

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UE-072300
TRANSPORTATION COMMISSION,)	and UG-072301 (<i>consolidated</i>)
)	
Complainant,)	
)	ORDER 18
v.)	
)	
PUGET SOUND ENERGY, INC.,)	GRANTING PUGET SOUND
)	ENERGY’S REQUEST TO AMEND
Respondent.)	CERTAIN TERMS OF SCHEDULE
)	131; REQUIRING COMPLIANCE
.....)	FILING

BACKGROUND

- 1 On November 1, 2008, the Washington Utilities and Transportation Commission (Commission) entered Order 12, Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing (Order 12). Among the settlement stipulations the Commission approved and adopted in Order 12 is Partial Settlement Re: Service Quality, Meter and Billing Performance, and Low Income Bill Assistance, attached to the order as Appendix D (Appendix D). Puget Sound Energy, Inc. (“PSE” or “the Company”) implemented Appendix D, in part, through its tariff Schedule 131, Restoration Service Guarantee (Service Guarantee).

- 2 PSE’s Service Guarantee requires the Company to refund a customer \$50 when that customer experiences an outage lasting at least 120 consecutive hours. Pursuant to Appendix D, to be eligible for the credit, “A customer’s reporting of an outage shall be interpreted as a request for payment of an applicable service guarantee payment. Affected customers who do not report an outage may also apply for the \$50 service guarantee within 7 days of the outage event.”¹ Appendix D also provides that PSE’s

¹ Order 12, Appendix D, ¶ 18.

total cumulative annual payment is limited to \$1.5 million or 30,000 customers on a first-come, first-served basis.²

- 3 On January 23, 2012, the Company filed a letter Request for One-Time Waiver of Certain Terms of Schedule 131 (Request). PSE states that as a result of the severe storm in the Puget Sound region that began the prior week, nearly 53,000 homes and businesses were still without power as of the date of the Request. PSE seeks the following adjustment to the Service Guarantee to accommodate these unusual circumstances:

Due to the unusual triple-header nature of this storm (snow storm followed by freezing rain, followed by wind) the Company requests a one-time waiver of certain terms of Schedule 131 to allow PSE to automatically provide a \$50 refund to all customers who experienced a 120 consecutive-hour power outage. Specifically, PSE requests that the Commission waive: (i) the requirements that customers either report their outage or request the Guarantee credit (so that PSE can automatically provide the refund); and (ii) the limitation to \$1.5 million and 30,000 customer per calendar year, so that the Company can credit the account of all customers that have experienced a 120 consecutive-hour outage in this storm, as reflected in the Company's outage records. The Company also requests that this waiver be effective for this storm only.

- 4 In addition, PSE offers that any customers who experience an eligible outage but do not automatically receive the bill credit may contact the Company and request the credit. The Request states that "PSE will, in accordance with its tariff review, and validate the request within 30 days and apply the \$50 credit to the customer's account if the request is validated." This effectively waives the 7-day limit on requesting the credit.

- 5 On January 24, 2012, the Commission issued a notice informing the parties of the Request and providing an opportunity to object or comment on the filing prior to or at the Commission's regularly scheduled open meeting on January 26, 2012.

² *Id.* ¶ 21.

- 6 PSE's Request came before the Commission at its regularly scheduled open meeting on January 26, 2012. At the meeting, PSE further committed to waive the access requirement and the consecutive-hours requirement, for purposes of this storm.
- 7 Commission Staff (Staff) and Public Counsel stated their support for the Request but with certain clarifications.
- 8 First, Staff observes that the Request should be construed as a request to amend Schedule 131, rather than as a waiver of some of its terms. PSE effectively seeks to establish new requirements for providing Service Guarantees resulting from the most recent severe weather, and those requirements should be included in Schedule 131, not simply left to the Company to impose unilaterally. PSE, therefore, should be required to make a compliance filing that amends Schedule 131 to include the revised, one-time terms PSE proposes.
- 9 Second, the Request does not address customer notice. Affected customers should be made aware of the reasons they are receiving an automatic \$50 credit, and more importantly, customers who do not receive such a credit but believe they are entitled to one should know that they can request a credit and how to do so. Staff proposes that PSE provide such notice as part of the bills it sends to customers for the period in which the credits will apply. At the meeting, PSE agreed to so notify its customers.
- 10 Third, PSE asks that the \$1.5 million dollar and 30,000 customer annual limits on Service Guarantee credits be waived, but the Request does not specify how such a waiver will affect the availability of credits for outages caused by other events in calendar year 2012. Staff and Public Counsel are concerned that no credits will be available for any outages for the remainder of this year. Staff and Public Counsel, therefore, propose that the credits the Company provides for the outages caused by the storm that began on January 17, 2012, be exempted from the limits in Schedule 131 so that credits will remain available for any future outages this year.
- 11 Finally, in its filing, the Company does not specify whether, for ratemaking purposes, the credits provided will be included in rate base ("above the line") or will be the responsibility of PSE shareholders ("below the line"). At the meeting, PSE confirmed that such credits are below the line.

DISCUSSION AND DECISION

- 12 The Commission agrees that PSE's Request is in the public interest and should be granted. We applaud the Company's proactive approach to ensuring that all customers who experienced 120-hour power outages as a result of the most recent severe weather in the Puget Sound region will receive a \$50 Service Guarantee credit.
- 13 We clarify that all Service Guarantee credits are below the line for future ratemaking purposes and will require the Company to revise Schedule 131 to incorporate the one-time terms it is proposing and provide adequate customer notice of those terms.
- 14 PSE, however, opposes Staff's and Public Counsel's proposal to exempt the credits provided as a result of the latest severe weather from the \$1.5 million limit applicable to calendar year 2012. The Company seeks only to remove that limit for this one storm and objects to any further expansion of its obligations under Order 12, Appendix D. Under these circumstances and in the absence of a formal complaint or other procedural vehicle for considering contested revisions to PSE's Service Guarantee program, the Commission is unwilling to adopt Staff's and Public Counsel's proposal on this issue at this time.

ORDER

THE COMMISSION ORDERS THAT:

- 15 (1) Puget Sound Energy's request to modify, on a one-time basis, the requirements in Schedule 131 that (a) customers who have experienced a 120-hour power outage either report their outage or request the \$50 Service Guarantee credit to receive that credit, and (b) Service Guarantee credits are limited to \$1.5 million and 30,000 customers per calendar year is granted. In addition, the 7-day limit, access and consecutive-hours requirements of Schedule 131 are waived, for purposes of this storm.
- 16 (2) Puget Sound Energy shall make a compliance filing revising its tariff Schedule 131 to incorporate the one-time modifications to its Service Guarantee credits consistent with this Order.

- 17 (3) Puget Sound Energy shall notify customers of the one-time modifications to Schedule 131 in the bills sent to customers for the period in which the Company provides the Service Guarantee credits under the modified terms.
- 18 (4) The Commission retains jurisdiction to effectuate the terms of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

Dated at Olympia, Washington, and effective January 27, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER
Executive Director and Secretary

NOTICE TO PARTIES: This is a Commission Final Order. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-07-870.