

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET UE-111048
)	DOCKET UG-111049
Complainant,)	<i>(consolidated)</i>
v.)	
)	PARTIAL SETTLEMENT RE:
PUGET SOUND ENERGY, INC.,)	METER AND BILLING
)	PERFORMANCE STANDARDS
Respondent.)	
)	
)	
)	
)	

I. INTRODUCTION

1 This Partial Settlement is entered into pursuant to WAC 480-07-730(2) to
compromise and settle all issues concerning Meter and Billing Performance that have been
raised in this consolidated proceeding between the Settling Parties. This Partial Settlement
sets forth revisions to the existing Meter and Billing Performance Standards that the Settling
Parties agree should be adopted by the Commission in its final order in these dockets.

II. SETTLING PARTIES

2 This Partial Settlement is entered into by Puget Sound Energy, Inc. ("PSE") and the
Staff of the Washington Utilities and Transportation Commission ("Commission Staff")
(collectively referred to hereinafter as the "Settling Parties" and each individually as a
"Settling Party"). No other party in these dockets took a position on the meter and billing

performance standards issue in pre-filed testimony.¹ Nor did any other party express an interest in the meter and billing performance standards issue in the Final Prehearing Issues List, filed with the Commission on January 30, 2012.

III. BACKGROUND

3 In Dockets UE-072300/UG-072301, the Commission approved a partial settlement agreement that established an electric and natural gas customer meter and billing performance plan setting forth standards to measure PSE's metering system performance and ability to issue accurate and timely bills to its customers.² The Meter and Billing Performance Standards require PSE to correct meter problems within the following timeframes:

1. Natural gas meters: 100 percent within four months of identification; 75 percent of identified gas meter problems will be corrected within two months.
2. Electric meters: 100 percent within two months of identification; 50 percent of identified electric meter problems will be corrected within one month.

4 Under the partial settlement, the Company was also required to provide quarterly reporting of its performance under these standards.

5 On June 13, 2011, PSE filed with the Washington Utilities and Transportation Commission ("Commission") certain tariff revisions designed to effect a general rate increase in its rates for electric service (Docket UE-111048) and gas service (Docket UG-111049) to customers in Washington. The proposed revisions provide for a general rate

¹ Other parties include the Public Counsel Section of the Attorney General's Office ("Public Counsel"), The Industrial Customers of Northwest Utilities ("ICNU"), Northwest Industrial Gas Users ("NWIGU"), Nucor Steel Seattle, Inc. ("Nucor"), The Kroger Co ("Kroger"), Federal Executive Agencies ("FEA"), The Energy Project, Cost Management Services, Inc. ("CMS"), Sierra Club and Northwest Energy Coalition ("NWECC").

² *WUTC v. Puget Sound Energy, Inc.*, Dockets UE-072300 and UG-072301, Order 12, Appendix D (October 8, 2008).

increase of \$161.3 million (8.13 percent) for the electric tariffs and a general rate increase of \$31.9 million (3.0 percent) for the gas tariffs. The Commission suspended operation of the tariffs and consolidated these dockets by Order 02 following the open meeting on June 30, 2011. The consolidated dockets are collectively referred to hereinafter as the “General Rate Case”.

6 A prehearing conference in the General Rate Case was held on July 20, 2011. The Commission granted petitions to intervene filed by a number of parties.³

7 On December 7, 2011, Commission Staff filed written response testimony which included a proposal to modify the existing meter and billing performance standards and reporting requirements.

8 On January 17, 2012, the Company filed rebuttal testimony which included proposed revised meter and billing performance standards and reporting requirements in response to the modified meter and billing performance standards proposed by Commission Staff.

9 The Settling Parties have reached a Partial Settlement pursuant to WAC 480-07-730(2) and now wish to present their agreement for Commission approval. In the interests of expediting the orderly disposition of the General Rate Case, the Settling Parties therefore adopt the following Partial Settlement which is entered into by the Settling Parties voluntarily to resolve matters in dispute among them regarding Meter and Billing Performance Standards.

10 The Settling Parties understand that only Section IV of this Partial Settlement is subject to Commission approval and hereby respectfully request that the Commission issue

³ Each of Public Counsel, ICNU, Nucor, Kroger, The Energy Project, Sierra Club and NWEAC has authorized the Settling Parties to represent that it takes no position on the this Partial Settlement. NWIGU has authorized the Settling Parties to represent that it does not object to this Partial Settlement. As of the date of this filing, FEA and CMS have not communicated their position regarding the Partial Settlement to the Settling Parties.

an order approving Section IV of this Partial Settlement. The Settling Parties request that the Commission hear evidence concerning their stipulation of revised meter and billing performance standards, as part of the hearings scheduled to commence before the Commission on February 14, 2012. The Settling Parties to this Partial Settlement are also filing Joint Testimony in support of their agreement, pursuant to WAC 480-07-740(2).

IV. AGREEMENT –METER AND BILLING PERFORMANCE

11 This Section describes the revised Meter and Billing Performance Standards agreed to by the Parties in this Partial Settlement that will replace in its entirety (except as specifically provided in Paragraphs 12 through 28 of this agreement) the existing Meter and Billing Performance Standards and reporting requirements originally adopted in Dockets UE-072300 and UG-072301. In this Section IV, "Parties" is intended to refer to Commission Staff and PSE.

A. Investigation of Zero Reads

12 During the period June 1, 2012 through May 31, 2013, 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. The Company also will investigate all meters that attain a 12th consecutive month of zero consumption during the June 1, 2012 to May 31, 2013 time period. The Company will report the results to the Commission in the first annual report for the period ending December 31, 2013.

B. Meter and Billing Performance Standard

13 Effective June 1, 2013, and continuing until changed, the Meter and Billing Performance Standard will be as follows:

- PSE will identify and correct 98 percent of all stopped meter and unassigned energy usage meter problems for both gas and electric meters within 12 months from the initial occurrence of the problem.
- PSE will identify and correct all stopped meter and unassigned energy usage meter problems for both gas and electric meters within 24 months from the initial occurrence of the problem.

14 For purposes of the standard, time measurement will be as follows:

- The performance standard for stopped meters will be measured from the last date commodity was accurately measured (the “initial occurrence” for stopped meters) to the date the customer’s meter again accurately records usage.
- The performance standard for unassigned energy usage will be measured from the date of the customer’s initial unauthorized usage (the “initial occurrence” for unassigned energy usage) to the date the back bill was issued.

15 The Company will continue to meet the current Meter and Billing Performance Standard until June 1, 2013, however, the Parties agree that the interim thresholds (and related reporting on interim thresholds) will be removed effective June 1, 2012. Therefore, for the period of June 1, 2012 through May 31, 2013 the performance standards will be as follows:

- Natural gas meters: PSE will resolve identified potential gas meter and billing problems within four months of identification;
- Electric meters: PSE will resolve identified potential electric meter and billing problems within two months of identification;

16 During this June 1, 2012 through May 31, 2013 period, “identified” will continue to be as defined in paragraphs 37 through 38 in the Partial Settlement approved in Order 12 of Docket UE-072300 and UG-072301.

17 Effective June 1, 2013, the Meter and Billing Performance Standards proposed herein will replace the existing Meter and Billing Performance Standards in their entirety.

C. Customer Notification

18 Effective June 1, 2013, the Company will notify each customer showing zero consumption for 180 consecutive days of a possible problem and urge the customer to contact the company to confirm or correct the customer's bill. The Company will maintain a record of these notices to customers.

D. Penalties

19 The Parties agree that Commission Staff will not initiate enforcement action related to this settlement for the period June 1, 2012 through May 31, 2013. The Parties also agree Commission Staff will not propose changes to the performance standards in this settlement until at least May 31, 2014.

20 As of June 1, 2013 and continuing until the performance standards are changed, Commission Staff will not initiate any enforcement action nor seek penalties if the Company is substantially in compliance with the performance standard.

21 The Company may seek mitigation of any penalties using the standard that applies to mitigation of penalties under the service quality index. The standard to be applied for such petitions is that the penalty is due to unusual or exceptional circumstances for which PSE's level of response was reasonable.

E. Reporting Requirements

22 The Company will continue the current quarterly reporting (with the interim thresholds removed as of June 1, 2012 as discussed above) until the revised Meter and Billing Performance Standards described herein become effective on June 1, 2013. Beginning

June 1, 2013, the Company will retain a list of customers whose accounts were outside the applicable standard and:

- For stopped meters, the last date when the commodity was accurately billed, the date the customer's meter again accurately records usage and the date the Company issues the back-bill.
- For unassigned energy usage meters, the date of the customer's initial unauthorized usage and the date the Company issues the back-bill.

23 Beginning December 31, 2013, the Company will report annually to the Commission on its performance under the revised Meter and Billing Performance Standards. The first report will include a report on the Company's investigation of zero reads as discussed in Section IV, subpart A above, and the Company's performance under the new standard for those meters corrected during the period June 1, 2013 through December 31, 2013. For all subsequent years, the report will be based on annual results for the calendar year. The annual report will be due no later than January 31 for the preceding calendar year.

V. MISCELLANEOUS PROVISIONS

24 The Settling Parties agree to support the terms and conditions of this Partial Settlement as a settlement of all contested issues between them in the above-captioned consolidated proceedings regarding the Metering and Billing Performance.

25 This Partial Settlement represents an integrated resolution of meter and billing performance issues. Accordingly, the Settling Parties recommend that the Commission adopt and approve Section IV of this Partial Settlement in its entirety.

26 The Settling Parties shall cooperate in submitting this Partial Settlement promptly to the Commission for approval and shall cooperate in developing supporting testimony as required in WAC 480-07-740(2)(b). The Settling Parties agree to support the Partial Settlement

throughout this proceeding, provide witnesses to sponsor such Partial Settlement at a Commission hearing, and recommend that the Commission issue an order adopting the Partial Settlement in its entirety.

27 In the event the Commission rejects any portion of Section IV of the Partial Settlement, the provisions of WAC 480-07-750(2)(a) shall apply. In the event the Commission accepts Section IV of the Partial Settlement, subject to conditions not proposed herein, each Settling Party reserves the right, upon written notice to the Commission and all other Settling Parties to this proceeding within ten (10) days of the Commission order, to state its rejection of the conditions. In such event, the Settling Parties immediately will request that hearings be held on the appropriateness of the conditions or upon other metering and billing performance proposals of the Settling Parties. In any further proceedings triggered by this paragraph, the Settling Parties agree to cooperate in development of a hearing schedule that concludes such proceeding at the earliest possible date. Any further proceedings triggered by this paragraph shall not delay any compliance filing of PSE ordered by the Commission and such compliance filing shall remain in effect pending any further proceeding.

28 The Settling Parties enter into this Partial Settlement to avoid further expense, uncertainty, and delay. By executing this Partial Settlement, no Settling Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Partial Settlement, and except to the extent expressly set forth in this Partial Settlement, no Settling Party shall be deemed to have agreed that this Partial Settlement is appropriate for resolving any issues in any other proceeding. No Settling Party shall represent that any of the facts, principles, methods, or theories

employed by any Settling Party in arriving at the terms of this Partial Settlement are precedents in any other proceeding or as to any matter remaining in dispute in this proceeding.

29 This Partial Settlement may be executed in counterparts, through original and/or facsimile signature, and each signed counterpart shall constitute an original document.

30 All Settling Parties agree:

- i. to provide all other Settling Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to make about the Partial Settlement. This right of advance review includes a reasonable opportunity for a Settling Party to request changes to the text of such announcements. However, no Settling Party is required to make any change requested by another Settling Party; and
- ii. to include in any news release or announcement a statement that Commission Staff's recommendation to approve the settlement is not binding on the Commission itself. This subsection does not apply to any news release or announcement that otherwise makes no reference to Commission Staff.

31 The Settling Parties stipulate to the admission into evidence of the pre-filed testimony and exhibits of PSE witnesses Tom DeBoer and Zana Jones, and Commission Staff witness Roger Kouchi, as those materials relate to the issue of meter and billing performance.

DATED this 15th day of February 2012.

Respectfully submitted,

PUGET SOUND ENERGY, INC.



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