	0203	Lost Meter	Not Located

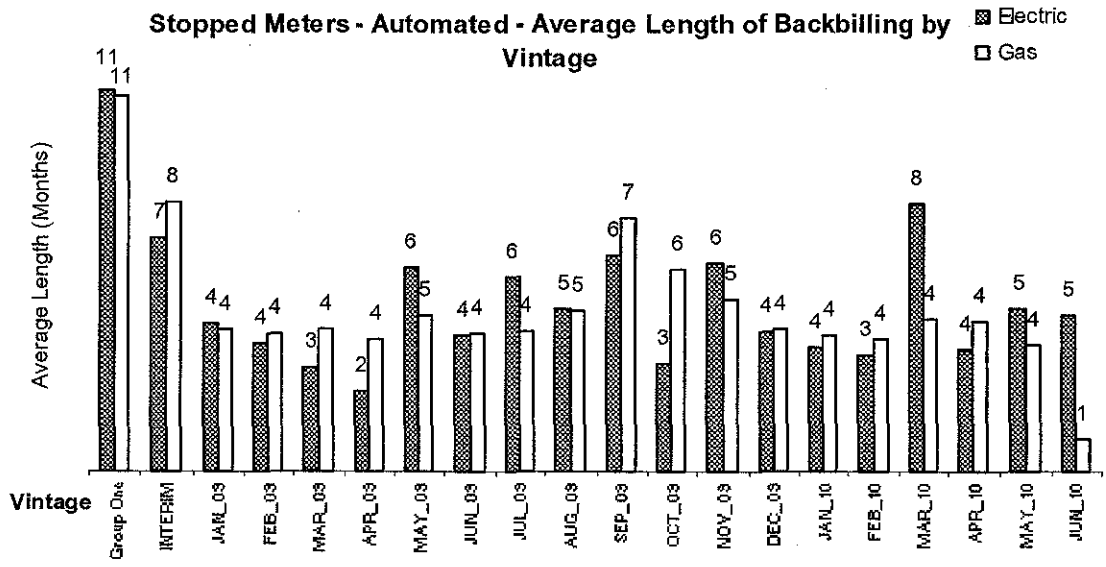
Not Located Issue

PSE has not been able to locate the nine meters 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. The April 09 exception had been reported as an electric meter in the prior report when in fact it is gas meter. (See notes in the Summary Table and discussions of gas and electric meter issues above.)

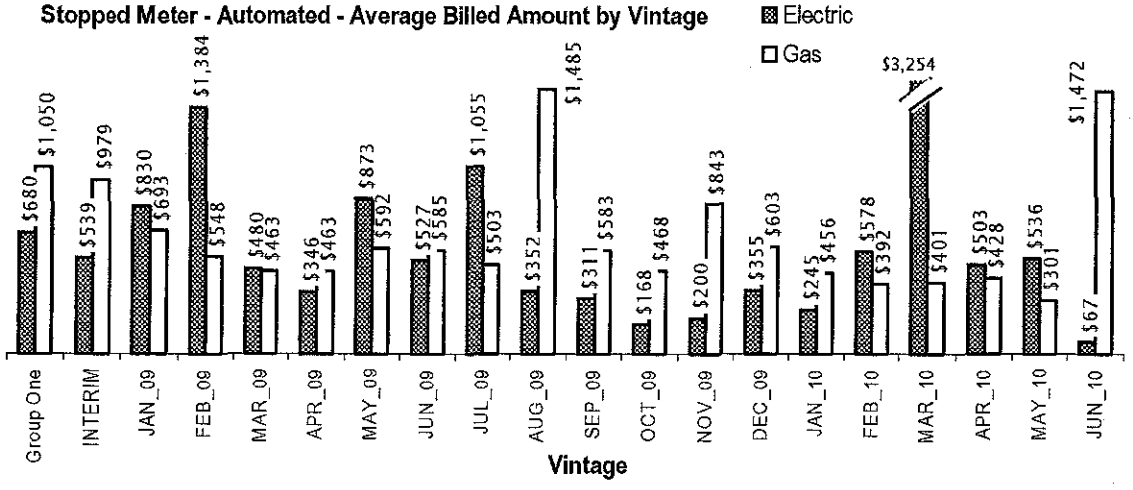
Addendum Reporting

The following information relates to meters with Stopped Meter issue on the average length of meter issue and the average billed amount by vintage. This additional data is included in the quarterly filing per a WUTC staff informal request in September 2009.

The chart below shows the average length of backbilling in months of automated meters with Stopped Meter issue by vintage as of June 30, 2010.



The chart below shows the average billed amount by vintage for automated meters with Stopped Meter issues as of June 30, 20010.



The average amount billed by vintage is different from the results PSE reported in the previous report because of the following two reasons:

- If another payment resolution was reached with a customer and the estimated bill was reprocessed, whichcan result in an increase or decrease in the previous reported backbilling amounts. This can impact vintages closed several months ago, which PSE reported in its previous quarterly reports.
- The backbilling information includes vintages that are still in progress. As more meter/billing issues getting revolve each quarter, the average numbers of backbilling days and amounts will be changed accordingly.

In previous reporting, PSE provided backbilling aging reports for both the automated and manual cases separately. However, the backbilling results for the manual-read stopped meters are not available at this time as PSE is determining if the data can be collected through MEMS.