



Puget Sound Energy, Inc.

Meter and Billing Performance Quarterly Report

For the Quarter Ending June 30, 2013

Filed July 30, 2013

## Contents

---

<b>Introduction .....</b>	<b>3</b>
Executive Summary .....	3
Background .....	4
<b>Summary Progress to Date .....</b>	<b>5</b>
Meter and Billing Performance Summary .....	5
<b>Tracking Back-billing Results of Stopped Meters .....</b>	<b>8</b>
<b>One Time Zero Consumption 365 Day Investigation Update .....</b>	<b>10</b>
<b>Tracking and Reporting Monthly Vintage of Meter/Billing Issues .....</b>	<b>13</b>
Issues Discussion .....	13
<b>Appendix A: Definitions and Standards .....</b>	<b>14</b>
Definitions .....	14
Performance Standards .....	15
<b>Appendix B: Historical Issues Resolution .....</b>	<b>16</b>



# Introduction

## Executive Summary

---

As of June 30, 2013, with the exceptions noted and discussed in this report, PSE has resolved 100%<sup>1</sup> of the meter and billing problems within the required timeframes and met the performance standards set for the following vintages: Phase-in Group One, Phase-in Interim, natural gas problems identified between January 2009 and November, 2012, and electric problems identified between January 2009 and January, 2013. Detailed performance standards pertaining to this quarterly reporting are outlined in Appendix A: Definitions and Standards. The exceptions are discussed in Appendix B: Historical Issues Resolution to this report.

On June 1, 2012, PSE launched its investigation process for meters measuring zero consumption for 365 consecutive days or more and a notification process for each meter that showed zero consumption for 365 consecutive days or more. As of June 30, 2013, 20,168 cases were created for the investigation process. This included all of the meters that had reached or could reach 365 consecutive days of no consumption during the investigation period of June 1, 2012, through May 31, 2013. The *One Time Zero Consumption 365 Day Investigation Update* section provides the progress of PSE's action.

---

<sup>1</sup> Consistent with the settlements language PSE has rounded the results in this report to the nearest whole percentage and realizes that some results rounded to 100% do not reflect resolution of all meter and billing problems.

## Background

---

This report is prepared in compliance with both the terms of the Partial Settlement Stipulation RE: Service Quality, Meter and Billing Performance, and Low-Income Bill Assistance in consolidated Docket Nos. UE-072300 and UG-072301 Order 12 (“Order 12” or “Settlement Stipulation”) and the terms of the Partial Settlement RE: Meter and Billing Performance Standards in Order 08 of consolidated Docket Nos. UE-111048 and UG-111049 (“Order 08” or “Partial Settlement”).

Order 12 defines performance standards and reporting requirements for meter and billing issues identified prior to June 1, 2012. Order 08 defines two sets of standards and requirements for issues identified between June 1, 2012, and May 31, 2013, and for issues identified after May 31, 2013. The performance standards pertaining to this quarterly reporting are outlined in Appendix A: Definitions and Standards.

The layout and elements of this report are consistent with the quarterly meter and billing performance reporting format reviewed by the Washington Utilities and Transportation Commission staff (“UTC Staff” or “Staff”) on June 7, 2012<sup>2</sup>.

The Settlement Stipulation in Order 12 states the following reporting requirements:

- PSE’s ability to plan, track, and report monthly vintages of potential meter and billing problems (per paragraph 34.i of the Settlement Stipulation); and
- PSE’s meter and billing performance under the phase-in period standards for meter and billing problems identified in 2008 and under the ongoing standards for problems identified in 2009 and after (per paragraph 36 of the Settlement Stipulation).

The Partial Settlement in Order 08 does not include any new quarterly reporting requirements pertaining to this report (per paragraph 22 of the Partial Settlement) but eliminates the interim benchmarks under the ongoing standards for electric and natural gas meter issues identified between June 1, 2012, and May 31, 2013.

In addition, PSE committed in the Partial Settlement of Order 08 to investigate during the period of June 1, 2012, through May 31, 2013, all accounts where there has been zero consumption for 12 months (or 365 days) (per paragraph 12 of the Partial Settlement). The final results of PSE’s investigation will be part of PSE’s annual meter and billing performance report for the period ending December 31, 2013. The *One Time Zero Consumption 365 Day Investigation Update* section of this report provides a quarterly update of the results of PSE’s investigation and resolution of the 365-day zero consumption meters.

PSE believes that the inclusion of quarterly reporting on PSE’s ongoing efforts in investigating and correcting those 365-day zero consumption meters will facilitate the UTC Staff’s review of PSE’s investigation process and allow PSE to address Staff’s concerns and suggestions prior to the conclusion of the one-time investigation.

---

<sup>2</sup> On June 7, 2012, PSE and the UTC Staff had a telephone conference call regarding the Meter and Billing Performance reporting format and requirements for quarterly reporting periods June 30, 2012, through June 30, 2013, and zero consumption customer notifications. At the request of UTC Staff, another meeting will be set up in September 2013 to discuss the annual filings for 2013 and years following and PSE’s one-time investigation progress per paragraph 14 of Order 08 Partial Settlement.



## Summary Progress to Date

### **Meter and Billing Performance Summary**

---

This section describes the progress of the 2012 and 2013 monthly vintages. The meter and billing problems in 2009, 2010, and 2011 vintages have been resolved and detailed results can be found in PSE's 4th quarter reports for 2009 through 2012. Appendix A: Definitions and Standards, outlines the performance standards pertaining to this quarterly reporting. These standards are applicable to all electric and natural gas meters regardless how they are read, automatically or manually, and the class of the meters; residential, commercial, or industrial.

PSE has resolved 100% of the meter and billing problems within their specific timeframes and met its performance standards set for the following vintages: Phase-in Group One, Phase-in Interim, natural gas problems identified between January 2009 and November 2012, and electric problems identified between January 2009 and January 2013. The outstanding meter and billing problems that have not been resolved are discussed in Appendix B: Historical Issues Resolution.

For some of the monthly vintages, the total number of meter and billing problems varies from what PSE presented in its prior quarterly reports. The reason for the difference for each of affected vintages is noted at the end of the Summary Progress to Date section. The following discussion is based upon the updated monthly results as June 30, 2013.

### ***Steady State (Ongoing Vintages) as of June 30, 2013***

Performance results are rounded to the nearest whole percentage. Some vintages with 100% results do not reflect resolution of all meter and billing problems. These exceptions are discussed in Appendix B: Historical Issues Resolution. For vintages starting June 1, 2012, through May 31, 2013, the interim benchmarks have been eliminated per Order 08 therefore the following tables show only the final performance results for these vintages.

### **Electric meter information:**

Ongoing Vintage	# Electric Meter and Billing Issues	Resolved Within 1 Month of Identification	% Resolved Within 1 Month of Identification	Resolved Within 2 Months of Identification	% Resolved Within 2 Months of Identification	# of Issues Identified As Reported in 2013 Q1	Reason for Change
JAN_12	6,121	5,637	92%	6,120	100%		
FEB_12	3,054	2,791	91%	3,054	100%		
MAR_12	2,727	2,498	92%	2,727	100%		
APR_12	3,231	3,118	97%	3,231	100%		
MAY_12	3,312	3,214	97%	3,312	100%		
JUN_12	2,453			2,453	100%		
JUL_12	5,517			5,517	100%		
AUG_12	2,539			2,539	100%		
SEPT_12	1,961			1,961	100%		
OCT_12	2,365			2,363	100%		
NOV_12	3,749			3,749	100%		
DEC-12	5,500			5,500	100%		
JAN_13	8,146			8,142	100%		
FEB_13	3,523			3,433	97%		
MAR_13	3,570			3,525	99%	3,566	Note 1
APR_13	2,627			2,407	92%		
MAY_13	3,801	Open					

Note 1: In the vintage noted, 4 additional meters related to a meter mix issue needed to be added to complete the investigation.

### **Electric Meter Issue Resolution**

- February 2013 vintage: All 90 exceptions have been resolved before June 30, 2013.
- March 2013 vintage: As of July 14, 2013, all issues have been resolved except 9 meter issues.
- April 2013 vintage: Additional 220 issues have been resolved as of July 14, 2013.

The delay in the meter issue resolution is due to the temporary effect of the transition to PSE's new customer information system. Appendix B: Historical Issues Resolution provides the explanation and PSE's actions to mitigate the situation.

**Natural gas meter information:**

Ongoing Vintage	# Gas Meter and Billing Issues	Resolved Within 2 Month of Identification	% Resolved Within 2 Month of Identification	Resolved Within 4 Months of Identification	% Resolved Within 4 Months of Identification	# of Issues Identified As Reported in 2012 Q4	Reason for Change
JAN_12	8,962	8,611	96%	8,962	100%		
FEB_12	4,341	4,117	95%	4,341	100%		
MAR_12	3,600	3,553	98%	3,600	100%		
APR_12	3,801	3,681	97%	3,801	100%		
MAY_12	6,520	6,315	98%	6,520	100%		
JUN_12	8,553			8,554	100%		
JUL_12	15,659			15,657	100%		
AUG_12	24,319			24,319	100%		
SEP_12	8,045			8,045	100%		
OCT_12	2,862			2,862	100%		
NOV_12	3,829			3,828	100%		
DEC_12	5,490			5,404	98%		
JAN-13	10,494			10,038	96%		
Feb_13	4,170			3,816	92%		
MAR_13	4,258		Open				
APR_13	3,511		Open				
MAY_13	4,991		Open				

**Gas Meter Issue Resolution**

- December 2012 vintage: All 86 exceptions have been resolved before June 30, 2013.
- January 2013 vintage: As of July 14, 2013, all issues have been resolved except 72 meter issues.
- February 2013 vintage: Additional 354 issues have been resolved as of July 14, 2013

The delay in the meter issue resolution is due to the temporary effect of the transition to PSE's new customer information system. Appendix B: Historical Issues Resolution provides the explanation and PSE's actions to mitigate the situation.



## Tracking Back-billing Results of Stopped Meters

This additional data regarding the back-billing results of Stopped Meters, including both residential and non-residential meters, have been added in the quarterly filing since September 2009 per an informal UTC Staff request. Specifically, this section details the average duration of the Stopped Meter issues, the average length of back-billing, and the average back billed amount by vintage for the Stopped Meters that required back-billing.

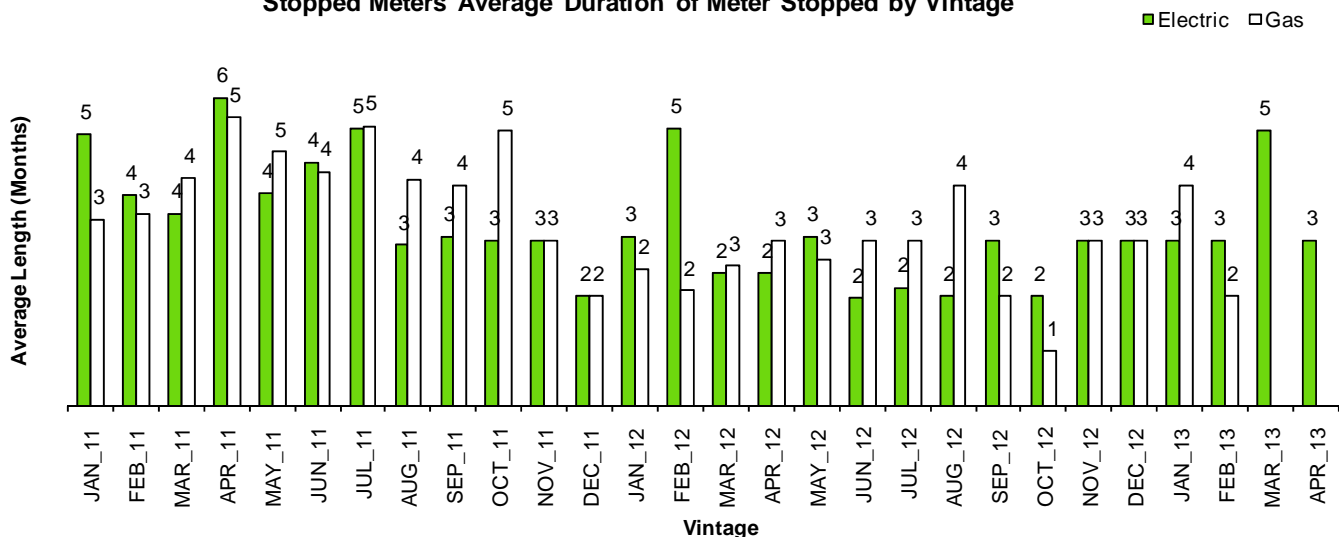
The monthly Stopped Meter vintages discussed in this quarterly report include the following closed 2011 and 2012 vintages: electric January 2011 through April 2013 and natural gas January 2011 through February 2013. The average back-billed information does not reflect vintages that have not been closed, including the following: electric May 2013 vintage and natural gas March 2013 through May 2013 vintages.

There are 240,238 Stopped Meters reported in the closed 2011 through 2013 vintages. 95% of those reported meter issues are meters with seasonal usage or irregular seasonal usage. When customers started to use the natural gas or electricity again, these probable meter issues resolved themselves without PSE intervention. The average back-billed information presented in this section pertains only to the 5% of those Stopped Meters that were actually stopped due to a reason other than seasonal usage and therefore required back-billing.

The chart below shows the average duration of the meter stopped by vintage, including both the automatically and manually read Stopped Meters. The average duration of the meter stopped is the average of the actual duration that a meter has remained stopped, i.e., the total number of months from the date the meter failed to the date the meter issue was resolved.

The number reported represents vintages that have been closed on June 30, 2013, i.e., electric vintages up to April 2013 and natural gas vintages up to February 2013.

**Stopped Meters Average Duration of Meter Stopped by Vintage**

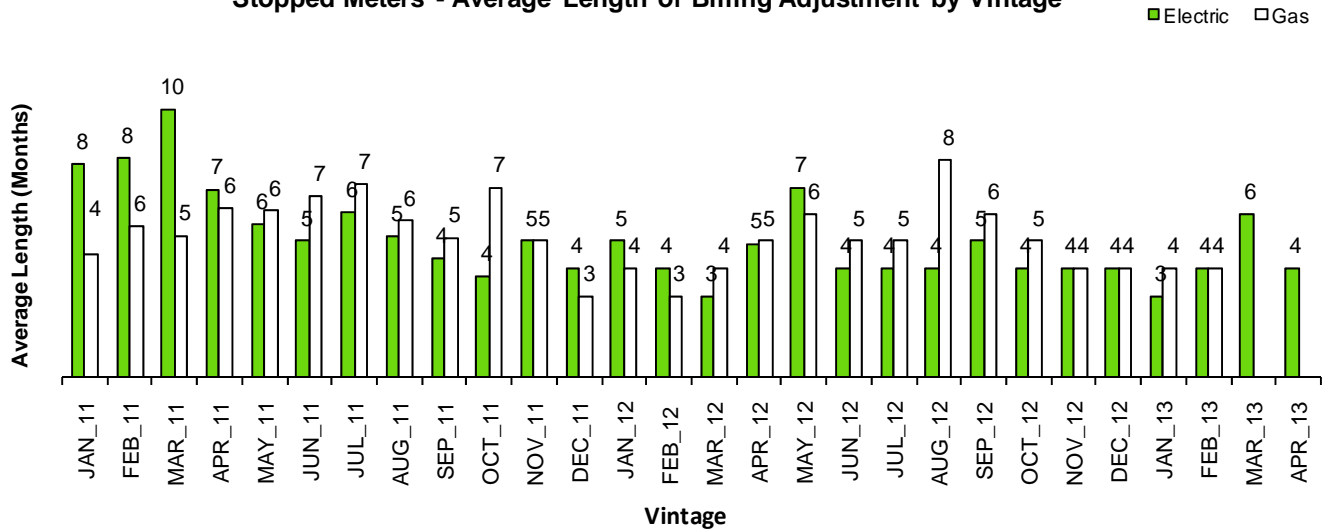




The chart below shows the average length of the back-billing adjustment for Stopped Meters as of June 30, 2013. The average length of back-billing is the average of the actual back-billing period, which is the difference from the last day of the last accurate billing prior to being identified as a Stopped Meter to the meter read date of the first correct billing after the resolution of the Stopped Meter issue. For any Stopped Meter, the duration of the meter stopped (shown above) may or may not be the same length of time as its billing adjustment period or the length of being identified as a Stopped Meter.

The number reported represents vintages that have been closed on June 30, 2013, i.e., electric vintages up to April 2013 and natural gas vintages up to February 2013.

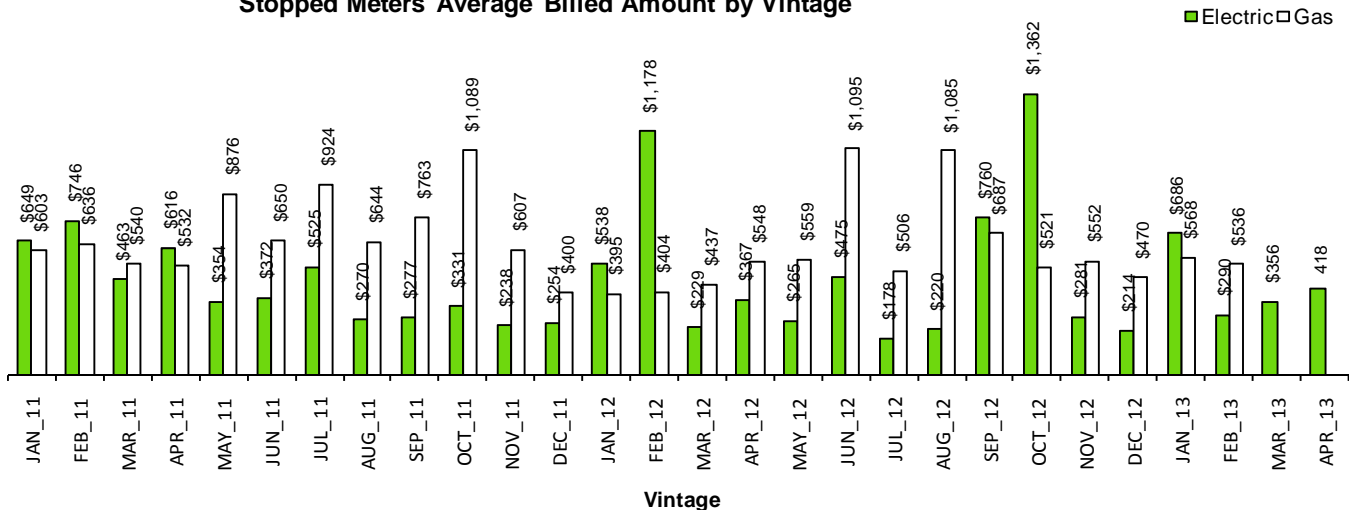
**Stopped Meters - Average Length of Billing Adjustment by Vintage**



The chart below shows the average back-billed amount by vintage for Stopped Meters as of June 30, 2013. The number reported represents vintages that have been closed on June 20, 2013, i.e., electric vintages up to April 2013 and natural gas vintages up to February 2013.

The average billed amount is associated with the actual total number of months of the billing adjustment that occurred. The actual back-billing period for a Stopped Meter problem does not change even though the billing adjustment amount may be increased or decreased due to subsequent adjustments. As a result, some of the numbers shown in the chart below for prior vintages may vary from that in the prior quarterly reports. The chart below reflects the most current billing correction as of June 30, 2013, if there are multiple billing adjustments in the PSE’s Meter Exception Management System for a single Stopped Meter issue.

**Stopped Meters Average Billed Amount by Vintage**





# One Time Zero Consumption 365 Day Investigation Update

On June 1, 2012, PSE launched the customer notification process for meters measuring zero consumption for 365 consecutive days (or 12 consecutive months) or more during the investigation period of June 1, 2012, through May 31, 2013. PSE will be providing a comprehensive report of this investigation in its annual filing of Meter and Billing Performance Report for the calendar year 2013 per Order 08.

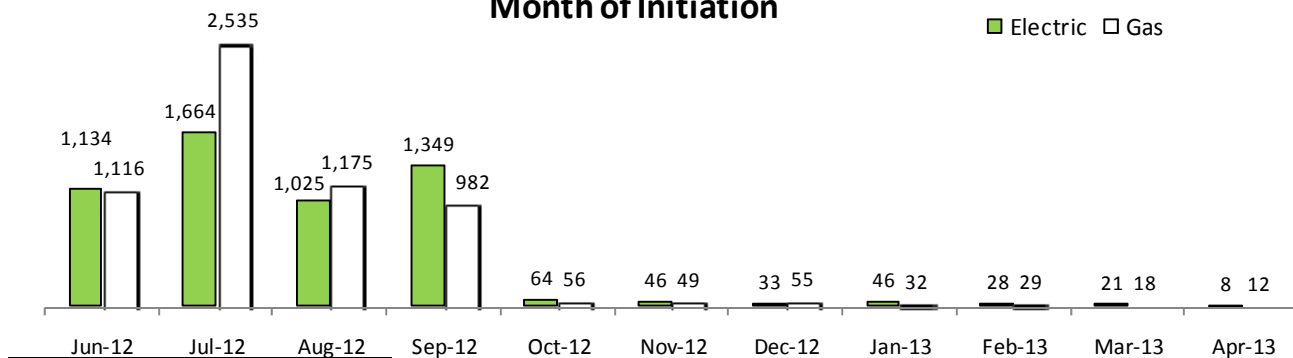
Prior to the conclusion of this Order 08 requirement, PSE is providing on-going quarterly updates of its investigation results and follow-up actions in this section of the report to facilitate the review of the Commission and the UTC staff.

As part of the investigation process, PSE will notify each customer with a meter showing zero consumption for 365 consecutive days or more. The initial customer notification<sup>3</sup> involves up to two auto dialer calls that include a method for receiving and tracking the customer response regarding the zero usage meter status. These calls will be followed by a letter requesting that the customer contacts PSE to verify the zero readings if the auto dialer does not record a valid respond from the customer.

Between June 1, 2012, and May 31, 2013, PSE launched 20,168 meter cases in the zero consumption investigation process. These are the meters that had reached or could reach 365 consecutive days of no consumption during the investigation period of June 1, 2012, through May 31, 2013. Of the cases created, 8,352 were resolved prior to the customer notification process either because usage has been resumed, or the customers notified PSE that they were not being billed. 11,477 customer notifications were initiated via the customer notification process. Calls with no customer response or where the customer reports usage are dispatched for field investigation.

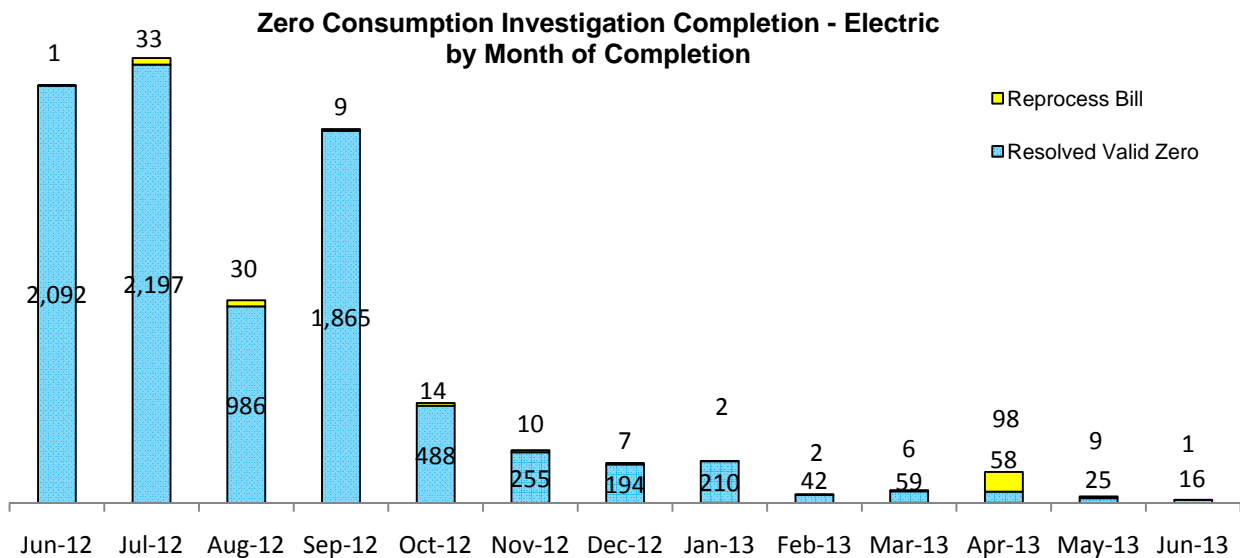
Of the 11,477 customer notifications initiated between Jun 1, 2012, and May 31, 2013, 6,059 were Gas customers and 5,418 were Electric. The graphs below show the breakdown by fuel and the month the first customer notification was generated. Data was not available between April 9 and May 1, 2013, due to technical issues preventing the data from transferring during that time frame.

**No. of Zero Consumption Customer Notification Initiations by the Month of Initiation**

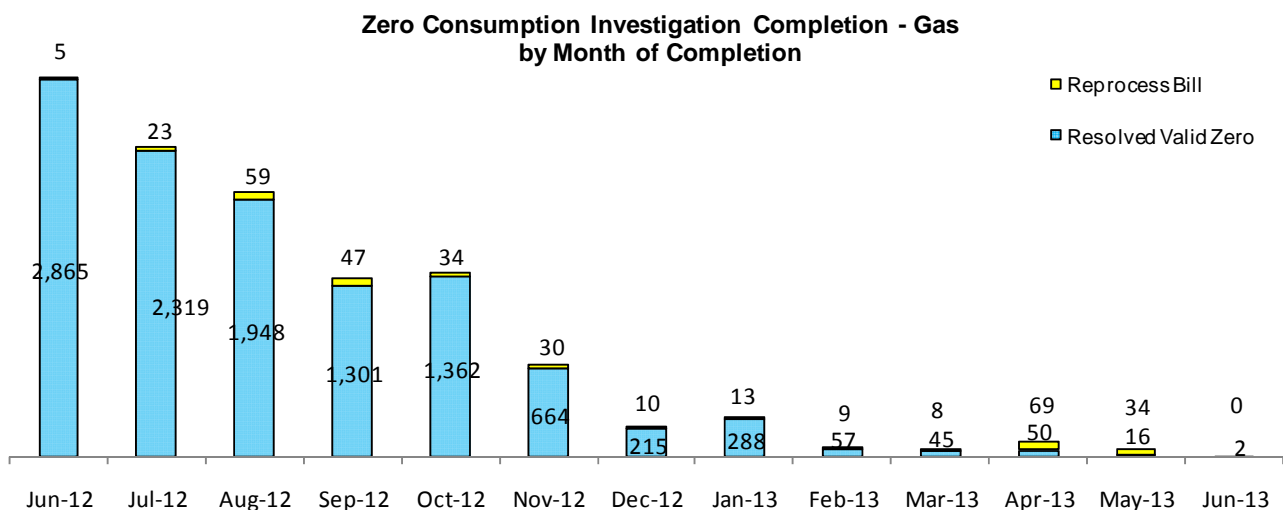


<sup>3</sup> The auto dialer call script and flow and the customer notification letter were distributed in the June 7, 2012 PSE and UTC Staff meeting (see Footnote 1). UTC Staff did not raise any general or specific concerns about these notices in the meeting or via the e-mail following the meeting.

Among the 20,168 meter cases created, the investigations of 20,141 cases have been completed as of May 31, 2013 and all of the cases have been resolved for the purpose of the customer notification process as of July 20, 2013. The charts below show, as of July 14, 2013, the status of those cases by energy and the month of the investigation completion. Some of monthly results may be different from prior reporting due to further update or correction.



The chart below shows, as of July 14, 2013, the status of those natural gas cases by the month of the investigation completion. Some of monthly results may be different from prior reporting due to further update or correction

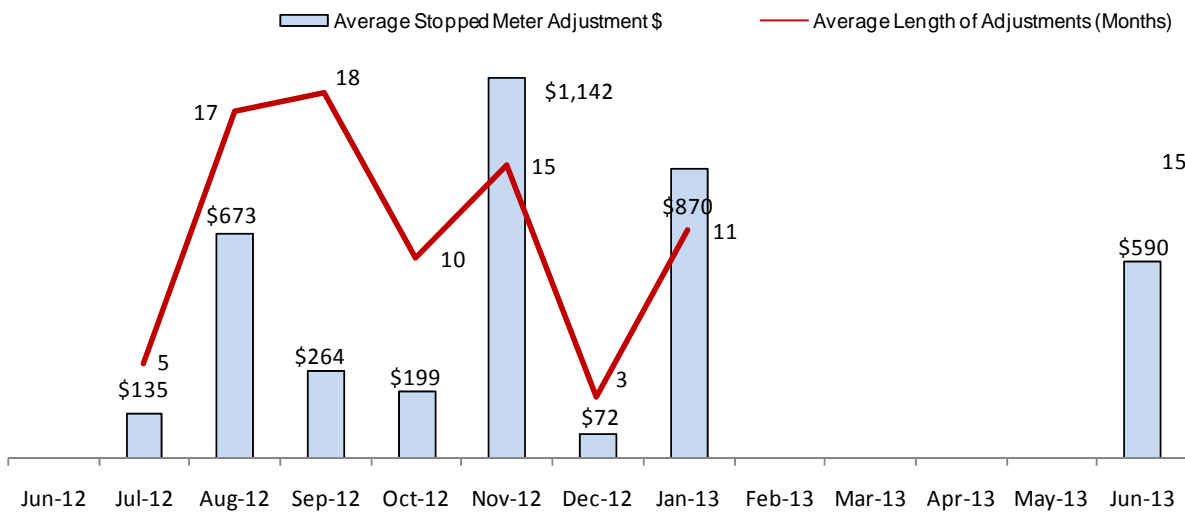


For gas and electric zero consumption meters that required billing adjustments, the charts below show the average dollar amount and the average length of billing adjustment as of May 31, 2013, by energy and the month of billing adjustment. This group of the billing issues is independent of the issues identified in the *Tracking Back Billing Results of Stopped Meters* section.

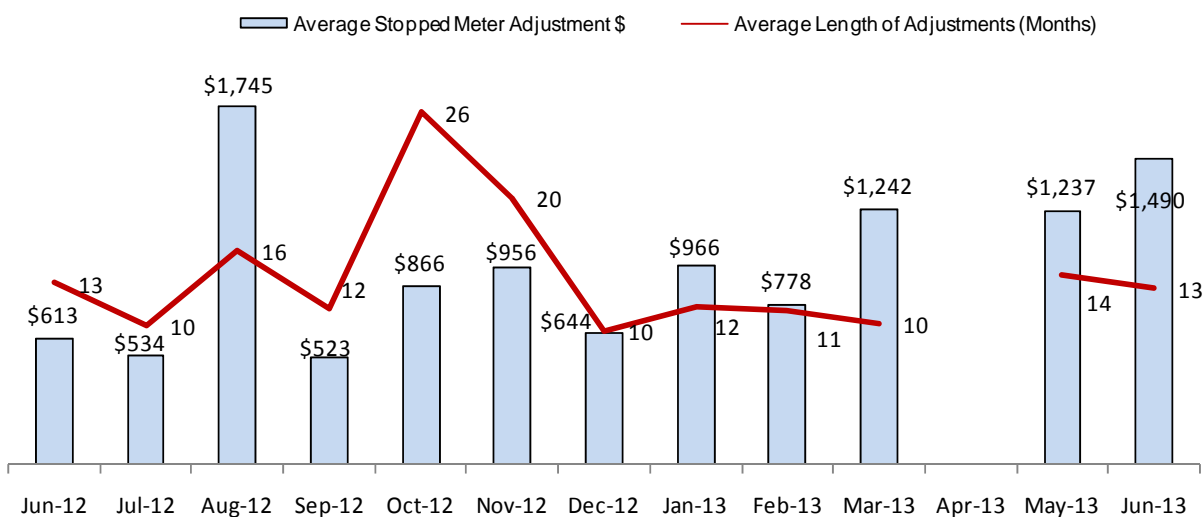
In previous reporting, the billing adjustments for the previous customers with the same meter were not included. This will change the number of billing adjustments and the average amount billed in some months.

For electric meter cases identified via the customer notification process, there is no billing adjustment required for the months of June 2012, February 2013, March 2013, April 2013, and May 2013. Likewise, for the month of April 2013, there is no billing adjustment for gas meter cases associated with the customer notification process.

**Length of Stopped Meter & \$ Adjustment - Electric  
by the Month of Back Billing**



**Length of Stopped Meter & \$ Adjustment - Gas  
by the Month of Back Billing**





## Tracking and Reporting Monthly Vintage of Meter/Billing Issues

### Issues Discussion

---

The transition to PSE's new customer information system has resulted in delay in the resolution of the meter and billing issues during the second quarter of 2013. The affected vintages are: electric vintages February 2013 through April 2013 and natural gas vintages December 2012 through February 2013. Appendix B: Historical Issues Resolution to this report provides further discussion of these new exceptions along with existing exceptions that have been reported in the last quarterly report.



## Appendix A: Definitions and Standards

### Definitions

---

#### Definitions of “Identified” applicable through May 31, 2013

The following definitions from the Settlement Stipulation are used throughout this document and define when a specific category of meter issues is considered “identified”.

- a. Stopped Meter: Date the meter is validated to be a probable stopped meter from manual analysis of the zero consumption report or other similar report.
- b. Unassigned Energy Usage (“UEU”): Date that energy usage reaches the following established thresholds:

Customer group	Gas	Electric
Residential	100 therms	1,000 kWh
Commercial and Industrial	100 therms	7,150 kWh

- c. Lost Meter: Date that the meter has been correctly transmitting energy usage for more than sixty days; yet no associated account exists in the ConsumerLinX (“CLX”) system.
- d. Meter Mix/Other Field Identified: Date of notification of a potential meter mix (meter correctly recording and transmitting energy, but is assigned to an incorrect account in CLX) or other field identified problem as reported either from a customer or a PSE field representative.
- e. Other: For meter and billing problems that do not fall into one of the above categories, that problem will be considered “identified” when it is first brought to the attention of a PSE representative by any party, or when through the course of normal work, a representative identifies a meter and billing error or problem.

#### Definition of “Resolved” applicable through May 31, 2013

An identified meter and billing problem will be considered resolved when a correct bill is issued to the customer and any associated equipment problems are corrected.

## **Performance Standards**

---

### **Phase-in Standards applicable prior to January 1, 2009**

Group One: As of June 30, 2008, PSE had identified potential problems with 17,276 meters. PSE commits to resolving 100 percent of this legacy population by June 30, 2009. The Company will also resolve 75 percent of the population by December 31, 2008.

Interim: PSE will resolve potential gas and electric meter and billing problems identified between July 1, 2008, and December 31, 2008, by June 30, 2009.

### **Ongoing Standards, applicable January 1, 2009 through May 31, 2012**

Natural Gas: PSE will resolve identified potential natural gas meter and billing problems for each monthly vintage within four months of identification; 75 percent will be resolved within two months of identification. Potential metering and billing problems identified within the same month will be of the same vintage. (For example, potential problems identified on the 5<sup>th</sup> of the month or the 20<sup>th</sup> of the month will have the same monthly vintage.)

Electric: PSE will resolve identified potential electric meter and billing problems for each monthly vintage within two months of identification; 50 percent will be resolved within one month of identification. Potential metering and billing problems identified within the same month will be of the same vintage. (For example, potential problems identified on the 5<sup>th</sup> of the month or the 20<sup>th</sup> of the month will have the same monthly vintage.)

### **Ongoing Standards, applicable June 1, 2012 through May 31, 2013**

Natural Gas: PSE will resolve identified potential natural gas meter and billing problems for each monthly vintage within four months of identification.

Electric: PSE will resolve identified potential electric meter and billing problems for each monthly vintage within two months of identification.

### **Investigation of Zero Reads, applicable June 1, 2012 through May 31, 2013**

1. The Company will investigate all accounts where there has been zero consumption for 12 consecutive months or longer, repair identified meter problems and bill affected customers during the period of June 1, 2012, through May 31, 2013.
2. The Company will investigate all meters that attain a 12<sup>th</sup> consecutive month of zero consumption during the period of June 1, 2012, through May 31, 2013.
3. The Company will report the results to the Commission in the first annual report for the period ending December 31, 2013.



## Appendix B: Historical Issues Resolution

The following table summarizes and updates, as of July 18, 2013, the status of those exceptional meter issues that were resolved during this reporting period and the outstanding unresolved meter problems:

Vintage	Redacted Meter ID	Category	Issue Type
Group One Gas	0432	Lost Meter	Not Located
Group One Gas	0947	Lost Meter	Not Located
Group One Gas	1426	Lost Meter	Not Located
Group One Gas	9421	Lost Meter	Not Located
Interim Gas	1760	Lost Meter	Not Located
APR_09 Gas	3028	Lost Meter	Not Located
JUN_09 Gas	5722	Lost Meter	Not Located
JAN_10 Electric	0203	Lost Meter	Not Located
OCT_12 Electric	0132	Lost Meter	Not Located Resolved May 14, 2013
OCT_12 Electric	9921	UEU Meter	Weather Resolved July 18, 2013
NOV_12 Electric	2661	UEU	CIS Transition Resolved April 16, 2013
JAN_13 Electric	3062	Stopped Meter	CIS Transition
JAN_13 Electric	2433	Stopped Meter	CIS Transition Resolved April 1, 2013
JAN_13 Electric	3578	Stopped Meter	CIS Transition Resolved April 1, 2013
JAN_13 Electric	9766	UEU	CIS Transition



The following table summarizes, as of July 14, 2013, the status of those exceptional meter issues that are due during 2013 2<sup>nd</sup> quarter by vintage:

<b>Vintage Due Date</b>	<b>Vintage</b>	<b>No. of Exceptions</b>	<b>Issue Type</b>
May 31, 2013	MAR_13 Electric	9	CIS Transition
May 31, 2013	JAN_13 Gas	72	CIS Transition
June 30, 2013	APR_13 Electric	174	CIS Transition
June 30, 2013	FEB_13 Gas	287	CIS Transition

## **Unresolved Exception Issues**

### **Not Located Issue**

PSE has not been able to locate the eight Lost Meters since the end of last quarter. PSE has continued its efforts to locate these meters whenever any of the meters shows some usage or sends a radio frequency that is strong enough for the locating equipment to pinpoint the meter location. PSE will continue its efforts to locate this meter and other Lost Meters. Further status updates on this meter problem will be included in the next report.

### **CIS Transition**

PSE commenced in October 2011 the replacement of its legacy customer information system (“CIS”), ConsumerLinX (“CLX”), with SAP’s Customer Relationship and Billing system (“CR&B”) as part of PSE’s massive effort in business-modernization. Prior to the SAP CR&B go-live date of April 1, 2013, CLX processing for certain new transactions such as meter exchange is not available after February 28, 2013, to ensure that all transactions started in CLX can be finished in CLX.

The blackout period had left numbers of meter and billing issues unresolved. Right after the CR&B system implementation, it took longer for PSE’s customer service agents to resolve a meter issue while they were learning about the new CIS and familiarizing themselves with the system. The compounding effect of the backlogged volume accumulated during the blackout period and the longer processing time further contributed to the delay in the meter and billing issue resolution.

To mitigate the situation, the customer service agents received refresher training that would be needed to better perform their duties. Additional training material was developed and training was given to each agent for the specific processes they were currently working. PSE initially transferred thirty-five agents to the billing department to manage the larger volume and to compensate for the learning curve and the longer processing time. As of July 29, 2013, fourteen of the thirty-five agents are still with the billing department to resolve the remaining meter and billing issues. Additional floor support has also been provided by the CR&B project subject matter experts as well as members from the CIS development team. Billing adjustments have been audited by the quality assurance team before a corrected bill can be sent to the customer.