

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-072300
TRANSPORTATION COMMISSION,	)	and UG-072301 ( <i>consolidated</i> )
	)	
Complainant,	)	
	)	ORDER 24
v.	)	
	)	
PUGET SOUND ENERGY,	)	FINAL ORDER GRANTING
	)	PETITION FOR MITIGATION
Respondent.	)	
	)	
.....	)	

**MEMORANDUM**

- 1 On March 28, Puget Sound Energy (PSE) filed a petition requesting full mitigation of Service Quality Index (SQI) No. 5 – Customer Access Center (CAC) Answering Performance penalties for failing to meet benchmark requirements. The performance standard for SQI No. 5 is an annual benchmark of 75 percent of calls answered by a live representative within 30 seconds of request to speak to a live operator. PSE achieved a result of 66 percent in 2013 due to the implementation of a new Customer Information System (CIS). This resulted in an automatic penalty assessment of \$648,000, absent mitigation.
  
- 2 PSE states in its petition that the Company was not able to meet the annual benchmark for SQI No. 5-CAC Answering Performance for the 2013 program year because of the unusual and exceptional circumstance of replacing its 13-year old CIS. Earlier, on March 13, 2013, in anticipation of the potential negative impact on customer service due to implementation of the new CIS, PSE filed a petition with the Commission for a temporary suspension of three service quality indices, including SQI No. 5 (March Petition). PSE proposed that SQI No. 5 be temporarily suspended for the 2013 SQI Program year to allow the Company to manage and adopt new processes while implementing of the new CIS. The Commission denied PSE's March Petition in Order 22, agreeing with Staff that it was not in the public interest to suspend the SQI in advance of any demonstrated adverse impact on customer service

performance.<sup>1</sup> The Commission also said, however, that PSE could request mitigation if implementation of the CIS resulted in financial penalties to PSE.<sup>2</sup>

- 3 Under the Service Quality Program, mitigation is available to PSE if a penalty is due to “unusual or exceptional circumstances for which PSE’s level of preparedness and response was reasonable.” PSE’s petition explains in detail the unusual and exceptional circumstances and PSE’s preparation and mitigation actions to lessen the adverse effects of the new CIS implementation. PSE undertook substantial efforts to prepare for the CIS switch-over and initiated mitigation plans designed to minimize the impact of the implementation of new CIS. Risk mitigation occurred at all levels to ensure a smooth cutover and to minimize post cutover impacts.
- 4 These actions and plans, first described in PSE’s March Petition and updated as reflected in Exhibit A to the Company’s petition here, demonstrate PSE’s level of preparedness and readiness. Starting in January 2013, PSE initiated several parallel phases of CIS testing to ensure data integrity and system stability. PSE conducted three mock cutovers that allowed for refinement of the cutover process and system readiness for the actual CIS switchover.
- 5 PSE’s external communications plan focused on making customers aware of a new 12- digit account number and the late March 2013 three-day period when customers would have no online accessibility to their accounts. Among the communications were banners on www.PSE.com, postings on PSE’s Facebook page, bill-print messages on all billing statements, newspaper ads, direct-mail letters to customers, email notifications, and a recorded message on PSE’s greeting line. Active communications directed to customers occurred late February through May 2013. FAQs and other general information about the new CIS remained posted on PSE’s website through September 2013.
- 6 During the actual cutover period, from 5 p.m. on March 28 through 8 p.m. on March 31, all PSE systems were unavailable. Activities performed by the CAC agents during this period were limited to addressing customer concerns that required immediate resolution. All other activities such as back billing or credit collection were placed on hold. There was no disconnection or late-payment fee processing during the cutover to minimize the customer impact of implementation of the new

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<sup>1</sup> Order 22 ¶ 5.

<sup>2</sup> *Id.* ¶ 8.

CIS. These actions and plans were necessary and reasonable in light of the exceptional circumstance of the new CIS implementation.

- 7 Each department in the CAC established detailed plans to handle customer transactions during the cutover period and at the CIS switchover. A “war room” was created to establish easy access to experts to address any issues at CIS switchover and a “hub” was established to closely track and monitor call-answering performance during CIS switchover and after. PSE added substantial numbers of temporary staff for April through September 2013, to augment the 170 full-time CAC employees’ ability to support training delivery, and to support expected call volume increases, average handle time increases, and general performance dips.
- 8 Staff answered PSE’s Petition and states it is satisfied that PSE has met its burden to warrant mitigation of the full penalty. Staff supports PSE’s petition and recommends the petition be granted by the Commission.
- 9 We find and conclude that PSE meets the standard in this case for full mitigation of the penalty amount automatically imposed under the terms of the Service Quality Index.

**ORDER**

- 10 THE COMMISSION ORDERS THAT PSE’s Petition for Mitigation is granted.

Dated at Olympia, Washington, and effective April \_\_\_\_, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner

**NOTICE TO PARTIES: This is a Commission Final Order. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-07-870.**