

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Proposal by )  
 )  
PUGET SOUND POWER & LIGHT ) DOCKET NO. UE-951270  
COMPANY )  
 )  
to Transfer Revenues from PRAM )  
Rates to General Rates )  
. . . . . )  
 )  
In the Matter of the Application of )  
 )  
PUGET SOUND POWER & LIGHT )  
COMPANY and WASHINGTON ) DOCKET NO. UE-960195  
NATURAL GAS COMPANY )  
 )  
for an Order Authorizing Merger of )  
WASHINGTON ENERGY COMPANY )  
and WASHINGTON NATURAL ) TWENTY-SECOND SUPPLEMENTAL  
GAS COMPANY with and into PUGET ) ORDER APPROVING SECOND  
SOUND POWER & LIGHT COMPANY, ) SUPPLEMENTAL STIPULATION  
and Authorizing the Issuance of )  
Assumptions of Obligations, Adoption )  
of Tariffs, and Authorizations in )  
Connection Therewith )  
. . . . . )

**BACKGROUND**

On December 9, 1998, Puget Sound Energy, Inc. (PSE or Company), filed with the Commission a *Second Supplemental Stipulation* (2ND STIPULATION) in this matter, jointly on its own behalf and that of Commission Staff and Public Counsel. The 2ND STIPULATION "addresses two outstanding service quality issues (SQI) left unresolved by the Supplemental Stipulation filed with the Commission in July 1997" -- the benchmarks for SQI#1, *Overall Customer Satisfaction*, and SQI #10, *Missed Appointments*. PSE states that the 2ND STIPULATION also "proposes to modify the Supplemental Stipulation with respect to the calculation of missed appointments \* \* \* and includes an agreement by PSE to extend the SQI index for one year in the absence of alternative service quality requirements."

## MEMORANDUM

### I. SECOND SUPPLEMENTAL STIPULATION

On January 14, 1999, the Commission gave notice of the filing of the 2ND STIPULATION to all parties in this consolidated proceeding, and called for comments to be filed no later than January 21, 1999. No comments have been received by the Commission.

The 2ND STIPULATION "reflects agreements reached among the Parties (Commission Staff, Public Counsel, and Puget Sound Energy) regarding all outstanding issues related to the Service Quality Index (SQI) that Puget Sound Energy is implementing pursuant to the Fourteenth Supplemental Order issued on February 5, 1997, in the PSE merger proceeding." The 2ND STIPULATION also includes Exhibit A which sets forth the benchmarks for SQI #1 and SQI #10.

SQI #1, *Overall Customer Satisfaction*, is benchmarked as "90% of surveyed customers rating 5 or higher on a 7 point scale," and SQI #10, *Missed Appointments*, is benchmarked as "8% of appointments missed." Exhibit A "provides a detailed explanation of how the indices are to be calculated. It also sets forth reporting requirements and other related details."

The Parties have reached additional agreements on the following matters:

1. Extension of Service Quality Program: the PSE service quality program, including annual reporting on the ten service quality indices, potential penalties, and the service guarantee, is extended for one year through September 30, 2002, except in the event of either of two events occurring as describe in the 2ND STIPULATION.
2. Missed Appointments: PSE agrees to promote customer awareness of the service guarantee and the \$50 payment for missing mutually agreed appointment dates.

The Parties "have voluntarily entered into this Second Supplemental Stipulation which they present for Commission approval."

**III. COMMISSION DISCUSSION AND DECISION**

The Commission appreciates the efforts of the Company, Commission Staff, and Public Counsel in developing the 2ND STIPULATION, and thereby completing the development and implementation of the service quality index program. We have reviewed Exhibit A in detail and find the benchmarks and the related formulations for calculating performance to be consistent with our original approval of the SQI program. Likewise, we find Exhibit B, the testing of customer awareness of the service guarantee and the script developed for use by PSE's customer service representatives, consistent with the measurement and evaluation techniques of the overall SQI program.

**ORDER**

THE COMMISSION ORDERS That the Second Supplemental Stipulation finalizing the service quality indices for Overall Customer Satisfaction and Missed Appointments and extending the service quality program through September 30, 2002, is approved as filed.

DATED at Olympia, Washington, and effective this            day of  
February 1999.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

ANNE LEVINSON, Chair

RICHARD HEMSTAD, Commissioner

WILLIAM R. GILLIS, Commissioner