

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of a Penalty Assessment
Against

PUGET SOUND ENERGY, INC.

In the Amount of \$104,300

DOCKET U-100182

JOINT MOTION TO ACCEPT FULL
PAYMENT OF PENALTY; REQUIRE
INVESTIGATION OF TWENTY-SIX
SPECIFIC ACCOUNTS; REQUIRE
CONTINUED PLAN
IMPLEMENTATION; AND
TERMINATE PROCEEDING

I. BACKGROUND AND DECISION

1 On October 8, 2010, the Commission issued a penalty assessment against Puget Sound Energy, Inc. (PSE or the company), in the amount of \$104,300, for violation of several commission rules primarily pertaining to the proper handling of prior obligation. On October 27, 2010, PSE filed its Application for Mitigation, in which it admitted the violations and requested a hearing. On November 15, 2010, Commission Staff filed its response to PSE's Application, in which staff did not oppose setting the matter for hearing, but opposed mitigation of the penalty. On November 17, 2010, the Commission issued a Notice of Brief Adjudicative Proceeding set for December 20, 2010. On December 10, 2010, the parties met to discuss the issues. Following discussion, the Company agreed to: (1) pay the full penalty amount, (2) allow the Company's December 10, 2010, PowerPoint presentation summarizing the actions it has agreed to take to ensure compliance with commission rules to be entered into the record, (3) investigate twenty-six specific accounts,

and (4) continue to comply with plan implementation.¹ That plan includes extensive process improvement, training, and quality assurance.

II. CONCLUSION

2 For the above reasons, Puget Sound Energy, Inc., and Commission Staff jointly request that the Commission enter an Order: (1) accepting full payment of the penalty, (2) requiring investigation of twenty-six specific accounts, (3) requiring continued plan implementation, as described in the Company's PowerPoint presentation, and (4) terminating this proceeding. We wish to proceed on this paper record.

DATED this 16th day of December 2010.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General



SALLY BROWN
Senior Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

PERKINS COIE

SHEREE STROM CARSON
DONNA L. BARNETT
Counsel for Puget Sound Energy, Inc.

¹ The twenty-six specific accounts are set forth in Attachment A to this pleading. The PowerPoint presentation is Attachment B to this pleading.

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ATTACHMENT A

Twenty-six Account Numbers
103-468-893 V. P. A
620-246-000 K. S. B
032-882-350 C. L. C
185-562-000 R. A. D
209-097-100 R. C. E
068-138-000 R. H. F
506-601-221 E. R. G
090-424-800 T. S. H
706-475-098 E. C. I
464-760-703 A. F. C. J
400-013-751 R. M. K
312-868-647 M. H. L
005-582-000 J. C. M

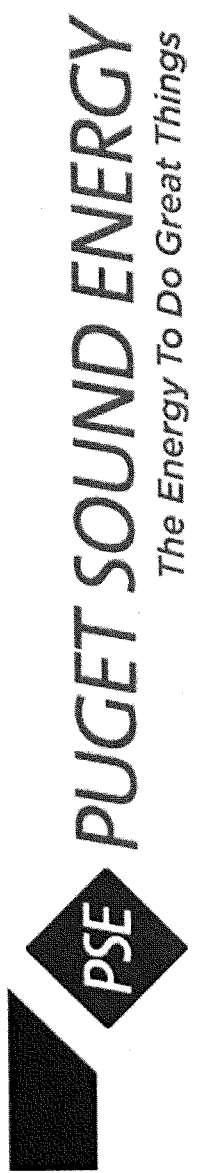
811-395-614 J. R. N
460-081-114 V. D. O
528-347-398 C. C. P
726-645-928 F. T. Q
559-445-988 B. Q. R
287-969-400 A. G. S
110-802-000 J. H. T
248-109-867 M. Z.-F. U
146-225-269 S. R. V
385-114-100 E. J. W
331-358-069 M. D. X
223-606-315 S. R. Y
450-764-430 F. S. Z

ATTACHMENT B



PSE – WUTC Meeting

December 10, 2010



December 10, 2010

Prior Obligation Update

- ✓ Roadmap Review
- ✓ Key Deliverables
- ✓ Final Scripting
- ✓ Prior Obligation Calculation Scenario
- ✓ Next Steps

Prior Obligation Roadmap

OCT NOV DEC JAN



Identify the Underlying Issues

Completed

Refine Processes and Continuously Improve

Document and Improve Pledge Related Processes

Review Prior Obligation process and refine as needed

Review Process of Customers who do not contact immediately after disconnect

★ On-Going

Completed

Completed

Quality Assurance/ Sustainability

Enhance Quality Assurance Process

Quarterly Quality Assurance Self Audit

Quarterly Report of Self Audit (mirror Performance standard)

On-Going

Began 12/3/10

On-Going

Internal Training and Communication

Prior Obligation Communications

Frequent Refresher Training

Testing and coaching

Completed

★ On-Going

Metrics and Reporting

Develop Prior Obligation Scorecard

Develop Method to monitor Pledge application workload

Review Deposit Standard

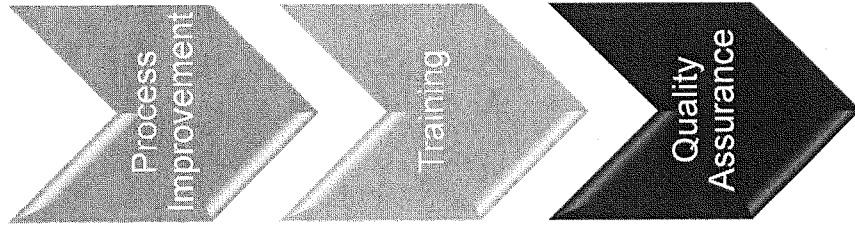
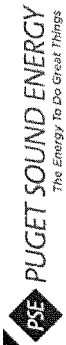
Completed

In Progress

Completed

★ Denotes change in original timeline.

Key Deliverables



- Revised Prior Obligation processes.
- Established VRU menu option for disconnected customers.
- Implemented a specialized team to handle all calls from disconnected customers.
- Updated scripting for agents.
- Focused training for specialized disconnect team.
- Trained all agents and Customer Care leadership on new processes.
- Curriculum development is in process for training and on-going training.
- Established Quality Assurance criteria to examine end to end Prior Obligation handling.
- Established reporting format for monthly and quarterly QA results.
- Initiated QA reviews on updated processes on 12/3/10.



- Scripting was revised through collaborative feedback and testing
- Current version of script provides clarity and consistency
- Delivery time improved 2-3 minutes from previous versions

Updated Scripting

Let me review your account and then I can advise you on action that are available to you...

Thank you for holding...

It looks like this account was disconnected for:

- Usage charges (and/or a deposit), for a total disconnect amount of \$ _____

We can:

- Reconnect the service for the disconnection amount of \$ _____ + a \$37 reconnection fee, which totals \$ _____.

- If you are unable (it isn't possible) to pay the full disconnect amount, we can reconnect your service for a new deposit & a reconnection fee, which appears to total \$ _____; and/or but I need to explain a few details to you about this prior obligation process *(if total exceeds disconnection amount, quote 1/2 deposit + reconnect fee)*

- We will be closing your account and reopening it right away so that your reconnect can be processed as soon as the payment is received.

- When we do this, it allows your service to be reconnected for a deposit and a reconnection fee

- If you choose to have your service reconnected by paying a new deposit and reconnection fee then this provides PSE the opportunity for us to offer you a payment plan on the prior charges. The charges in the payment arrangement would be for usage of \$XXX and is called prior obligation. What would you be able to pay each month in addition to your current charges? (\$XXX)(Based on customer response process payment arrangement.)

- Okay, the prior obligation arrangement is \$XX/month spread out over the next X months starting with your next bill. Is this ok? (Yes) I've noted the arrangement on your account and you will see this arrangement on your next statement in addition to the current charges.

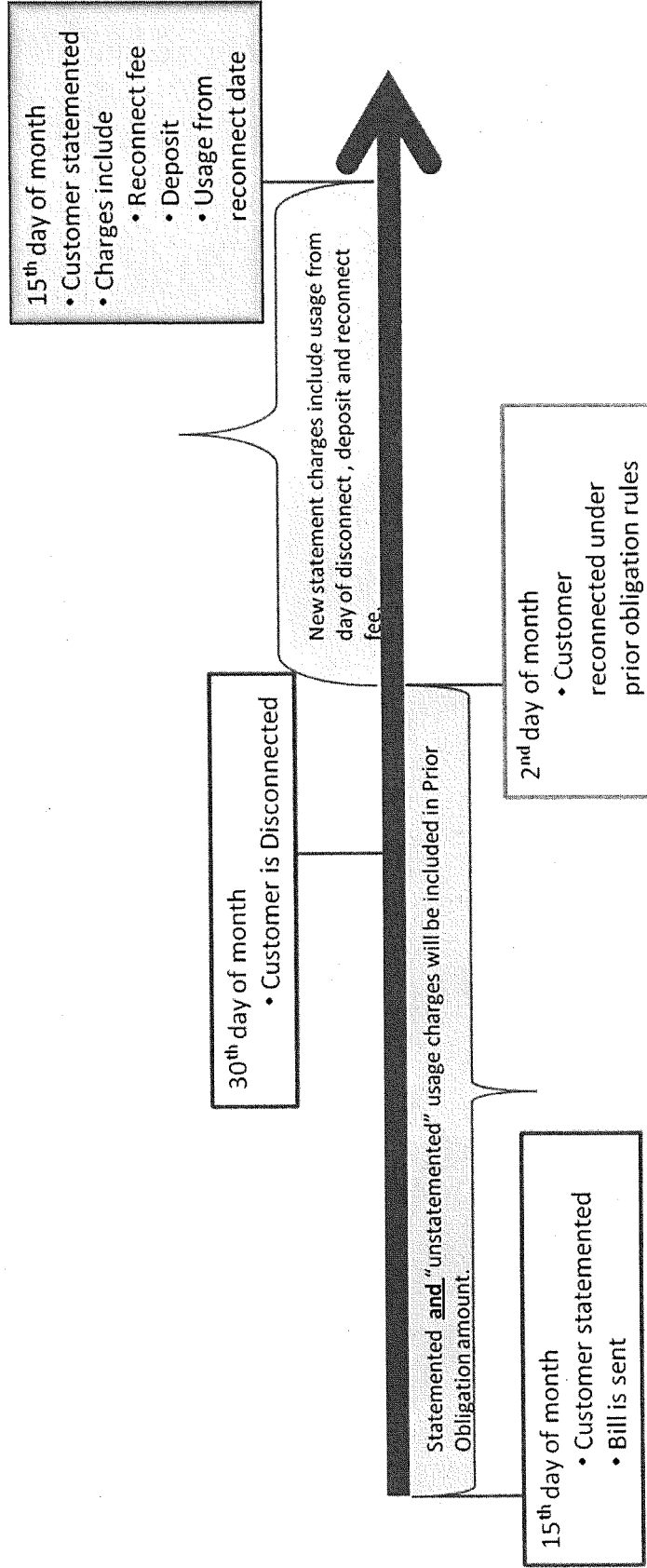
- If you are unable (it isn't possible) to pay these arrangements on time, PSE cannot disconnect the service for those charges of \$XXX.XX included in the prior obligation arrangement. However, PSE will send the prior obligation balance owing directly to a collection agency, so it is very important to keep this arrangement.

- Please ensure to continue to pay the current charges to avoid a possible disconnection of service in the future.

Prior Obligation Calculation Scenario



Calculating Prior Obligation Amount - Scenario



Next Steps



- ✓ Continue work with agencies on pledge process improvement.
- ✓ Perform Quality Assurance against new process and continue to refine.
- ✓ Continue to monitor and mitigate all complaint scenarios.
- ✓ Maintain training curriculum for Pledges and Prior Obligation.
- ✓ Provide quarterly report beginning April 2011.