



Puget Sound Energy

Meter and Billing Performance Quarterly Report

For the Quarter Ending September 30, 2012

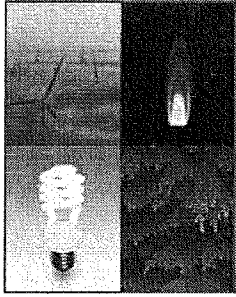
Filed October 30, 2012



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# Introduction

## Executive Summary

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As of September 30, 2012, with the exceptions noted and discussed in this report, PSE has resolved 100%<sup>1</sup> of the meter and billing problems within the required timeframes and met the performance standards set for the following vintages: Phase-in Group One, Phase-in Interim, natural gas problems identified between January 2009 and May 2012, and electric problems identified between January 2009 and July 2012. Detailed performance standards pertaining to this quarterly reporting are outlined in Appendix A: Definitions and Standards. The exceptions are discussed in Appendix B: Historical Issues Resolution to this report.

On June 1, 2012, PSE launched its investigation process for meters measuring zero consumption for 365 consecutive days or more and a notification process to each of those customers with a 365-day zero consumption meter case. As of September 30, 2012, 11,095 meters have been included in the investigation/notification process and 9,303 investigations have been completed. The *One Time Zero Consumption 365 Day Investigation Update* section provides the progress of PSE's action.

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<sup>1</sup>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.

## Background

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This report is prepared in compliance with both the terms of the Partial Settlement Stipulation RE: Service Quality, Meter and Billing Performance, and Low-Income Bill Assistance in consolidated Docket Nos. UE-072300 and UG-072301 Order 12 (“Order 12” or “Settlement Stipulation”) and the terms of the Partial Settlement RE: Meter and Billing Performance Standards in consolidated Docket Nos. UE-111048 and UG-111049 Order 08 (“Order 08” or “Partial Settlement”).

Order 12 defines performance standards and reporting requirements for meter and billing issues identified prior to June 1, 2012. Order 08 defines two sets of standards and requirements for issues identified between June 1, 2012, and May 31, 2013, and for issues identified after May 31, 2013. The performance standards pertaining to this quarterly reporting are outlined in Appendix A: Definitions and Standards.

The layout and elements of this report are consistent with the quarterly meter and billing performance reporting format reviewed by the Washington Utilities and Transportation Commission staff (“UTC Staff” or “Staff”) on June 7, 2012<sup>2</sup>.

The Settlement Stipulation in Order 12 states the following reporting requirements:

- PSE’s ability to plan, track, and report monthly vintages of potential meter and billing problems (per paragraph 34.i of the Settlement Stipulation); and
- PSE’s meter and billing performance under the phase-in period standards for meter and billing problems identified in 2008 and under the ongoing standards for problems identified in 2009 and after (per paragraph 36 of the Settlement Stipulation).

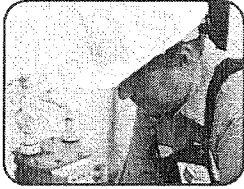
The Partial Settlement in Order 08 does not include any new quarterly reporting requirements pertaining to this report (per paragraph 22 of the Partial Settlement) but eliminates the interim benchmarks under the ongoing standards for electric and natural gas meter issues identified between June 1, 2012, and May 31, 2013.

In addition, PSE committed in the Partial Settlement of Order 08 to investigate during the period of June 1, 2012, through May 31, 2013, all accounts where there has been zero consumption for 12 months (or 365 days) (per paragraph 12 of the Partial Settlement). The final results of PSE’s investigation will be part of PSE’s annual meter and billing performance report for the period ending December 31, 2013. The *One Time Zero Consumption 365 Day Investigation Update* section of this report provides a quarterly update of the results of PSE’s investigation and resolution of the 365-day zero consumption meters.

PSE believes that the inclusion of quarterly reporting on PSE’s ongoing efforts in investigating and correcting those 365-day zero consumption meters will facilitate the UTC Staff’s review of PSE’s investigation process and allow PSE to address Staff’s concerns and suggestions prior to the conclusion of the one-time investigation.

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<sup>2</sup> On June 7, 2012, PSE and the UTC Staff had a telephone conference call regarding the Meter and Billing Performance reporting format and requirements for quarterly reporting periods June 30, 2012, through June 30, 2013, and zero consumption customer notifications. At the request of UTC Staff, another meeting will be set up in September 2013 to discuss the annual filings for 2013 and years following and PSE’s one-time investigation progress per paragraph 14 of Order 08 Partial Settlement.



## Summary Progress to Date

### Meter and Billing Performance Summary

This section describes the progress of recent 2011 monthly vintages and the year-to-date 2012 monthly vintages. The meter and billing problems in 2009, 2010, and 2011 vintages not listed below have been resolved completely and detailed results can be found in PSE's 4th quarter reports for 2009 through 2011. Appendix A: Definitions and Standards, outlines the performance standards pertaining to this quarterly reporting. These standards are applicable to all electric and natural gas meters regardless how they are read, automatically or manually, and the class of the meters; residential, commercial, or industrial.

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 May 2012, and electric problems identified between January 2009 and July 2012. The few outstanding meter and billing problems that have not be resolved are discussed in Appendix B: Historical Issues Resolution.

For some of the monthly vintages, the total number of meter and billing problems varies from what PSE presented in its prior quarterly reports. The reason for the difference for each of affected vintages is noted at the end of this section. The following discussion is based upon the updated monthly results as September 30, 2012.

### ***Steady State (Ongoing Vintages) as of September 30, 2012***

Performance results are rounded to the nearest whole percentage. Some vintages with 100% results do not reflect resolution of all meter and billing problems. These exceptions are discussed in Appendix B: Historical Issues Resolution. For vintages starting June 1, 2012, through May 31, 2013, the interim benchmarks have been eliminated per Order 8 therefore the tables below show only the final performance results for these vintages.

#### ***Electric meter information:***

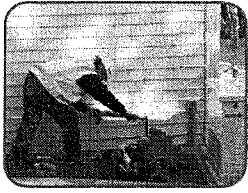
Ongoing Vintage	# Electric Meter and Billing Issues	Resolved Within 1 Month of Identification	% Resolved Within 1 Month of Identification	Resolved Within 2 Months of Identification	% Resolved Within 2 Months of Identification	# of Issues Identified As Reported in 2012 Q3	Reason for Change
OCT_11	3,294	3,020	92%	3,293	100%		
NOV_11	4,146	3,922	95%	4,145	100%		
DEC_11	3,455	3,225	93%	3,454	100%		
JAN_12	6,121	5,637	92%	6,120	100%		
FEB_12	3,054	2,791	91%	3,054	100%		
MAR_12	2,727	2,498	92%	2,727	100%		
APR_12	3,231	3,118	97%	3,231	100%		
MAY_12	3,312	3,214	97%	3,312	100%		
JUN_12	2,453			2,453	100%	2,454	Note 1
JUL_12	5,517			5,517	100%		
AUG_12	2,518			Open			
SEP_12	1,974			Open			

**Natural gas meter information:**

Ongoing Vintage	# Gas Meter and Billing Issues	Resolved Within 2 Month of Identification	% Resolved Within 2 Month of Identification	Resolved Within 4 Months of Identification	% Resolved Within 4 Months of Identification	# of Issues Identified As Reported in 2012 Q3	Reason for Change
AUG_11	22,171	21,958	99%	22,170	100%		
SEP_11	11,968	11,882	99%	11,968	100%		
OCT_11	4,113	4,029	98%	4,113	100%		
NOV_11	4,125	4,024	98%	4,123	100%		
DEC_11	4,646	4,462	96%	4,646	100%		
JAN_12	8,962	8,611	96%	8,962	100%		
FEB_12	4,341	4,117	95%	4,341	100%		
MAR_12	3,600	3,553	98%	3,600	100%		
APR_12	3,801	3,681	97%	3,801	100%		
MAY_12	6,520	6,315	97%	6,520	100%	6,518	Note 2
JUN_12	8,553	Open					
JUL_12	15,659	Open					
AUG_12	24,320	Open					
SEP_12	8,045	Open					

Note 1: In the vintage noted, 1 meter that was previously identified as part of a meter mix issue was later confirmed as not a part of the meter mix issue.

Note 2: In the vintage noted, 2 additional meters related to a meter mix issue needed to be added to complete the investigation.

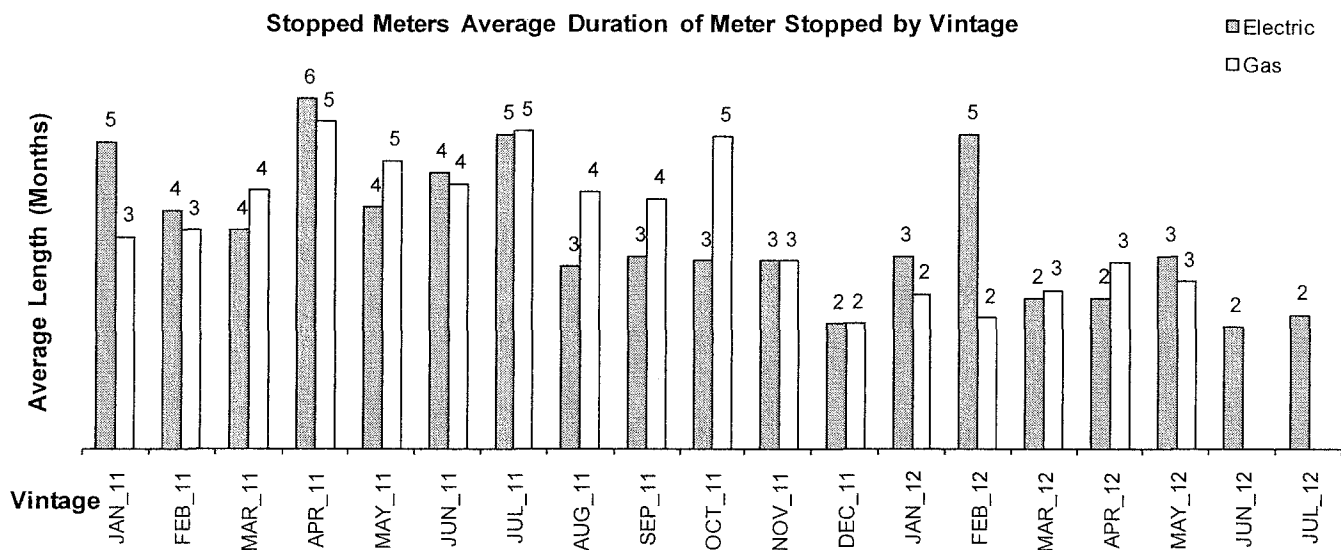


## Tracking Back-billing Results of Stopped Meters

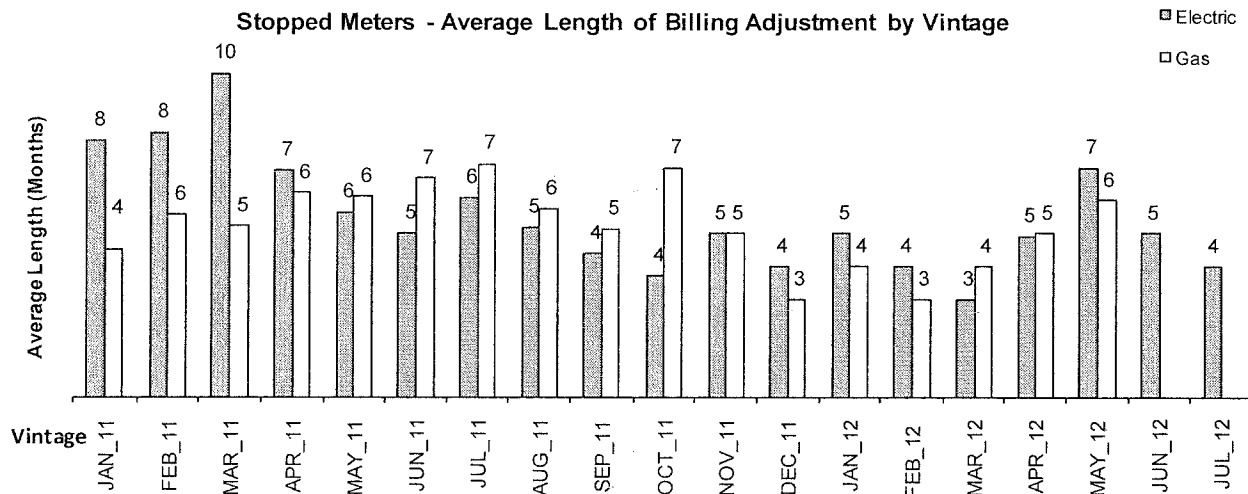
This additional data regarding the back-billing results of Stopped Meters, including both residential and non-residential meters, have been added in the quarterly filing since September 2009 per an informal UTC Staff request. Specifically, this section details the average duration of the Stopped Meter issues, the average length of back-billing, and the average back-billed amount by vintage for the Stopped Meters that required back-billing. The monthly Stopped Meter vintages discussed in this quarterly report include the following closed 2011 and 2012 vintages: electric January 2011 through July 2012 and natural gas January 2011 through May 2012. The average back-billed information does not reflect vintages that have not been closed, including the following: electric August 2012 and September 2012 vintages and natural gas vintages June 2012 through September 2012.

There are 141,246 Stopped Meters reported in the closed 2011 and 2012 vintages. 94% of those reported meter issues are meters with seasonal usage. When customers started to use the natural gas or electricity again, the probable meter issues resolved themselves without PSE intervention. The average back-billed information presented in the section pertains only to the 6% of those Stopped Meters that were actually stopped due to a reason other than seasonal usage and therefore required back-billing.

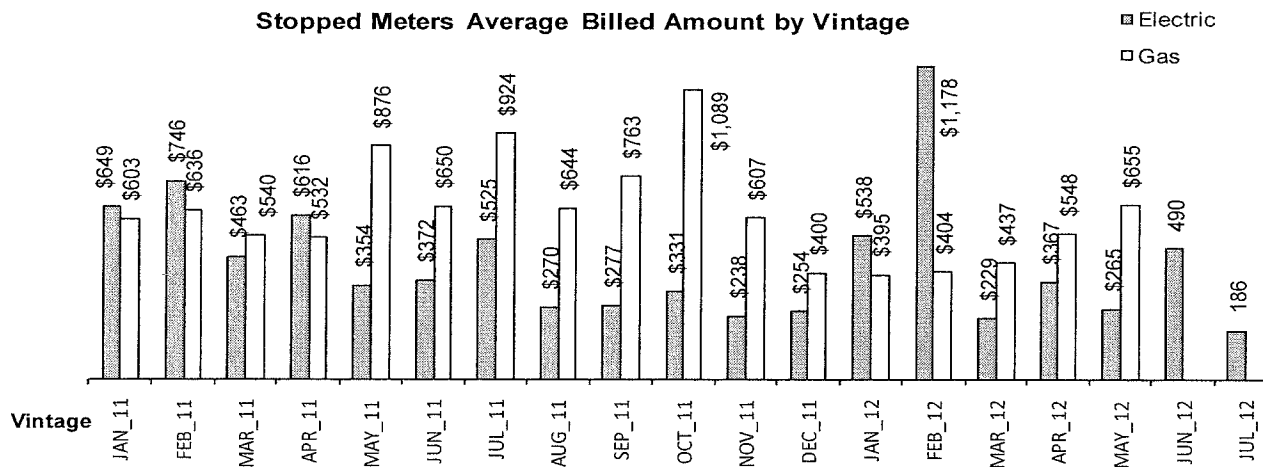
The chart below shows the average duration of the meter stopped by vintage, including both the automatically and manually read Stopped Meters. The number reported represents vintages that have been closed on September 30, 2012, i.e., electric vintages up to July 2012 and natural gas vintages up to May 2012. The average duration of the meter stopped is the average of the actual duration that a meter has remained stopped, i.e., the total number of months from the date the meter failed to the date the meter issue was resolved.



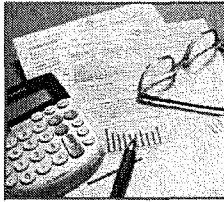
The chart below shows the average length of the back-billing adjustment for Stopped Meters as of September 30, 2012. The number reported represents vintages that have been closed on September 30, 2012, i.e., electric vintages up to July 2012 and natural gas vintages up to May 2012. The average length of back-billing is the average of the actual back-billing period, which is the difference from the last day of the last accurate billing prior to being identified as a Stopped Meter to the meter read date of the first correct billing after the resolution of the Stopped Meter issue. For any Stopped Meter, the duration of the meter stopped (shown above) may or may not be the same length of time as its billing adjustment period or the length of being identified as a Stopped Meter.



The chart below shows the average back-billed amount by vintage for Stopped Meters as of September 30, 2012. The number reported represents vintages that have been closed on September 30, 2012, i.e., electric vintages up to July 2012 and natural gas vintages up to May 2012. The average billed amount is associated with the actual total number of months of the billing adjustment that occurred. The actual back-billing period for a Stopped Meter problem does not change even though the billing adjustment amount may be increased or decreased due to subsequent adjustments. As a result, some of the numbers shown in the chart below for prior vintages may vary from that of in the prior quarterly reports. The chart below reflects the most current billing correction as of September 30, 2012, if there are multiple billing adjustments in the PSE's Meter Exception Management System for a single Stopped Meter issue.





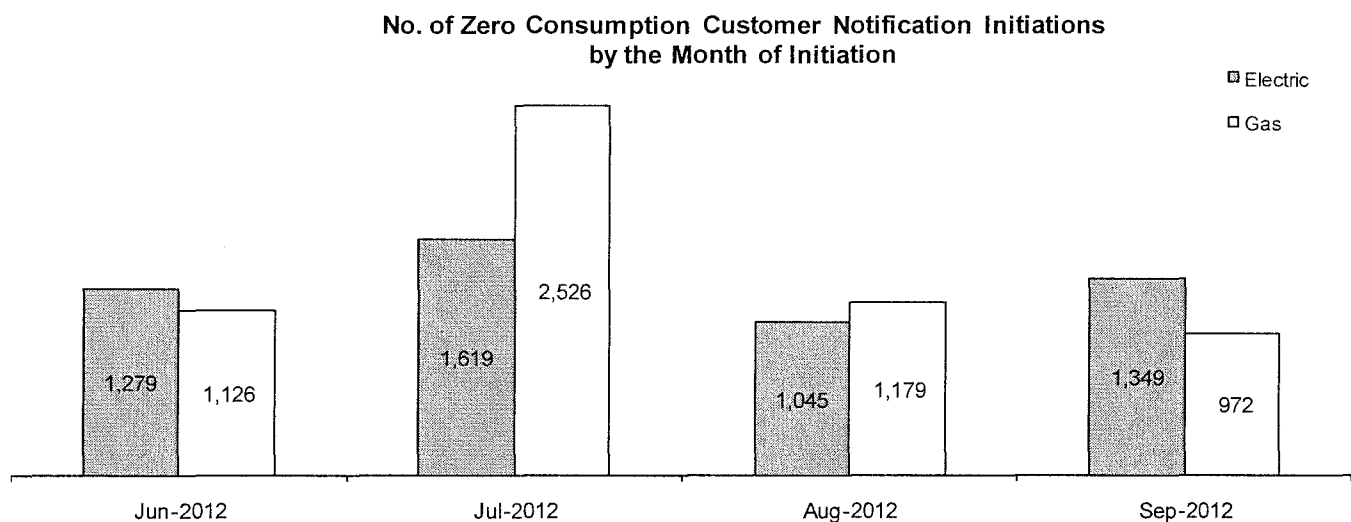


## One Time Zero Consumption 365 Day Investigation Update

On June 1, 2012, PSE launched its investigation process for meters measuring zero consumption for 365 consecutive days (or 12 consecutive months) or more. The investigation will be ongoing through May 31, 2013. PSE will be providing a comprehensive report of this investigation in its annual filing of Meter and Billing Performance Report for the calendar year 2013 per Order 08. Meanwhile, PSE is providing quarterly updates of the investigation results and follow-up actions in this section of the report to facilitate the review of the Commission and UTC Staff of PSE's investigation prior to the conclusion of this Partial Settlement requirement (page 4, paragraph 12).

As part of the investigation process, PSE will first notify each customer with a meter showing zero consumption for 365 consecutive days or more. The initial customer notification<sup>3</sup> involves up to two auto dialer calls that include a method for receiving and tracking the customer response regarding the zero usage meter status. These calls will be followed by a letter requesting that the customer contacts PSE to verify the zero readings if the auto dialer does not record a valid respond from the customer.

For the period of June 1 through September 30, 2012, PSE initiated 11,095<sup>4</sup> zero consumption notifications: 5,803 notifications to gas customers and 5,292 notifications to electric customers. The chart below shows the breakdown by fuel and the month the notifications were initiated.

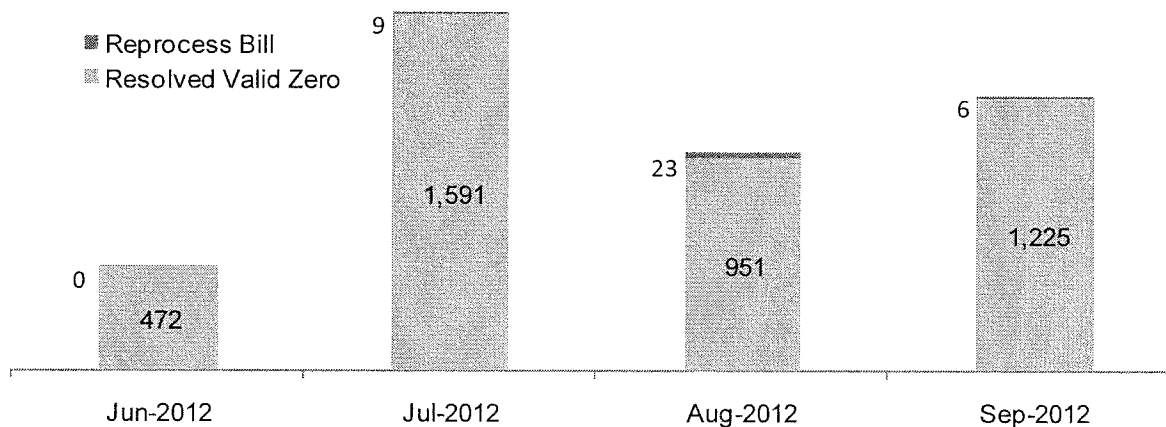


<sup>3</sup> The auto dialer call script and flow and the customer notification letter were distributed in the June 7, 2012, PSE and UTC Staff meeting (see Footnote 1). UTC Staff did not raise any general or specific concerns about these notices in the meeting or via the e-mail following the meeting.

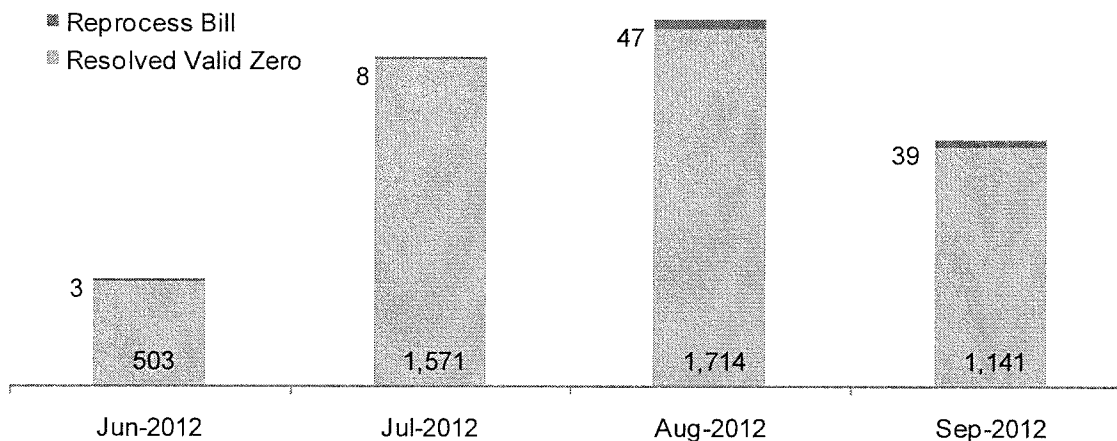
<sup>4</sup> The sum of the electric and gas notifications for June is different from that in PSE's 2012 second quarter report due to improvement in reporting accuracy. The number reported in the last quarterly report was based upon the weekly reports whereas the revised results shown in this quarterly report are based upon monthly reports that were not available until 2012 third quarter.

Among the investigations that have been launched, 5,026 gas and 4,277 electric zero consumption investigations have been completed as of September 30, 2012. The charts below show the status of those cases by energy and the month of the investigation completion.

### Zero Consumption Investigation Completion - Electric by the Month of Completion

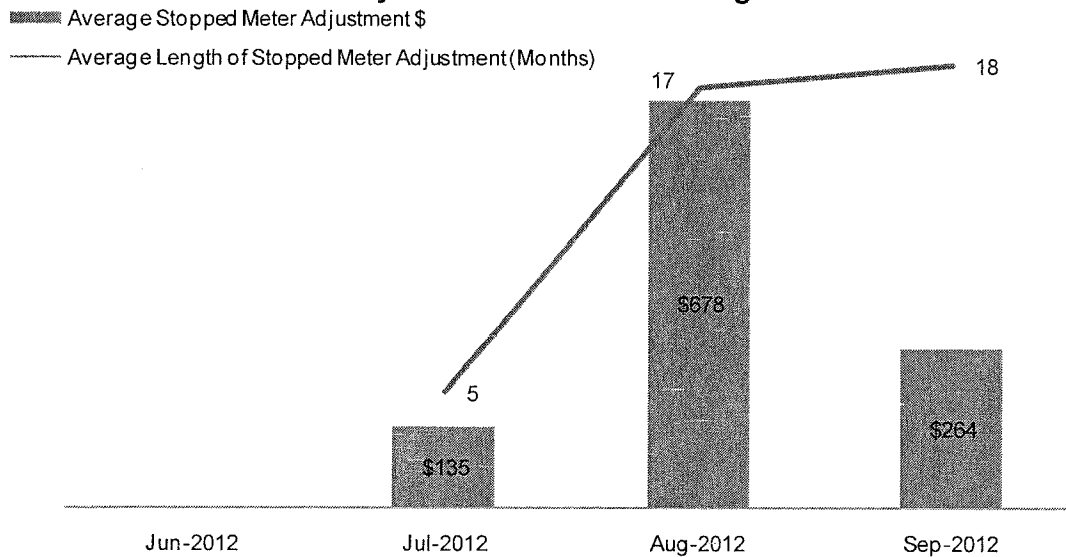


### Zero Consumption Investigation Completion - Gas by the Month of Completion

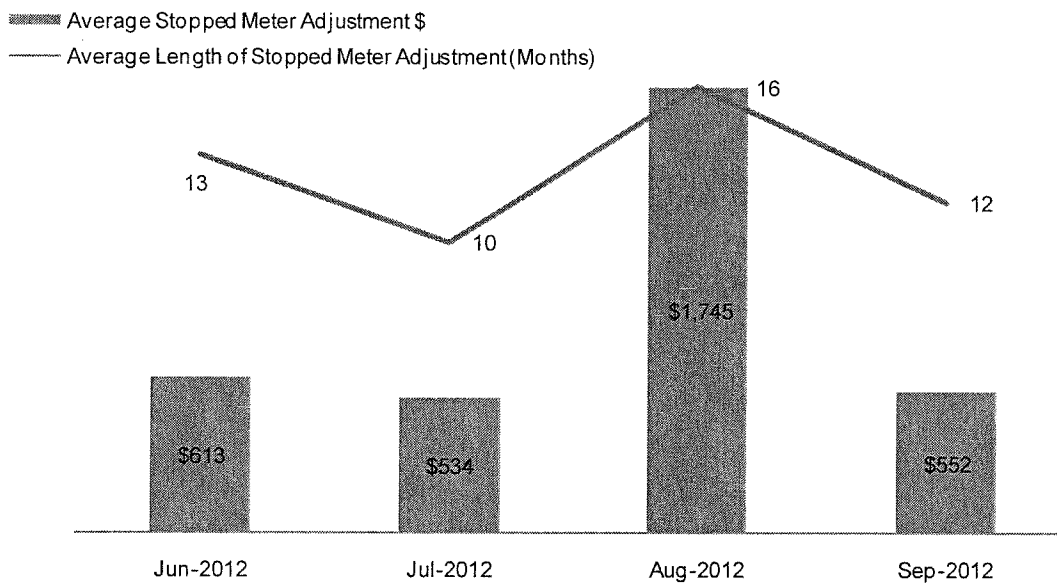


The charts below show the average amount and length of back-billing adjustment for the 135 zero consumption cases that required billing adjustment as of September 30, 2012, by energy and the month of billing adjustment. This group of the billing issues is independent of the issues identified in the *Tracking Back billing Results of Stopped Meters* section. There is no electric case billing adjustment for the month of June 2012.

### Length of Stop Meter & \$ Adjustment - Electric by the Month of Back-Billing



### Length of Stop Meter & \$ Adjustment - Gas by the Month of Back-billing





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

### Issues Discussion

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No issue to discuss at this time



## Appendix A: Definitions and Standards

### Definitions

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#### Definitions of “Identified” applicable through May 31, 2013

The following definitions from the Settlement Stipulation 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” applicable through May 31, 2013

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

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### Phase-in Standards applicable prior to January 1, 2009

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 January 1, 2009 through May 31, 2012

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.)

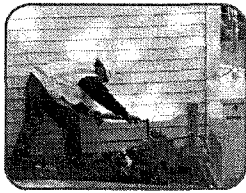
### Ongoing Standards, applicable June 1, 2012 through May 31, 2013

Natural Gas: PSE will resolve identified potential natural gas meter and billing problems for each monthly vintage within four months of identification.

Electric: PSE will resolve identified potential electric meter and billing problems for each monthly vintage within two months of identification.

### Investigation of Zero Reads, applicable June 1, 2012 through May 31, 2013

1. The Company will investigate all accounts where there has been zero consumption for 12 consecutive months or longer, repair identified meter problems and bill affected customers during the period of June 1, 2012, through May 31, 2013.
2. The Company will investigate all meters that attain a 12<sup>th</sup> consecutive month of zero consumption during the period of June 1, 2012, through May 31, 2013.
3. The Company will report the results to the Commission in the first annual report for the period ending December 31, 2013.



## Appendix B: Historical Issues Resolution

The following table summarizes and updates, as of September 30, 2012, the status of those exceptional meter issues that were resolved during this reporting period and the outstanding unresolved meter problems:

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

### Unresolved Exception Issues

#### Not Located Issue

PSE has not been able to locate the eight Lost Meters since the end of last quarter. PSE has continued its efforts to locate these meters whenever any of the meters shows some usage or sends a radio frequency that is strong enough for the locating equipment to pinpoint the meter location. Further status updates on these meter problems will be included in the next quarterly report.