

**EXH. SBH-7T
DOCKET UE-220701
WITNESS: STACEY B. HALSEN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**ALEXANDER AND ELENA
ARGUNOV, THOMAS AND HEIDI
JOHNSON, CHAD AND VICTORIA
GROESBECK**

Complainants,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UE-220701

PREFILED CROSS ANSWERING TESTIMONY (NONCONFIDENTIAL) OF

STACEY B. HALSEN

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 24, 2023

PUGET SOUND ENERGY
PREFILED CROSS ANSWERING TESTIMONY
(NONCONFIDENTIAL) OF
STACEY B. HALSEN

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1 **PUGET SOUND ENERGY**

2 **PREFILED CROSS ANSWERING TESTIMONY**
3 **(NONCONFIDENTIAL) OF**
4 **STACEY B. HALSEN**

5 **I. INTRODUCTION**

6 **Q. Are you the same Stacey B. Halsen who submitted prefiled response**
7 **testimony on February 9, 2023 on behalf of Puget Sound Energy (“PSE”) in**
8 **this proceeding?**

9 A. Yes.

10 **Q. What topics do you discuss in your cross answering testimony?**

11 A. I respond to the topics raised in the testimony of Public Counsel witness Aaron
12 Tam, Exh. AT-1T.

13 **Q. Please summarize the position of Public Counsel to which you are**
14 **responding.**

15 A. In general, Public Counsel agrees with PSE that the Complainants were billed
16 based on energy used measured in kilowatt hours (“kWh”) and does not agree
17 with the Complainants’ claim that PSE was quadruple billing customers.
18 Additionally, Public Counsel does not assert that the high energy usage the
19 Johnsons experienced during construction was improper, as the Johnsons claim.
20 Public Counsel does concur with a handful of violations identified by
21 Commission Staff in the investigation of the informal complaints, and Public

1 Counsel claims a few other violations occurred. As discussed in more detail
2 below, many of the delays identified are related to COVID-19 protocols that were
3 in place for PSE and the State of Washington, which should mitigate Public
4 Counsel's request for penalties. Further, contrary to Public Counsel's claims, the
5 meters were in working order, but the communication system by which the
6 Automated Meter Reading ("AMR") meters transmit usage information to PSE's
7 meter data management system ("MDMS") experienced communication
8 interruptions. PSE is aware that its AMR metering system is becoming obsolete,
9 and PSE has undertaken a multiyear plan to upgrade from the AMR meter system,
10 which has been in place for more than two decades, to the Advanced Metering
11 Infrastructure ("AMI") system. This transition affects more than a million electric
12 customers as well as approximately 900,000 gas customers and was occurring
13 during the time frame of the complaint at issue here.

14 **II. PSE DOES NOT AGREE THAT PENALTIES SHOULD BE**
15 **IMPOSED IN THIS CASE**

16 **A. PSE's Meters Were Accurately Measuring Electricity Usage**

17 **Q. Were the Groesbecks' and Argunovs' AMR meters accurately measuring**
18 **electricity usage and in good order?**

19 A. Yes. The meters were receiving accurate readings of electricity usage.¹ Any issues
20 with the meters were due to the communications system through which energy

¹ See Prefiled Response Testimony of Stacey B. Halsen, Exh. SBH-1T at 7:3-20, 10:5-17, 11:16-12:2.

1 usage is transmitted from the meters to the MDMS. The Commission is aware the
2 AMR meter communication infrastructure is less reliable than the communication
3 systems for AMI meters, which is why PSE is in the process of transitioning to
4 AMI meters. As discussed in the Prefiled Response Testimony of Ian Hagan, even
5 though meters might have communication issues, they are still measuring and
6 recording the kWh usage.² Public Counsel does not dispute that PSE's meters
7 accurately measured kWh usage and that PSE was billing for kWhs used.³
8 Notably, this is the primary claim asserted by the Complainants.

9 **Q. Do you agree with Public Counsel's assertion that because the AMR meters**
10 **experienced network communication issues PSE is in violation of WAC 480-**
11 **100-333?**

12 A. No. WAC 480-100-333, entitled "Initial accuracy of electric meters" is specific to
13 whether the electric meters *register* usage as "nearly correct as practicable" before
14 being placed into service.⁴ The AMR meters at issue in this case were accurately
15 registering energy usage. As discussed in the Prefiled Response Testimony of Ian
16 Hagan, PSE has processes in place to make sure its meters, which are industry
17 standard meters, are "in good order and adjusted to register as nearly correct as
18 practicable prior to being put into service or returned to service following testing
19 or other work."⁵ Neither Public Counsel nor the Complainants have demonstrated

² Prefiled Response Testimony of Ian Hagan, Exh. IH-1T at 9:11-21.

³ Prefiled Response Testimony of Aaron Tam, Exh. AT-1T at 4:3-5.

⁴ See WAC 480-100-333.

⁵ See Prefiled Response Testimony of Ian Hagan, Exh. IH-1T; WAC 480-100-333.

1 any concerns amounting to a violation of WAC 480-100-333 with the initial
2 accuracy or continuing accuracy of the meters involved or identified in this
3 proceeding. As previously discussed, the problems that arose with communication
4 between the AMR meters and the MDMS is a separate issue.⁶ Furthermore,
5 Commission Staff did not cite PSE for any violation of WAC 480-100-333, and
6 the Complainants' contention is limited to PSE's measurement of kWh by AMI
7 meters.⁷

8 **Q. Public Counsel states PSE tested two of the Complainants' meters,⁸ is that**
9 **correct?**

10 A. Yes, two of the Complainants requested meter tests: the Argunovs and the
11 Johnsons. As explained in my Prefiled Response Testimony, Exh. SBH-1CT,
12 there were no concerns raised by the technicians who performed the meter tests.

13 **Q. Did the Groesbecks request a meter test?**

14 A. No. While the Groesbecks did not request a meter test and did not have a
15 technician perform a Watthour Standard comparison test, PSE did send
16 technicians to conduct manual reads on the Groesbecks' meter. During those

⁶ See e.g., Prefiled Response Testimony of Allison R. Sains, Exh. ARS-1T at 4:1-11 (discussing the network communication differences between AMR meters and AMI meters and how the meters communicate information to the MDMS system).

⁷ See Complaint at ¶ 1 (regarding AMI interval readings), ¶ 1 (d) (regarding measurement of kWh by AMI meters), ¶ 3 (regarding the "disconnect" between AMI data collection, meter readings, and billing)

⁸ Prefiled Response Testimony of Aaron Tam, Exh. AT-1T at 4:5-8.

1 visits, PSE was able to obtain a manual read, which indicates the meter was
2 properly measuring and recording energy usage in kWh.

3 **B. Public Counsel’s Description of Violations are Inconsistent with the**
4 **Facts**

5 **Q. Public Counsel addressed PSE’s communications related to AMI meter**
6 **replacement. Do you have a response?**

7 A. Yes. I agree with Public Counsel witness Aaron Tam that PSE’s communication
8 regarding the transition to AMI meters was consistent with WAC 480-100-
9 148(2)(b).⁹ However, I disagree with Mr. Tam’s characterization of PSE’s
10 compliance related to WAC 480-100-148(2)(c).

11 **Q. Please address Public Counsel’s assertions regarding the AMR meters as**
12 **they relate to WAC 480-100-148(2)(c).**

13 A. WAC 480-100-148(2)(c) requires PSE to “maintain its plant in such a condition
14 that will enable it to furnish safe, adequate, and efficient service.” Almost all of
15 the alleged violations identified by Public Counsel are directly tied to the AMR
16 metering system that PSE is in the process of replacing for its entire service
17 territory over the course of several years. Even though the AMR meters installed
18 at the Complainants’ homes were new, PSE has informed the Commission and
19 Public Counsel that there are wider network communication issues with the AMR

⁹ *Id.* at 4:18-5:6.

1 meter system.¹⁰ This was, in part, one of the primary reasons for the transition to
2 AMI meters. Once the AMI meters were installed, the network communications
3 issues primarily subsided, and PSE received regular reads.

4 While Public Counsel is critical of the time it took to replace the Groesbecks' and
5 Argunovs' AMR meters, and contends this justifies the imposition of penalties,
6 this ignores some important context, specifically, the COVID-19 global
7 pandemic. On approximately March 4, 2020, PSE stopped all non-critical field
8 work. This included certain work related to malfunctioning or noncommunicating
9 meters. Both the Argunovs and Groesbecks received an AMI meter around the
10 same time in 2021, in July and August, respectively. This was before the AMI
11 rollout was scheduled for the area. Notably, the months where Complainants'
12 AMR meters were not transmitting reads, were generally the months where PSE
13 either still had strict COVID-19 protocols in place, consistent with governmental
14 orders, or there was a backlog of meter issues requiring replacement or testing as
15 a result of the pandemic. During that time period, both the Argunovs and
16 Groesbecks were receiving electricity service, and their meters were accurately
17 recording their usage. While PSE would normally strive to replace AMR meters
18 with these communication issues within a few months, COVID-19 protocols
19 lowered the priority of these meter replacements. As PSE's COVID-19 protocols

¹⁰ See e.g., Dockets UE-190529 & UG-190530 (Consolidated), Final Order 08/05/03 (July 8, 2020) at ¶ 138 (“Koch argues that it was necessary to replace PSE’s AMR infrastructure due to factors such as **network equipment failure, a higher than acceptable rate of meter failure,** and system obsolescence.”) (emphasis added); compare Response Testimony of Paul J. Alvarez on Behalf of Public Counsel, Exh. PJA-1T at 8:9-16 (“PSE’s [AMR] equipment failure rate is not significant”).

1 loosened to allow non-critical field work, and the backlog was slowly resolved,
2 both the Argunovs and Groesbecks received updated AMI meters ahead of
3 schedule for the area. PSE customers, including Complainants, were still
4 receiving safe, adequate, and efficient electric service even if some AMR meters
5 with network communication struggles were not replaced as quickly as normal
6 due to COVID-19 protocols.

7 Public Counsel claims that because the AMR meters were not communicating and
8 it took PSE about a year to replace them, PSE violated WAC 480-100-148(2)(c),
9 which resulted in delayed true-up bills. Public Counsel claims that based on this,
10 penalties should be imposed.¹¹ The issues experienced by the Argunovs and
11 Groesbecks identified by Public Counsel, are all specific to the AMR meter read
12 issues, which occurred during the COVID-19 pandemic. This is not part of a
13 larger issue, but rather an issue isolated to a few customers. Once PSE was able to
14 replace the meters, consistent with the safety measures in place, it did so. While
15 PSE acknowledges the AMR meters were not communicating, the customers were
16 still receiving sufficient electrical service and the imposition of penalties would
17 be a harsh punishment given the totality of the circumstances.

18 **Q. Did Commission Staff enter a violation in the Johnson informal complaint?**

19 A. No. Public Counsel witness Tam testified that it was unclear whether Commission
20 Staff issued a violation for WAC 480-100-178(1) based on the delayed bill,¹² but

¹¹ Prefiled Response Testimony of Aaron Tam, Exh. AT-1T at 4:18-5:16; 9:1-10:12.

¹² *Id.* at 6:14-17.

1 Commission Staff did not find a violation because there may have been good
2 cause for the delay.¹³ Specifically, PSE waited to release the bill until after a
3 meter test was completed. As discussed in my Prefiled Response Testimony, Exh.
4 SBH-1T, the Johnsons' bill was delayed because PSE needed to confirm the
5 energy usage was correct, and the bill eventually sent to them noted that the
6 charges included unbilled periods for prior months.¹⁴ This occasionally happens
7 when a customer's bill is larger than what might normally be expected. Once PSE
8 confirmed the meter was testing accurately, the bill was released. PSE had good
9 cause for delaying this bill.

10 **Q. Were any of the customers “at risk of disconnection” because of the**
11 **estimated or corrected bills?**

12 A. No. Neither the Argunovs nor the Groesbecks reached the point where PSE issued
13 a disconnection service order. Both complainants received various notices,
14 including a “Final Notice” which informs customers that they need to take action
15 on their account regarding past due amounts. However, this notice provides the
16 customer with available options for payment assistance and includes information
17 regarding the option to set up a payment arrangement.¹⁵ PSE also placed a
18 “dunning lock” on the Complainants' accounts to prevent any further notices

¹³ See Second Exhibit to the Prefiled Response Testimony of Aaron Tam, Exh. AT-3C at 11; WAC 480-100-178(1)(a).

¹⁴ See Prefiled Response Testimony of Stacey B. Halsen, Exh. SBH-1T at 19:1-7.

¹⁵ Due to pandemic restrictions and other delays, PSE was not performing disconnections until May of 2022. At this point, the Groesbecks were on an 18-month installment plan. Any notices after February of 2022 were related to non-payment on the installment plan.

1 during the PSE review of their accounts, the informal complaint period, and the
2 pending formal complaint in this proceeding.

3 **Q. Please address Public Counsel’s recommendations regarding the imposition**
4 **of penalties.**

5 A. Public Counsel claims there were additional violations with the Argunovs’ AMR
6 meter from July 2020 through July 2021. While these issues were not part of the
7 Argunovs’ formal or informal complaint, which was exclusively focused on the
8 AMI meters, the above-mentioned context with COVID-19 protocols explains the
9 reason for the delay in switching to AMI meters. The Argunovs’ account was not
10 negatively impacted in part because PSE issued a credit to their account for
11 \$1,650.23, in compliance with WAC 480-100-178(5)(a).¹⁶ In other words,
12 although the Argunovs used a certain amount of electricity during those months
13 based on the eventual manual read of the AMR meter, due to the non-
14 communicating meter issues and COVID protocols, they were not charged for the
15 full kWh of energy used. Specifically, they were not charged for the time period
16 that extended back more than six months consistent with WAC 480-100-
17 178(5)(a).

18 For the Groesbeck’s account, Commission Staff did find certain violations
19 occurred based primarily on the number of estimated bills, a one-month period
20 that was billed on the wrong rate schedule, and for sending a notice of corrected

¹⁶ See Prefiled Response Testimony of Stacey B. Halsen, Exh. SBH-1T at 22:5-14.

1 charges 68 days after performing a check read when the rule requires a bill to be
2 sent within 60 days. The Groesbeck's meter and billing issues can be tied to the
3 AMR meter communication issues not transmitting reads to the MDMS system
4 resulting in estimated billing reads.¹⁷ Manual reads were delayed due to the
5 COVID-19 pandemic. When PSE was able to obtain a manual read, that read was
6 incorporated into the corrected charges sent to the Groesbecks. When PSE sent
7 corrected bills to the Groesbecks, they were re-billed based on actual usage.¹⁸ The
8 difference between the estimated bills and the corrected bills was larger than
9 normal because the estimated reads did not have historical usage information on
10 which to base the estimated bill. Contrary to Public Counsel's implication, this is
11 not a systemic issue.¹⁹ Once PSE installed an AMI meter, the communication
12 issues generally subsided and PSE was receiving regular actual reads.²⁰ PSE
13 offered an 18-month payment plan to the Groesbecks because PSE did not expect
14 the Groesbecks to pay the full amount up front, and any notices sent to the
15 Groesbecks about overdue amounts provided them with the necessary information
16 to set up a payment plan.

17 PSE acknowledges violations occurred and has a wide array of systems in place to
18 avoid these unique situations becoming a systemic issue. As COVID-19 protocols
19 are loosened, PSE strives to quickly replace meters where necessary.

20 Additionally, with the wider implementation of AMI meters, PSE expects its

¹⁷ See Prefiled Response Testimony of Stacey B. Halsen, Exh. SBH-1T at 10:1-17.

¹⁸ *Id.* at 11:1-12:11.

¹⁹ See Prefiled Response Testimony of Kristina McClenahan, Exh. KM-1T at 11:10-16:5.

²⁰ See Prefiled Response Testimony of Stacey B. Halsen, Exh. SBH-1T at 11:1-15.

1 meters to have fewer communications issues than that experienced by the
2 customers with AMR meters. The Commission should consider the timing and
3 important context when determining which instances constitute a violation and
4 whether a penalty is warranted.

5 **III. CONCLUSION**

6 **Q. Does that conclude your prefiled cross answering testimony?**

7 **A. Yes, it does.**