

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of the Petition of:

PUGET SOUND ENERGY, INC.

For an Order Temporarily Suspending SQI
Nos. 2, 5, and 6 during 2013 SQI Program
Year due to the Implementation of New
Customer Information System

Docket Nos. UE-072300 and UG-072301
(consolidated)

PETITION FOR TEMPORARY
SUSPENSION OF CERTAIN SERVICE
QUALITY INDICES

I. INTRODUCTION

1. In accordance with WAC 480-07-370(b), Puget Sound Energy, Inc. ("PSE" or the "Company") respectfully petitions the Commission for an order authorizing the Company to temporarily suspend Service Quality Index ("SQI") No. 2-WUTC Complaint Ratio, SQI No. 5-Customer Access Center Answering Performance and SQI No. 6-Telephone Center Transactions Customer Satisfaction during the entire 2013 SQI Program Year due to the impact of the implementation of PSE's new Customer Information System ("CIS") as described in this petition ("Petition").

2. PSE is engaged in the business of providing electric and gas service within the State of Washington as a public service company, and is subject to the regulatory authority of the Commission as to its retail rates, service, facilities and practices. Its full name and mailing address are:

Puget Sound Energy, Inc.
Attn: Ken Johnson
Director – State Regulatory Affairs
P.O. Box 97034
Bellevue, Washington 98009-9734

3. Rules and statutes that may be brought at issue in this Petition include RCW 80.01.040, RCW 80.28.020, and WAC 480-07-370(b).

II. BACKGROUND-SQI

4. PSE first implemented its Service Quality Index Program (the “SQI Program”) in 1997 pursuant to Docket Nos. UE-951270 and UE-960195, the dockets approving the merger of Washington Natural Gas Company and Puget Sound Power & Light Company. The stated purpose of the SQI Program was to “provide a specific mechanism to assure customers that they will not experience deterioration in quality of service”¹ and to “protect customers of PSE from poorly-targeted cost cutting”² as a result of the merger.

5. The SQI Program currently includes a Customer Service Guarantee, a Restoration Service Guarantee, and a set of nine service quality indices that require the Company to meet benchmarks in customer satisfaction, customer services, and operations services. Since 1997, the Company has continued the SQI program with temporary and permanent changes authorized by the Commission that would enable PSE to provide better service to its customers.

6. The following table summarizes the indices and their associated benchmark and calculation pertaining to this Petition. Exhibit A to this petition includes a complete list of current SQIs and associated benchmarks.

¹ Dockets UE-951270 & UG-960195, Fourteenth Supplemental Order Accepting Stipulation; Approving Merger (February 5, 1997) (Stipulation at 11:14-15).

² Id. (Order at 32:3-6).

Index	Benchmark	Performance Calculation
SQI No. 2-WUTC Complaint Ratio	0.40 ³ complaints per 1,000 customers, including all complaints filed with WUTC	WUTC Complaint Ratio = ((electric complaints recorded by WUTC during reporting period + natural gas complaints recorded by WUTC during reporting period) / average monthly electric customer count during reporting period + average monthly natural gas customer count during reporting period) * 1000
SQI No. 5-Customer Access Center Answering Performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator	Call Performance = average of ((monthly aggregate number of calls answered by a company representative within 30 seconds of a request to talk to a live operator) / (monthly aggregate number of calls received) * 100)
SQI No. 6-Customer Access Center Transaction Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)	Access Center Telephone Transactions Customer Satisfaction = Monthly Average Of Percent Of Satisfied Customers

III. BACKGROUND-CIS

7. In October 2011, PSE commenced its replacement of its existing customer information system, ConsumerLinX (“CLX”), with SAP’s Customer Relationship and Billing (“CR&B”) system as part of the Company’s massive effort in business-modernization. CLX, which was developed in the late 1990s, is used for managing customer information, billing, and service request. CLX also interacts with several PSE systems that combine to form an outage management system. The technical foundation used to build CLX does not provide efficient sharing of data with the contemporary software systems PSE is adopting, including the new outage management system (“OMS”) with electronic mapping of equipment and facilities data. It would be cost-ineffective and inefficient to build the interfaces required to upgrade CLX so that it would support the new OMS or future smart grid communications, for example.

8. SAP CR&B system’s up-to-date technology provides a robust interface with the Company’s new outage management system and the electric and gas geospatial

³ Order 12 of consolidated Docket Nos. UE-072300 and UG-072301, Appendix D, Partial Settlement re: Service Quality, Meter and Billing Performance, and Low Income Bill Assistance, page 10, section L, revised SQI No. 2 benchmark from 0.50 to 0.40

information systems. The new CIS will also streamline PSE's daily operations in four main functional areas – customer service, device and service order management, credit and collections, and billing. In addition to modernizing customer service operations and processes, PSE expects that the modern SAP technology to be the base platform for more advanced customer services such as mobile device payment, outage notification, text messaging, and payment reminders in the future.

IV. CIS GO-LIVE

9. Along with the OMS, all modules of the SAP CR&B system will be launched at the same time on April 1, 2013, as opposed to the four stage approach⁴ of the CLX implementation in 2000 that consolidated the two customer information and billing systems from Washington Natural Gas Company and Puget Sound Power & Light Company. The one stage approach provides a clean cutover of operations and data processing.

10. Prior to the go-live date of April 1, 2013, the CLX to SAP CR&B cutover period extends from 5 p.m. March 28 through 8 p.m. March 31 (“cutover period”) during which all PSE systems will be unavailable. PSE has in place the contingency plan that takes into account scenarios such as a major storm or a significant incident.

11. Through messages on PSE.com and in the customer bill package, PSE will inform customers in February and March 2013 that they will not be able to access their account online or obtain account information from PSE during the cutover period. PSE

⁴ The four stages of CLX implementation:

- April 2000 - All electric customer billing and care functions
- August 2000 - Outage management function
- November - 2000 - Low pressure natural gas customer billing and care functions
- April - 2001 - Large natural gas customer billing and care functions and the billing of electric and natural gas one time charges

also will notify its banks and online service providers about the cutover period. There will be no disconnections or late-payment fee processing during the cutover period.

V. EFFORTS TOWARD MINIMIZING THE IMPACT ON PSE CUSTOMERS

12. PSE has taken steps and developed plans to minimize the impact of the implementation of new CIS on PSE customers, including:

- The appearance of the bill will remain the same, which will help prevent customer confusion.
- There will be no change to PSE.com, which customers use to access their accounts.
- An external communication plan covering January through October 2013 is in place to keep customers informed of the Company's progress towards the cutover to SAP CR&B system and then to help quickly address any issues after the go-live date.
- PSE is conducting multiple tests to monitor performance requirements and ensure successful integration of the new system before the go-live date.
- PSE will increase its staff at the Customer Access Center to improve customer call experience.
- PSE project employees and consultants have participated in SAP CR&B user application testing since fall 2012; this training continues through first quarter of 2013.
- PSE has conducted a number of informational workshops for employees and surveyed awareness across the Company. Specific training has been developed and is in the implementation stage to ensure adequate depth of training.
- The contingency plan was put together based upon input from affected departments for the cutover period and will help ensure a smooth transition during the four day system cutover period from CLX to SAP CR&B.

VI. EFFECTS OF CIS IMPLEMENTATION ON SQI PERFORMANCE

13. Although PSE has dedicated training and on-going staff augmentation plans for CAC employees to facilitate the CIS transition, PSE still expects customer service performance to be impacted during post-implementation. Based on experiences of the Company and other utilities who implemented a new CIS⁵, PSE anticipates increased call volumes and handling times during the initial transition and post-implementation stabilization period. As a result, PSE projects that the following three service quality indices will be temporarily impacted by the implementation of the new CIS:

- SQI No. 2-WUTC Complaint Ratio,
- SQI No. 5-Customer Access Center Answering Performance, and
- SQI No. 6-Customer Access Center Transaction Satisfaction.

VII. REQUEST FOR TEMPORARY SUSPENSION OF SQI NOS. 2, 5, AND 6 DURING 2013 SQI PROGRAM YEAR

14. As a result of the discussions above, the Company respectfully requests the Commission approve a temporary suspension of SQI Nos. 2, 5, and 6 for the 2013 SQI Program year.

15. PSE proposes that SQI Nos. 2, 5, and 6 performance metrics be reviewed on a quarterly basis for 2013 without penalty instead of the mechanics prescribed in the SQI Program for the three indices. This will allow PSE time to manage and adopt the implementation of the new CIS and ultimately deliver better customer experience.

16. PSE is also requesting a waiver to the SQI Program provision regarding the doubling of the penalty amount when the Company fails to meet an SQI for two or more consecutive years. That is, any SQI benchmarks missed during 2013 due to the implementation

⁵ Electric and Gas Utility CIS Implementation Benchmark Report, Bass & Company, November 28, 2005, page 10.

of the CIS will not cause the doubling of a penalty amount if the Company fails the same index again in 2014.

**VIII. PSE QUARTERLY TARGETS FOR SQI NOS. 2, 5, AND 6 DURING
2013 SQI PROGRAM YEAR**

17. During the suspension of SQI Nos. 2, 5, and 6, the Company has set the following 2013 quarterly targets for each of the indices. Although PSE is setting targets to address service standards during the transition to SAP, the Company requests temporary suspension of SQI's 2, 5, and 6 and the associated penalties for the 2013 SQI Program year.

Index	Quarterly Target	
SQI No. 2- WUTC Complaint Ratio	Q1: January-March, 2013	0.40 complaints per 1,000 customers
	Q2: April-June, 2013	No Target complaints per 1,000 customers
	Q3: July-September, 2013	No Target complaints per 1,000 customers
	Q4: October-December, 2013	0.60 complaints per 1,000 customers
SQI No. 5- Customer Access Center Answering Performance	Q1: January-March, 2013	75% of calls answered live by company rep within 40 seconds of request to speak to live operator
	Q2: April-June, 2013	65% of calls answered live by company rep within 120 seconds of request to speak to live operator
	Q3: July-September, 2013	65% of calls answered live by company rep within 90 seconds of request to speak to live operator
	Q4: October-December, 2013	70% of calls answered live by company rep within 60 seconds of request to speak to live operator
SQI No. 6- Telephone Center Transactions Customer Satisfaction	Q1: January-March, 2013	90% ⁶ of surveyed customers rating 5 or higher on a 7 point scale
	Q2: April-June, 2013	No Target of surveyed customers rating 5 or higher on a 7 point scale
	Q3: July-September, 2013	No Target of surveyed customers rating 5 or higher on a 7 point scale
	Q4: October-December, 2013	75% ⁷ of surveyed customers rating 5 or higher on a 7 point scale

⁶ Actual Q1 performance used to compare with the target will be based upon the limited available monthly performance data from PSE's sole SQI survey vendor, Gilmore Research Group, which ceased operation at the end of February 2013.

⁷ The availability of the Q4 performance results is subject to the outcome of PSE's March 11, 2013 SQI petition in this docket due to the business discontinuance of the SQI survey vendor, Gilmore Research Group.

IX. REQUESTED ACTION

23. For the reasons set forth above, PSE respectfully requests that the Commission issue an order that:

- (1) Authorizes the Company to suspend SQI No. 2- WUTC Complaint Ratio, SQI No. 5-Customer Access Center Answering Performance, and SQI No. 6- Telephone Center Transactions Customer Satisfaction in their entirety during the 2013 SQI Program year.
- (2) Authorizes the Company to report the available monthly and annual results in PSE's semi-annual and annual reporting to the Commission without benchmarks and penalty assessment.
- (3) Grants the Company a waiver of SQI penalties during the 2013 SQI Program year due to the implementation of the CIS and that will not cause the doubling of the penalty amount if the Company fails the same index again in 2014.

DATED: March 13, 2013

PUGET SOUND ENERGY, INC.

By 
for Ken Johnson
Director - State Regulatory Affairs

Docket Nos. UE-072300 and UG-072301

Puget Sound Energy

PETITION FOR A TEMPORARY SUSPENSION OF CERTAIN SERVICE QUALITY INDICES

**Exhibit A:
A Complete list of Existing 2013 PSE SQIs and Associated Benchmarks**

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A Complete list of Existing 2013 PSE SQIs and Associated Benchmarks

Category of Service	SQI #		Benchmark
Customer Satisfaction	6	Telephone Center Transactions Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)
	8	Field Service Operations Transactions Customer Satisfaction	90% satisfied (rating of 5 or higher on a 7-point scale)
	2	WUTC Complaint Ratio	0.40 complaints per 1000 customers, including all complaints filed with WUTC
Customer Services	5	Customer Access Center Answering Performance	75% of calls answered by a live representative within 30 seconds of request to speak with live operator
Operations Services	4	SAIFI	1.30 interruptions per year per customer
	3	SAIDI	320 minutes per customer per year
	11	Electric Safety Response Time	Average of 55 minutes from customer call to arrival of field technician
	7	Gas Safety Response Time	Average of 55 minutes from customer call to arrival of field technician
	10	Kept Appointments	92% of appointments kept