

Docket Nos. UE-072300 and UG-072301

Puget Sound Energy

PETITION FOR TEMPORARY SUSPENSION OF SERVICE QUALITY INDICES NOS. 6 AND 8

Attachment A:

**Updated Appendix 2 to Exhibit J of Docket Nos. UE-011570 and UG-011571 (Consolidated)
as of October 24, 2012**

**Updated APPENDIX 2 to Exhibit J of Docket Nos. UE-011570 and UG-011571
(Consolidated)**

**In Compliance with Order 20 of Docket Nos.
UE-072300 and UG-072301 (Consolidated)**

PSE'S SERVICE QUALITY PROGRAM

SERVICE QUALITY PROGRAM MECHANICS

**Updated APPENDIX 2 to Exhibit J (consolidated Docket Nos. UE-011570 and UG-011571)
PSE'S SERVICE QUALITY PROGRAM—SERVICE QUALITY PROGRAM MECHANICS
In Compliance with Order 20 of Consolidated Docket Nos.
UE-072300 and UG-072301**

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A. CONTINUATION OF PROGRAM

The parties have agreed to the continuation of the service quality program implemented under Docket No. UE-960195 (the merger docket) until such time as directed otherwise by the Commission. Any party may bring a request to terminate the service quality program to the Commission at any time, but no sooner than 5 years from the implementation date directed under Docket Nos. UE-011570 and UG-011571. The service quality program has been further extended by the Commission in Docket Nos. UE-072300 and UG-072301 with various modifications.

The service quality program includes a Customer Service Guarantee, a Restoration Service Guarantee, and a Service Quality Index ("SQI"). This document addresses, primarily, the mechanics of the latter, the Service Quality Index. All modifications regarding SQI mechanics outlined in Orders 12, 14, 16, 17, 18, 19, and 20 of the 2007 dockets and Orders 1 and 2 of UE-031946 have been incorporated into this updated Appendix 2 ("Appendix"). The Customer Service Guarantee, which provides for a \$50 missed appointment credit, is outlined in the company's tariff (Schedule 130) for both natural gas and electric service. Electric Schedule 131, Restoration Service Guarantee, details the terms and the application of \$50 electric outage restoration credit to a qualified customer.

Order 18 in Docket Nos. UE-072300 and UG-072301 (consolidated) authorized the Company to make a one-time modification to Electric Schedule 131, Restoration Service Guarantee, for the outages that began on January 18, 2012 and ended on January 28, 2012.

Order 19 in Docket Nos. UE-072300 and UG-072301 (consolidated) authorized the extension of the SQI No. 3, System Average Interruption Duration Index ("SAIDI") temporary benchmark and mechanics through 2014.

Order 20 in Docket Nos. UE-072300 and UG-072301 (consolidated) authorized the exclusion of the 1,269 SAIDI minutes associated with the extraordinary January 2012 storm event from the performance calculation of SQI No. 3 the 2012 SQI reporting year and applicable years following.

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Customer calls abandoned within 30 seconds of waiting for an operator should be excluded from the performance calculation and not counted as part of this index.¹³

b. Performance Level At Which Maximum Penalties Would Be Imposed

54% of the calls answered within 30 seconds

c. Sample Performance Calculation

Customer Access Center statistics report 71% of the calls answered within 30 seconds for the entire one year reporting period ending December.

d. Penalty Calculation

Penalty = ((benchmark - Call Performance) / benchmark) * 100 * penalty per point

Benchmark = 75% of calls answered live by company representative within 30 seconds of request to speak to live operator

Penalty Per Point = \$54,000

The maximum penalty is \$1,500,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = ((75% - 71%) / 75%) * 100 * \$54,000

Penalty = \$288,000

f. Notes

Any penalty imposed shall be applied to both the electric and natural gas low income bill assistance programs.

The actual call center statistics will be taken from the Company's Call Center Performance Report, worksheet *Access Center Stats MMYX.xls* and *Y-T-Dmon1.xls*, which uses data provided by the VRU.

6. Customer Access Center Telephone Transactions Customer Satisfaction

a. Performance Calculation

Access Center Telephone Transactions Customer Satisfaction = Monthly Average Of Percent Of Satisfied Customers

Percent of Satisfied Customers = aggregate number of survey responses of 5, 6, or 7 divided by aggregate number of survey responses of 1, 2, 3, 4, 5, 6, or 7

¹³ The change was proposed in PSE's 2009 SQI Annual Report per Section C of this appendix. The change was agreed to by WUTC staff and Public Counsel via their e-mails to PSE on April 1, 2010. It was also clarified during the March-April 2010 communication among the parties that each transfer of a call within Customer Access Center should be counted as a new request to talk to a live operator in SQI No. 5 performance calculation. The treatment of the transferred calls is consistent with all PSE's reporting of SQI No. 5 results since the inception of the SQI program in 1997 and will be continued for the future SQI reporting.

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b. Performance Level At Which Maximum Penalties Would Be Imposed

74% of Customers Satisfied

c. Sample Performance Calculation

The independent survey firm reports that for the annual reporting period the following monthly average of Percent of Satisfied Customers: 91.5%.

d. Penalty Calculation

Penalty = ((benchmark - monthly average of Percent of Satisfied Customers) / benchmark) * 100 * penalty per point

Benchmark = 90% rating of 5 or higher on 7 point scale

Penalty Per Point = \$85,500

The maximum penalty is \$1,500,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

Penalty = ((90% - 92%) / 90%) * 100 * \$85,500

Penalty = \$0 (The actual calculation is -\$190,000)

f. Notes

Any penalty imposed shall be applied to both the natural gas and electric low income bill assistance programs.

The source of the data will be monthly and semi-annual reports prepared by The Gilmore Research Group. The actual question for purposes of this benchmark is "Overall, how would you rate your satisfaction with this call to Puget Sound Energy - would you say 7- completely satisfied, 1- not at all satisfied, or some number in between?"

7. Gas Safety Response Time

a. Performance Calculation

Average number of minutes from customer call to arrival of gas field technician.

b. Performance Level At Which Maximum Penalties Would Be Imposed

79 minutes average response time

c. Sample Performance Calculation

PSE reports average response time of 58 minutes.

d. Penalty Calculation

Penalty = ((Average Response Time – benchmark) / benchmark) * 10 * penalty per point

Benchmark = 55 minutes from customer call to arrival of field technician

Penalty Per Point = \$337,500

The maximum penalty is \$1,500,000

e. Sample Penalty Calculation

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Based on the sample performance calculation:

$$\text{Penalty} = ((58 - 55) / 55) * 10 * \$337,500$$

$$\text{Penalty} = \$184,091$$

f. Notes

Any penalty imposed shall be applied to the natural gas low income bill assistance program. The source of the data will be CLX, the customer billing system for PSE. This data is recorded in report *PXPW01A-R03* and program *PXPW01A*. This data is then summarized in filename *YYYY Response Times.xls*

8. Field Service Operations Transactions Customer Satisfaction

a. Performance Calculation

Field Service Operations Transactions Customer Satisfaction = Monthly Average Of Percent Of Satisfied Customers

Percent of Satisfied Customers = aggregate number of survey responses of 5, 6, or 7 divided by aggregate number of survey responses of 1, 2, 3, 4, 5, 6, or 7

b. Performance Level At Which Maximum Penalties Would Be Imposed

74% of Customers Satisfied

c. Sample Performance Calculation

The independent survey firm reports that for the annual reporting period the following monthly average of Percent of Satisfied Customers: 87%.

d. Penalty Calculation

Penalty = ((benchmark - monthly average of Percent of Satisfied Customers) / benchmark) * 100 * penalty per point

Benchmark = 90% rating of 5 or higher on 7 point scale

Penalty Per Point = \$85,500

The maximum penalty is \$1,500,000

e. Sample Penalty Calculation

Based on the sample performance calculation:

$$\text{Penalty} = ((90\% - 87\%) / 90\%) * 100 * \$85,500$$

$$\text{Penalty} = \$285,000$$

f. Notes

To date, only natural gas customers have been surveyed therefore any penalty imposed shall be applied to the natural gas low income bill assistance program. In the future, electric customers will be included in the survey but only for those electric services that require the customer to be present to provide the service.

The source of the data will be monthly and semi-annual reports prepared by The Gilmore Research Group. The actual question for purposes of this benchmark is: "Thinking about the entire service, from the time you first made

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the call until the work was completed, how would you rate your satisfaction with Puget Sound Energy - would you say 7- completely satisfied, 1- not at all satisfied, or some number in between?"

9. ~~Disconnection Ratio~~

a. ~~Performance Calculation~~

~~Disconnection Ratio = (Number of Electric Customers Disconnected + Number of Natural gas Customers Disconnected) / (Average Annual Electric Customers + Average Annual Natural gas Customers)~~

b. ~~Performance Level At Which Maximum Penalties Would Be Imposed~~

~~Disconnection Ratio = 0.043~~

c. ~~Sample Performance Calculation~~

~~Assume the following data for the year ending December:~~

Period	Number of Electric Customers Disconnected	Number of Natural gas Customers Disconnected
Year Ending 200X	27,523	13,165

~~Assume the following average annual customer counts are reported by PSE for the year ending December:~~

Period	Average Annual Electric Customers	Average Annual Natural gas Customers
Year Ending 200X	1,031,831	626,124

~~Disconnection Ratio = ((27,523 + 13,165) / (1,031,831 + 626,124))~~

~~Disconnection Ratio = 0.025~~

d. ~~Penalty Calculation~~

~~Penalty = ((Disconnection Ratio – benchmark) / benchmark) * 10 * penalty per point~~

~~Benchmark = 0.030 Disconnection / customer~~

~~Penalty Per Point = \$225,000~~

~~The maximum penalty is \$1,000,000~~

e. ~~Sample Penalty Calculation~~

~~Based on the sample performance calculation:~~

~~Penalty = ((0.025 – 0.030) / 0.030) * 10 * \$225,000~~

~~Penalty = \$0 (The actual calculation is –\$375,000)~~

f. ~~Notes~~

~~Any penalty imposed shall be applied to both natural gas and electric customers.~~

~~The source of the data will be CLX, the customer billing systems for PSE.~~

~~The worksheet for the disconnection results is in *endofthe monthYY.xls*~~