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December 21, 2015

FILED VIA WEB PORTAL AND ABC LMI

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *In the Matter of the Petition for Modification of Puget Sound Energy for Modification of SQI SAIDI Benchmark and Performance Evaluation Mechanics,*
Dockets UE-072300, UG-072301

Dear Mr. King:

Public Counsel files this letter in response to Puget Sound Energy's (PSE) petition (Petition) filed November 30, 2015, to permanently modify the mechanics for the System Average Interruption Duration Index (SAIDI), Service Quality Index No. 3. We respectfully request that the matter be set for hearing, and that the discovery rule be invoked.

PSE's Service Quality Program (SQ Program) has been in place since the merger of Puget Sound Power and Light and Washington Natural Gas. The SQ Program has been extended and modified in subsequent proceedings, as described in the Petition, and was extended and continued indefinitely as part of PSE's 2007 General Rate Case.¹ Implementation of an integrated Outage Management System (OMS) was recommended to PSE in the wake of the December 2006, Hanukkah Eve Storm. In anticipation of implementing an integrated OMS system, PSE proposed that a temporary SAIDI benchmark be utilized for the period 2010-2013, which included an SQI SAIDI benchmark of 320 minutes, with no exclusions for Major Events.² The temporary SAIDI benchmark would allow for implementation of the new OMS and was approved by the Commission in Order 17 in this docket. Implementation of OMS was delayed, however, in part due to accelerated implementation of a Geographic Information System (GIS), and thus PSE petitioned for an additional year (2014) with the temporary SAIDI benchmark. That petition was unopposed and was approved by the Commission in Order 19 in this docket.

¹ Docket Nos. UE-072300 & UG-072301 (consolidated), Petition For Modification of SQI SAIDI Mechanics at 4 (November 30, 2015). The history of the SQ Program is summarized in the Petition. *Id.* at 3-6.

² *Id.* at 5.



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In 2014, PSE requested that the temporary SAIDI benchmark remain in place for one more additional year, through 2015, to allow for additional data after implementation of the OMS. That further extension was supported by Commission Staff and unopposed by other parties, and approved by the Commission in Order 25 in this docket. That extension provided PSE an opportunity to work with stakeholders on the design of a new permanent SAIDI benchmark for the SQ Program. As a result of implementation of OMS and GIS, the Company has a more accurate count of customers experiencing an outage than it did previously, which can cause its SAIDI results to appear worse. At the same time, OMS provides faster and more precise information regarding the location of outages.³

In June 2015, PSE began meeting with Staff and Public Counsel to review the Company's reliability metrics and issues related to implementation of OMS in an effort to develop a new SAIDI benchmark for the SQ Program. Stakeholders met on several occasions, and Public Counsel appreciates the information and data that was shared during that process. Ultimately, though, consensus regarding a new SAIDI benchmark was not reached. Public Counsel does support the movement toward utilization of the IEEE Standard 1366 method for calculating SAIDI, which is discussed in the Petition. The primary challenge presented by implementation of OMS is that a five full years of post-OMS data will not be available until 2019. In its Petition filed November 30, 2015, PSE has proposed a methodology for calculating a SAIDI benchmark that would adjust each year, 2016 to 2018, using a combination of data from pre-OMS years as well as post-OMS years. In that regard, during that transition period, there would not be a consistent established SAIDI benchmark. PSE is also proposing to adjust the pre-OMS data by 22 percent, as a means of accounting for what appears as a worsening of the SAIDI performance in the post-OMS data, due to the greater accuracy of the number of customers impacted by outages. In addition, PSE proposes to exclude the year 2013 from the calculation of a benchmark, since OMS was implemented April 1, 2013, and that year includes both pre-OMS and post-OMS data. PSE also proposes a definition of catastrophic events that would provide for an exclusion of those events in the calculation of SAIDI.

The company's Petition raises several issues that will require further investigation and review from stakeholders. Public Counsel therefore respectfully requests that the Commission set the matter for hearing, and that the discovery rule be invoked.

Sincerely,

A handwritten signature in black ink, appearing to read "Pat A. W." followed by "(for Lisa W. Gafken)".

Lisa W. Gafken
Assistant Attorney General
(206) 464-6595

LWG:MMK:cm
cc: Service List (E-mail & U.S. Mail)

³ Petition at 8.

CERTIFICATE OF SERVICE

DOCKETS UE-072300 UG-072301

In the Matter of the Petition for Modification of Puget Sound Energy for Modification of SQI SAIDI Benchmark and Performance Evaluation Mechanics

I, Chanda Mak, do hereby certify that I have this day served a true and correct copy of *December 21, 2015, Letter to Steven King on behalf of Public Counsel* to all parties of record listed and by the manner indicated below:

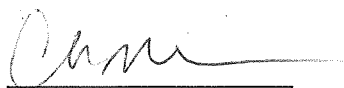
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<p>NUCOR STEEL:</p> <p>Damon Xenopolous Shaun Mohler Stone Mattheis Xenopolous & Brew, P.C. 1025 Thomas Jefferson St. N.W. 8th Floor, West Tower Washington, D.C. 20007 DEX@smxblaw.com SCM@dmxblaw.com</p> <p><input type="checkbox"/> via ABC Legal Messenger <input type="checkbox"/> via FedEx Overnight Delivery <input checked="" type="checkbox"/> via U.S. First-Class Mail <input type="checkbox"/> via Hand-Delivery <input checked="" type="checkbox"/> via E-Mail</p>	<p>FEA:</p> <p>Norman Furuta Associate Counsel Department of the Navy 1455 Market St., Ste. 1744 San Francisco, CA 94103-1399 Norman.furuta@navy.mil</p> <p><input type="checkbox"/> via ABC Legal Messenger <input type="checkbox"/> via FedEx Overnight Delivery <input checked="" type="checkbox"/> via U.S. First-Class Mail <input type="checkbox"/> via Hand-Delivery <input checked="" type="checkbox"/> via E-Mail</p>
<p>FEA:</p> <p>Scott Johansen Associate Counsel Department of the Navy 1220 Pacific Highway San Diego, CA 92132 Scott.johansen@navy.mil</p> <p><input type="checkbox"/> via ABC Legal Messenger <input type="checkbox"/> via FedEx Overnight Delivery <input checked="" type="checkbox"/> via U.S. First-Class Mail <input type="checkbox"/> via Hand-Delivery <input checked="" type="checkbox"/> via E-Mail</p>	

DATED: December 21, 2015.



Chanda Mak
Legal Assistant