BEFORE THE WASHINGTON

UTILITIES & TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

DOCKET NOS. UE-190529 and UG-190530 (*Consolidated*)

SUSAN M. BALDWIN ON BEHALF OF PUBLIC COUNSEL UNIT

EXHIBIT SMB-14

Puget Sound Energy Response to Public Counsel Data Request Nos. 105

November 22, 2019

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case

PUBLIC COUNSEL DATA REQUEST NO. 105:

Get to Zero Evaluation; Direct Testimony of Joshua J. Jacobs, Exh. JJJ-1T.

Please reference the following pages and lines of Exhibit JJJ-1T:

- Page 2, lines 2-4, stating: "In this capacity, I am responsible for the development of projects necessary to improve PSE's customer experience and for the execution of work within the initiative".
- Page 2, at lines 17-18, stating in pertinent part "to ultimately make doing business with PSE easier for PSE's customers."
- Page 10, line 21 through page 11, line 2, which states in pertinent part: "PSE measures the success of the projects implemented by GTZ through several different internal and external metrics. Based on the success of these metrics, PSE can determine what is working and what improvements can be made in order to create the best possible customer experience".
- Page 11, line 4 through page 12, line 15, which references (but is not limited to) the following metrics: call reduction, usage of self-service options, third party surveys, and financial benefits.

a) Please list the metrics that are not included on page 11, line 4 through page 12, line 15, that the Company considers relevant to assessing whether it is "creat[ing] the best possible customer experience."
b) In the Company's view, what are the attributes of a "best possible customer experience." Provide the basis of the view.
c) Other than through JD Power surveys, has the Company at any time in the last five years sought customers' perspectives on the attributes of a "best possible customer experience"? If so, please provide the results of such research and explain how such research was conducted.
d) Has the Company's GTZ been evaluated? If so: (i) Please provide copies of all such evaluations, and (ii) By whom and when?
e) On a going-forward basis, does PSE intend to evaluate its GTZ Program (either directly or through a third party)? If so, please describe in detail how and when such evaluation(s) is expected to occur.
f) List any and all metrics that will be used by or on behalf of the Company to evaluate the success of GTZ on a going-forward basis. If and where applicable, indicate the Company's objectives regarding each identified metric. Provide such metrics separately for residential and commercial customers.

g) List any and all Commission-approved customer service performance requirements that presently apply to the Company, the date that the Commission approved them, and the Company's performance in each metric in the past five years. Define all metrics and define any and all acronyms used. Please provide these in an Excel-compatible form.
h) Will GTZ enhance the Company's ability to meet Commission-approved performance requirements? If so, please identify which requirements. If not, please explain.
i) Have any penalties been assessed on the Company during the past five years because of its failure to meet one or more of the Commission-established standards? If so, list and describe all, including the relevant dates, the size of the penalty, the reason for the penalty, and the way in which the penalty was used.

Response:

a) The metrics identified in the Prefiled Direct Testimony of Joshua J. Jacobs, Exh. JJJ-1T, on page 11, line 4 through page 12, line 15, represent the relevant metrics Puget Sound Energy ("PSE") is tracking to assess improvements to the customer experience.

b) PSE relies on third party surveys such as JD Power to define the overall attributes of a "best possible customer experience." The list of JD Power attributes that make up overall customer satisfaction have been provided in the Second and Third Exhibits to the Prefiled Direct Testimony of Andrew Wappler, Exh. AW-3 and Exh. AW-4. The basis for these attributes is described in the JD Power research methodology which is provided in PSE's Response to Public Counsel Data Request No. 138, Attachments A through C.

c) Other than JD Power, PSE also uses Escalent's Cogent Syndicated Utility Trusted Brand & Customer Engagement Study ("Cogent Syndicated Study") to gain customers' perspectives on the overall attributes of a "best possible customer experience." The most recent Cogent Syndicated Study Business and Residential results are attached as Attachments A and B to PSE's Response to Public Counsel Data Request No. 105, respectively. The Cogent Syndicated Study research methodology is attached as Attachment C to PSE's Response to Public Counsel Data Request No. 105.

d) The Get to Zero ("GTZ") initiative is evaluated through customer interactions and surveys as described in subparts (b) and (c) above.

e) The GTZ initiative is evaluated through customer interactions and surveys as described in subparts (b) and (c) above. The annual schedule for those surveys are as follows:
    i. Escalent/Cogent (formerly MSI)

a. Q1 Residential – March
b. Q2 Residential and Business – July
c. Q3 Residential – October
d. Q4 Residential and Business December – Final Syndicated Results

ii. JD Power
a. Residential Electric Annual results published in early July (for the preceding year)
b. Residential Gas Annual results published in early September (for the preceding year)
c. Business Electric and Gas published in early December (for the current year)

f) Exhibit JJJ-1T on page 10, line 21 through page 12, line 15, describes the metrics the GTZ initiative is monitoring to help gauge progress of the initiative. Target objectives for the initiative are as follows:
i. Call reduction: 80% call reduction;
ii. Customer satisfaction: First quartile as measured by JD Power;
iii. Financial: $27.3 million in gross benefit by 2022 as measured from the 2017 baseline year.

g) Attached as Attachment D to PSE's Response to Public Counsel Data Request No. 105 are the Washington Utilities and Transportation Commission ("WUTC")-approved service requirements and PSE's historical performance for those requirements.

h) Yes, the GTZ initiative should enhance PSE's ability to meet WUTC-approved performance requirements. Either directly or indirectly, the GTZ initiative should have a positive impact on the following Service Quality Indicators ("SQI"): SQI #2 – UTC Complaint Ratio, SQI #5 – Answering Performance, SQI #6 – Telephone Center Answering Performance, and SQI #8 – Service Transactions Customer Satisfaction.

i) Yes, PSE was issued a penalty of $360,000 for not meeting SQI #5 Telephone Center Answering Performance in 2015. The penalty amount was used to fund the PSE shareholder's contribution to electric and natural gas Schedules 129 Home Energy Lifeline Program.

ATTACHMENTS A-D to PSE's Response to PUBLIC COUNSEL Data Request No. 105

escalent

Utility Trusted Brand & Customer Engagement Study methodology

Utility Trusted Brand & Customer Engagement study

Research Methodology Summary

Scope	The study has been the leading utility **Customer Relationship and Engagement** study covering **140** residential (**since 2014**) and **79** business (**since 2015**) electric, natural gas and combination utilities	
Data collection	Web-based survey utilizing multiple panels including **Spanish-speaking**	
Sampling	**Demographically representative** residential quotas based upon **age, income and race at individual utility level** (according to census data)	
	Business respondents must **spend $100+ per month** on energy	
Survey length	25 minutes average (approximately 150 questions)	
Fielding waves	Q1 Fielding: January–February	Residential
	Q2 Fielding: April–May	Residential / Business
	Q3 Fielding: July–August	Residential
	Q4 Fielding: October–November	Residential / Business
Data available	Residential: Calendar quarter	March, June, September, November
	Business: Semi-annually	June, December
Reporting periods	H1 of calendar year	June: Brand Trust focus
	H2 of calendar year	December: Customer Engagement focus

Residential Research Design and Methodology

Survey Design, Sample, Data Collection and Reporting

Mode	Web survey
Survey length	Average of 25 minutes, 150 questions
Population	Residential customers of the 140 largest US-based electric, natural gas and combination utility providers (based on residential customer counts)
Sample size	Q3 2018: 14,903 utility customers; Q4 2018: 14,950 utility customers; Q1 2019: 16,272 utility customers; Q2 2019: 15,997 utility customers; Total 2019 Q2 trailing twelve months (TTM): 62,122 utility customers
Screening and weighting	The sample design uses US census data, strict quotas and minimal statistical weighting post-fielding to ensure a demographically balanced, statistically representative sample of each evaluated utility's customers based on age, gender, income, race and ethnicity. Utilities within the same region and of the same utility type (e.g., electric-only providers) are given equal weight in order to balance the influence of each utility's customers on survey results.
Modeling	*See the following page for a detailed description of the modeling structure.*

Total Q2 2019 Trailing Twelve Months (TTM) Sample Distribution by Utility Provider Type

Utility provider type	Sample size
Electric	29,380
Natural Gas	20,208
Combination	12,534

Residential Research Design and Methodology (Continued)

About the Modeling: Factor Importances and Derived Index Scores

The model represents the conceptual hierarchical makeup of three domains: Brand Trust, Service Satisfaction and Product Experience. These are further combined into an overall score.

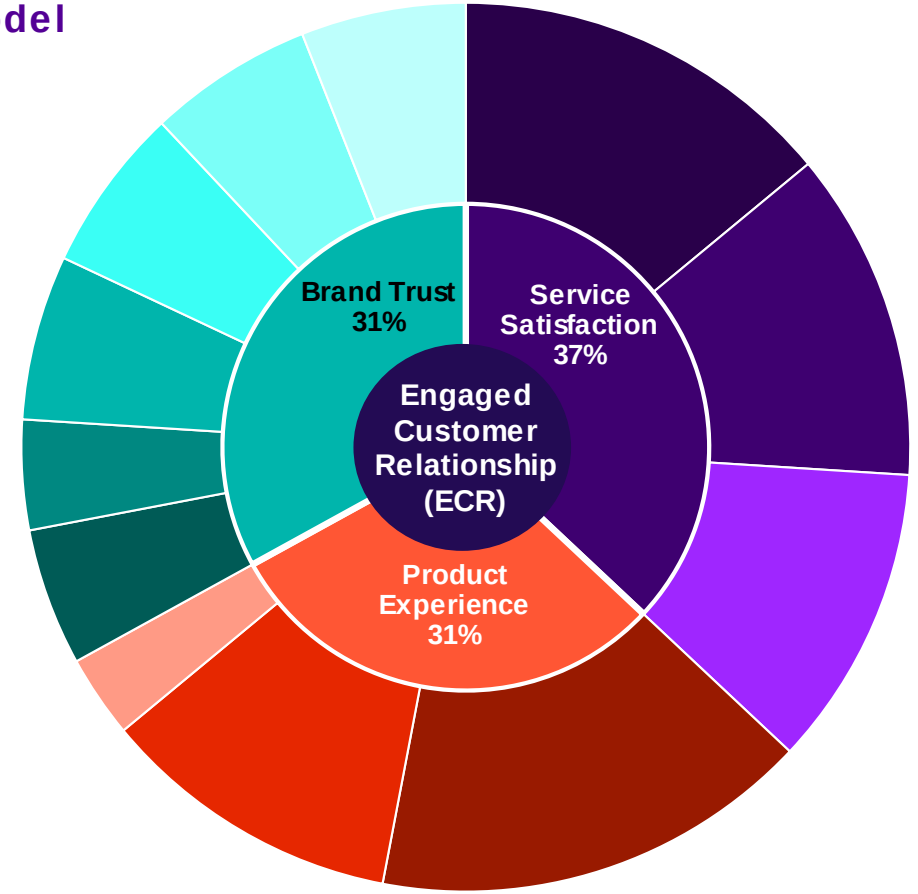
In any given regression predicting an outcome (DV), a factor analysis of the attributes (IVs) is utilized, and the importances are calculated from their contribution in predicting an outcome.

Therefore, this derived score is the encapsulation of the attribute scores and their importances in predicting an outcome. Indices are then transformed to a 0-to-1,000-point scale.

Combination West Residential Model

Strategic Factors % Importance on Brand Trust

Customer Focus	19%
Company Reputation & Advocacy	18%
Communications Effectiveness	17%
Reliable Quality	17%
Community Support	15%
Environmental Dedication	14%



Strategic Factors % Importance on Service Satisfaction

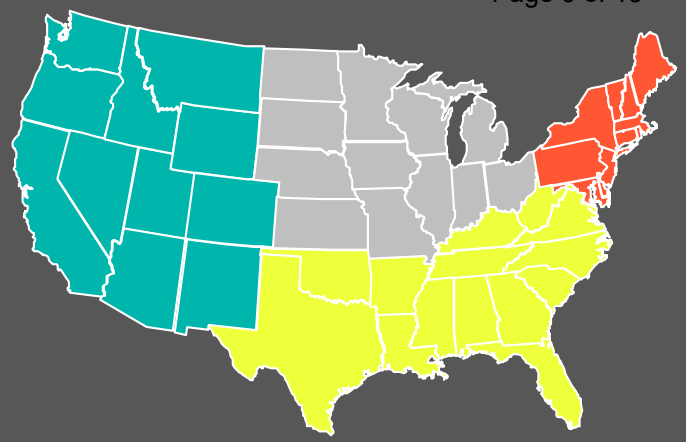
37%	Safety & Reliability
32%	Billing & Payment
30%	Customer & Field Service

Strategic Factors % Importance on Product Experience

55%	Design Features
33%	Benefits Awareness
12%	Usage Performance

cogent syndicated

Residential: 140 electric, natural gas and combination utilities are covered and assigned to regions



Electric

AEP Ohio
Alabama Power
Ameren Missouri
Appalachian Power
APS
Atlantic City Electric
Austin Energy
Central Maine Power
ComEd
Dayton Power & Light
Dominion Energy Virginia
Duke Energy Carolinas
Duke Energy Florida
Duke Energy Progress
Duquesne Light Company
El Paso Electric
Entergy Arkansas
Entergy Louisiana
Entergy Mississippi
Entergy New Orleans
Entergy Texas
Florida Power & Light
Georgia Power
Green Mountain Power
Gulf Power
Hawaiian Electric
Idaho Power
Indiana Michigan Power
Indianapolis Power & Light
JEA
Jersey Central Power & Light
KCP&L
Kentucky Power
Kentucky Utilities
LADWP
Met-Ed
Mississippi Power
Monongahela Power
Nashville Electric Service
NV Energy
OG&E
Ohio Edison
OPPD
OUC
Pacific Power
Penelec
Penn Power
Pepco
PNM
Portland General Electric
Potomac Edison
PPL Electric Utilities
PSEG Long Island
Public Service Company of Oklahoma
Rocky Mountain Power
Salt River Project
Seattle City Light
SMUD
Southern California Edison
Southwestern Electric Power Company
TECO Tampa Electric
The Illuminating Company
Toledo Edison
Tucson Electric Power
West Penn Power
Westar Energy
Xcel Energy - South

Combination

Alliant Energy
Ameren Illinois
Avista
BGE
Black Hills Energy – Midwest
Black Hills Energy – West
Con Edison
Consumers Energy
CPS Energy
Delmarva Power
Dominion Energy South Carolina
DTE Energy
Duke Energy Midwest
Eversource
Louisville Gas & Electric
MidAmerican Energy
MLGW
National Grid
NIPSCO
NorthWestern Energy
NYSEG
PECO
PG&E
PSE&G
Puget Sound Energy
RG&E
SDG&E
Vectren
We Energies
Wisconsin Public Service
Xcel Energy – Midwest
Xcel Energy – West

Natural Gas

Atmos Energy – Midwest
Atmos Energy – South
Cascade Natural Gas
CenterPoint Energy – Midwest
CenterPoint Energy – South
Chattanooga Gas Company
Citizens Energy
Columbia Gas – East
Columbia Gas – South
Columbia Gas of Ohio
Dominion Energy – West
Dominion Energy North Carolina
Dominion Energy Ohio
Elizabethtown Gas
Florida City Gas Company
Intermountain Gas Company
Kansas Gas Service
National Fuel Gas
New Jersey Natural Gas
New Mexico Gas Company
Nicor Gas
NW Natural
Oklahoma Natural Gas
Peoples
Peoples Gas
Philadelphia Gas Works
SEMCO Energy Gas Company
SoCalGas
South Jersey Gas Company
Southwest Gas
Spire Gulf Coast
Spire Mississippi
Spire Missouri – East
Spire Missouri – West
Spire South
TECO Peoples Gas
Texas Gas Service
UGI Utilities
Virginia Natural Gas
Washington Gas

Business Research Design and Methodology

Survey Design, Sample, Data Collection and Reporting

Mode	Web survey
Survey length	Average of 25 minutes, 150 questions
Population	Business decision-makers of the 79 largest US-based business utility providers (based on business customer counts)
Sample size	H2 2018: 5,810 utility customers H1 2019: 6,767 utility customers Total H1 2019 trailing twelve months (TTM): 12,577 utility customers
Screening and weighting	Businesses were eligible for the study if their monthly bills are $100 or above. Utilities within the same region are given equal weight in order to balance the influence of each utility's customers on survey results.
Modeling	*See the following page for a detailed description of the modeling structure.*

Business Research Design and Methodology (Continued)

About the Modeling: Factor Importances and Derived Index Scores

The model represents the conceptual hierarchical makeup of three domains: Brand Trust, Service Satisfaction and Product Experience. These are further combined into an overall score.

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West Business Model

Strategic Factors % Importance on Brand Trust

Customer Focus	18%
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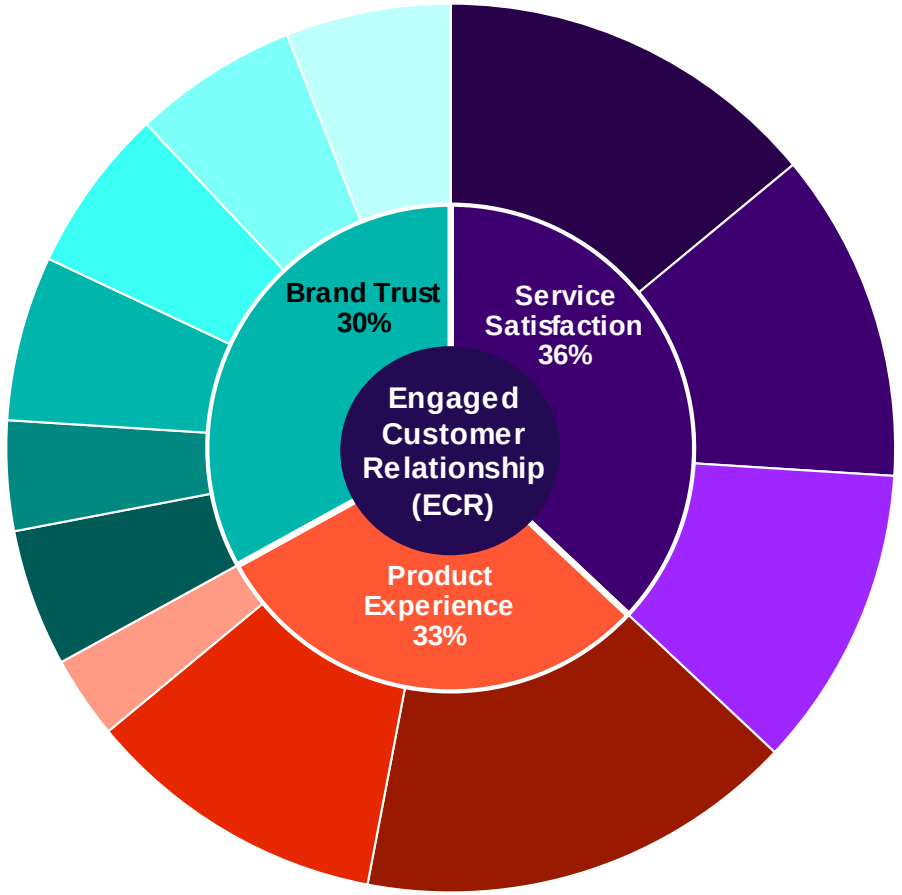
Environmental Dedication	14%



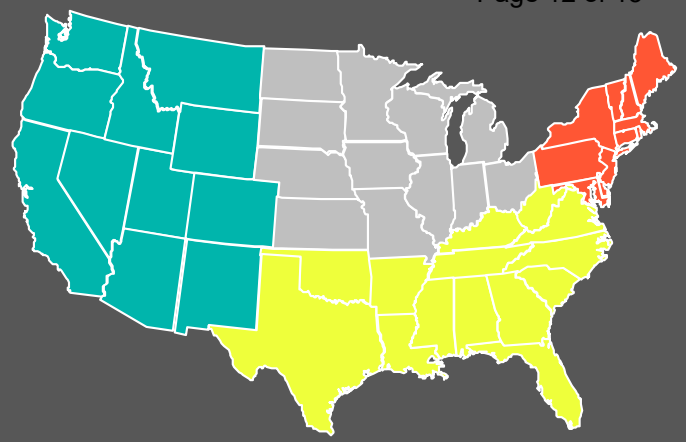
Strategic Factors % Importance on Service Satisfaction

43%	Safety & Reliability
34%	Billing & Payment
23%	Customer & Field Service

Strategic Factors % Importance on Product Experience

69%	Design Features
22%	Benefits Awareness
8%	Usage Performance

Business: 79 electric, natural gas and combination utilities are covered and assigned to regions



Electric

AEP Ohio
Alabama Power
Ameren Missouri
Appalachian Power
APS
ComEd
Dayton Power & Light
Dominion Energy Virginia
Duke Energy Carolinas
Duke Energy Florida
Duke Energy Progress
El Paso Electric
Entergy Arkansas
Entergy Louisiana
Entergy Mississippi
Entergy New Orleans
Entergy Texas
Florida Power & Light
Georgia Power
Gulf Power
Hawaiian Electric
Idaho Power
Indiana Michigan Power
Indianapolis Power & Light
Jersey Central Power & Light
KCP&L
Kentucky Utilities
LADWP
NV Energy
OG&E
Ohio Edison
OPPD
Pacific Power
Penelec
PNM
Portland General Electric
PPL Electric Utilities
PSEG Long Island
Public Service Company of Oklahoma
Rocky Mountain Power
Salt River Project
SMUD
Southern California Edison
Southwestern Electric Power Company
TECO Tampa Electric
The Illuminating Company
West Penn Power
Westar Energy

Combination

Allliant Energy
Ameren Illinois
BGE
Con Edison
Consumers Energy
CPS Energy
Dominion Energy South Carolina
DTE Energy
Duke Energy Midwest
Eversource
Louisville Gas & Electric
MidAmerican Energy
National Grid
NIPSCO
NorthWestern Energy
NYSEG
PECO
PG&E
PSE&G
Puget Sound Energy
SDG&E
We Energies
Wisconsin Public Service
Xcel Energy – Midwest
Xcel Energy – West

Natural Gas

CenterPoint Energy – Midwest
CenterPoint Energy – South
Chattanooga Gas Company
Nicor Gas
Virginia Natural Gas
Washington Gas

escalent