

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UE-072300
TRANSPORTATION COMMISSION,)	and UG-072301 (<i>consolidated</i>)
)	
Complainant,)	
)	ORDER 26
v.)	
)	
PUGET SOUND ENERGY,)	ORDER REOPENING RECORD;
)	NOTICE OF PREHEARING
Respondent.)	CONFERENCE
)	(Set for January 22, 2016, at 9:30 a.m.)
.....)	

BACKGROUND

- 1 On November 30, 2015, Puget Sound Energy (PSE or Company) filed a Petition requesting an order from the Washington Utilities and Transportation Commission (Commission) that authorizes permanent modifications to the Company’s Service Quality Index (SQI) No. 3: System Average Interruption Duration Index (SAIDI).
- 2 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 PSE’s Petition, and was extended and continued indefinitely as part of PSE’s 2007 General Rate Case.
- 3 PSE proposed in 2010 a temporary SAIDI benchmark to be utilized for the period 2010-2013 as the Company implemented an integrated outage management system (OMS). The Commission approved the temporary SAIDI benchmark in Order 17. PSE petitioned for an additional year (2014) with the temporary SAIDI benchmark when its implementation of the OMS was delayed, in part due to the Company’s accelerated implementation of a Geographic Information System (GIS). The Commission approved the unopposed petition in Order 19.
- 4 In 2014, PSE requested that the temporary SAIDI benchmark remain in place for another year, through 2015, to allow for the collection of additional data after implementation of

the OMS. Commission Staff supported this request and it was not opposed by other parties. The Commission approved the extension in Order 25.

5 The extension through 2015 provided PSE an opportunity to work with stakeholders on the design of a new permanent SAIDI benchmark for the SQ Program. In June 2015, PSE began meeting with Staff and Public Counsel to review the Company's reliability metrics and issues related to implementation of the OMS in an effort to develop a new SAIDI benchmark for the SQ Program. Stakeholders met on several occasions. Ultimately, though, PSE, Staff, and Public Counsel did not reach consensus regarding a new SAIDI benchmark.

6 Staff answered PSE's November 30, 2015, petition on December 21, 2015. Staff opposes PSE's Petition, in part, because in Staff's view the Company's proposed modifications would fail to ensure that PSE customers will not experience deterioration in quality of service. One of Staff's primary concerns is that PSE's Petition does not adequately justify its proposed Benchmark Calculation because, in Staff's opinion, the Company did not provide sufficient data or conduct the analysis necessary to understand whether service quality has remained consistent since the implementation of the OMS. Staff states in addition that PSE's Petition fails to demonstrate that the Company has avoided "poorly targeted cost cutting" detrimental to the quality of service it provides. In particular, Staff argues, PSE omitted specific evidence demonstrating that the Company's investment in O&M and capital distribution projects has trended downward since 2011.¹ Staff believes that a hearing is necessary to create a full record to inform a Commission decision in this matter.

7 Public Counsel filed a letter on December 21, 2015, responding to, and opposing, PSE's petition. Public Counsel argues that "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 this matter for hearing.

8 The Commission finds good cause in Staff's and Public Counsel's answers to PSE's petition to reopen the record in this proceeding and to conduct a prehearing conference to determine what process should be used to bring this matter to finality and permanently

¹ Docket Nos. UE-072300 and UG-072301 (consolidated), Petition for Extending SQI SAIDI Temporary Mechanics through 2015 Program Year, page 6 (Nov. 26, 2014).

close these dockets. The Commission, therefore, orders that the record in this proceeding will be reopened to consider PSE's petition.

- 9 **THE COMMISSION GIVES NOTICE THAT it will conduct a prehearing conference in this matter at 9:30 a.m., on January 22, 2016, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

ORDER

THE COMMISSION ORDERS THAT the record in this proceeding is reopened to the extent required to resolve any contested issues concerning Puget Sound Energy's Petition for Modification of SQI SAIDI Benchmark and Performance Evaluation Mechanics.

Dated at Olympia, Washington, and effective December 31, 2015.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner