

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**ALEXANDER AND ELENA ARGUNOV,  
THOMAS AND HEIDI JOHNSON, CHAD  
AND VICTORIA GROESBECK,**

**Complainants,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-220701**

**PUGET SOUND ENERGY'S  
OPPOSITION TO ADMINISTRATIVE REVIEW**

**June 30, 2023**

# PUGET SOUND ENERGY

## TABLE OF CONTENTS

	<b>Page</b>
I. INTRODUCTION .....	2
II. LEGAL STANDARD.....	3
III. THE COMMISSION SHOULD DENY COMPLAINANTS REQUEST FOR ADMINISTRATIVE REVIEW .....	4
A. Complainants do not to meet the standard warranting administrative review.....	4
B. The record fully supports the Initial Order. ....	5
1. Paragraph 19 is supported in the record: PSE bills based on kWh usage, not kW demand, and does not use interval billing reads. ....	6
2. Paragraph 20 is supported by the record: PSE is using its meters correctly to bill customers.....	9
3. Paragraph 21 is supported by the record: PSE is not multiplying charges by four or quadruple billing customers.....	10
C. There is no basis to reopen the record and oral argument is unnecessary. ....	12
IV. CONCLUSION.....	12

## I. INTRODUCTION

1. This action stems from informal complaints filed by three Puget Sound Energy (“PSE”) customers residing in the same homeowner’s association (“Complainants”) combined into one formal complaint. Complainants contend that their bills are too high based on a novel overarching theory regarding PSE’s meters and billing system. The crux of their argument is PSE is billing customers based on kW demand but is incorrectly converting kW demand to kWh resulting in the higher bills because the energy usage in the bills is four times greater than what it should be.<sup>1</sup>
2. On January 10, 2023, Complainants filed direct testimony from Elena Argunov, who is a PSE customer, but is not trained in or otherwise experienced in utility meter reading technologies, applications, or billing processes.<sup>2</sup> On February 9, 2023, PSE responded with response testimony from four subject matter witnesses who are experienced and trained in utility meter reading technologies, applications, and billing, including and specifically as it pertains to PSE.<sup>3</sup> Public Counsel’s witness provided testimony related to the specific accounts of each individual customer but did not provide testimony supporting Complainants’ overarching theory.<sup>4</sup> Commission Staff participated in the early portions of the proceeding but later withdrew.<sup>5</sup> On March 14, 2023, the Administrative Law Judge (“ALJ”) conducted an evidentiary hearing where the parties, including Complainants, were able to cross examine witnesses and orally present opening and closing argument.

---

<sup>1</sup> Petition at 1, 4; Initial Order ¶ 4.

<sup>2</sup> Exh. EACCH-1, “Amendment to Introduction C.”

<sup>3</sup> Hagan, Exh. IH-2 (professional qualifications); McClenahan, Exh. KM-2 (professional qualifications); Sains, Exh. ARS-2 (professional qualifications); Halsen, Exh. SBH-2 (professional qualifications).

<sup>4</sup> See Tam, Exh. AT-1T.

<sup>5</sup> Docket UE-220701, Order 03 ¶ 3 (Feb. 6, 2023) (Staff’s position was that its role should be limited to being an impartial investigator related to the informal and was no longer needed as a formal party).

3. On May 15, 2023, the ALJ issued an initial order<sup>6</sup> (the “Initial Order”), leveling a fine against PSE for violations related to certain delays with the individual accounts, but rejecting Complainants’ overarching theories, including that PSE is billing customers for energy usage that is four times too high. On June 20, 2023, Complainants filed a motion that the Commission is interpreting as a petition for administrative review (“Petition”) arguing the Commission should reexamine Complainants’ overarching energy use billing theory.

4. The Petition should be denied. As found in the Initial Order, the record establishes that while PSE’s meters are capable of tracking a variety of energy metrics, the meters directly track kWh energy usage data which PSE uses to bill residential customers, consistent with industry standards and the law.<sup>7</sup> kW demand data, interval data, time of use data, and demand billing are other capabilities of PSE’s meters but they are not used to bill residential customers, nor are they required to be used.<sup>8</sup> Complainants refuse to accept the above and do not understand the meter technology used by PSE to bill customers. Contrary to their claims, PSE has not been quadruple billing customers for energy usage or improperly converting kW to kWh—in fact, no conversion is happening at all. kWh usage is the only energy metric used to bill residential customers like Complainants.<sup>9</sup> The Commission should affirm the Initial Order and deny the Petition.

## II. LEGAL STANDARD

5. The Commission’s procedural rule governs review of initial orders and petitions for administrative review. WAC 480-07-825(2)(b) sets out the standard:

(i) Every petition must identify with specificity the nature of each challenge to the initial order. The petitioner must separately state and number every contention.

---

<sup>6</sup> Docket UE-220701, Order 04 (May 15, 2023).

<sup>7</sup> McClenahan, Exh. KM-1T at 6:1-8:11; Hagan, Exh. IH-1T at 3:7-5:11 (explaining PSE meters have different registers capable of measuring both kW and kWh simultaneously but use kWh for residential customers).

<sup>8</sup> *Id.*

<sup>9</sup> Halsen, Exh. SBH-1T at 2:13-3:4 (explaining if Complainants’ allegations about AMI meters and PSE’s billing system were correct, the system wide average usage would be approximately 200-250 kWh per month for each customer, an impractically low average for Washington).

(ii) A petition that challenges a finding of fact must cite the page or part of the record that includes the evidence on which the petitioner relies to support its challenge and should include a recommended finding of fact.

(iii) A petition that challenges a conclusion of law must cite the statute, rule, case law, or other legal authority on which the petitioner relies to support its challenge and should include a recommended conclusion of law.

(iv) A petition that challenges the summary or discussion portion of an initial order must include a statement showing the legal or factual justification for the challenge, and a statement of how the asserted defect affects the findings of fact, the conclusions of law, and the ultimate decision.

Complainants' Petition must comply with the above. The only issues Complainants preserved for administrative review are the contentions of error identified by Complainants in paragraphs 19, 20, and 21 of the Initial Order. Complainants waived all other issues.<sup>10</sup>

6. The ALJ's decision is amply supported by the record and Complainants did not meet their burden of proof.<sup>11</sup> The Commission should deny Complainants' request for administrative review.

### **III. THE COMMISSION SHOULD DENY COMPLAINANTS REQUEST FOR ADMINISTRATIVE REVIEW**

7. The Commission should deny Complainants' Petition and adopt the Initial Order which is supported by the record.

#### **A. Complainants do not to meet the standard warranting administrative review.**

8. As set forth above, WAC 480-07-825(2)(b) requires any challenged finding of fact cite the page or part of the record that includes the evidence on which the petitioner relies to support its challenge, must provide a recommended alternative finding of fact or law, and must provide a statement of how the asserted defect affects the findings of fact, the conclusions of law, and the ultimate decision. Complainants failed to follow the Commission's rules in its Petition.

9. Complainants challenge paragraphs 19-21 in the Initial Order but sparsely cited to the record to support their challenge and then failed to include a recommended finding of fact.<sup>12</sup>

---

<sup>10</sup> *In Re the Application of Speedishuttle Washington, LLC d/b/a Speedishuttle Seattle for A Certificate of Pub. Convenience & Necessity to Operate Motor Vehicles in Furnishing Passenger & Express Serv. As an Auto Transportation Co. Shuttle Express, Inc.*, Docket TC-143691 (Consolidated), Order 20 (Nov. 17, 2017).

<sup>11</sup> Initial Order ¶¶ 16-25, 58-62.

Complainants also did not provide a statement explaining how the asserted defects affect the findings of fact, the conclusions of law, and the ultimate decision in the Initial Order as required in WAC 480-07-825(2)(b)(iv). Neither the Commission nor PSE should be required to connect the allegations and broad statements in the Petition to the conclusions of law or search the record to identify what exhibits or testimony could be construed to support Complainants' assertions. By only broadly referencing the paragraphs of the Initial Order in question and failing to provide complete citations to the record, Complainants do not meet the standard required by WAC 480-07-825(2), nor have they provided sufficient alternative findings of facts or conclusions of law under WAC 480-07-825(2)(b).<sup>13</sup>

10. Accordingly, the Commission should deny the Petition and adopt the ALJ's findings and conclusions in the Initial Order.

**B. The record fully supports the Initial Order.**

11. Even if the Commission considers the Petition despite the defects described above, the Petition should be denied because the Initial Order is fully supported by the record. The core tenant of Complainants' theory is that PSE is incorrectly billing based on kW demand and that PSE failed to implement certain modules to convert demand reading data into kWhs for billing.<sup>14</sup> Complainants believe this has resulted in PSE multiplying billing charges by four or is quadruple billing for energy use.<sup>15</sup> Complainants' assertions all stem from this fundamental misunderstanding which as set forth in the record and as found in the Initial Order, was fully rebutted by PSE witnesses.

12. The record establishes that PSE's meters measure kWh energy for residential customers for billing and no conversion from kW demand is necessary or ever takes place.<sup>16</sup> PSE witness

---

<sup>12</sup> Petition at 1-8.

<sup>13</sup> *Id.*

<sup>14</sup> Initial Order ¶ 17.

<sup>15</sup> Petition at 2-3.

<sup>16</sup> Hagan, Tr. 65:17-20; Hagan, Exh. IH-1T at 2:13-20, 4:20-5:11 (explaining there is no need to convert from kW to kWh because the meter already contains a kWh energy register that is consistently running).

Ian Hagan—an Engineer III with over a decade of experience working with PSE’s electric meters<sup>17</sup>—testified as to how PSE’s meters measure energy usage, and how the meters directly record usage in kWhs for residential customers.<sup>18</sup> PSE witness Allison Sains addressed how energy usage information from the meters is communicated, stored, and processed in PSE’s meter data management system (“MDMS”).<sup>19</sup> PSE witness Kristina McClenahan provided testimony explaining how PSE’s system takes information from MDMS and issues bills to customers.<sup>20</sup> Finally, PSE witness Stacy Halsen provided specific information regarding the individual customer accounts and how PSE handles customer complaints.<sup>21</sup> In sum, the record indisputably demonstrates that Complainants’ overarching theories of PSE’s alleged incorrect billing resulting in a quadrupling of energy used is not credible and the Petition should be denied.

**1. Paragraph 19 is supported in the record: PSE bills based on kWh usage, not kW demand, and does not use interval billing reads.**

13. Paragraph 19 of the Initial Order rejected Complainants’ contentions that PSE bills based on kW demand, not kWh usage, and that PSE uses interval reads rather than monthly reads to bill customers.<sup>22</sup>

14. Complainants challenge paragraph 19 of the Initial Order by contending that the technical specifications of PSE’s AMI meters show the meters measure only in kW demand and not kWh usage.<sup>23</sup> This contention was convincingly rebutted by PSE using Complainants’ own evidence. PSE witness Hagan explained how PSE’s meter configuration documents, Complainants’ Exhibits EACCH-13C and 14C, both show how the measurement for meters is in kWh.<sup>24</sup> While Complainants are correct that PSE’s meters are *capable* of measuring kW demand, they cannot

---

<sup>17</sup> Hagan, Exh. IH-2.

<sup>18</sup> Hagan, Exh. IH-1T.

<sup>19</sup> Sains, Exh. ARS-1T.

<sup>20</sup> McClenahan, KM-1CT.

<sup>21</sup> Halsen, Exh. SBH-1T.

<sup>22</sup> Initial Order ¶ 19.

<sup>23</sup> Petition at 1.

<sup>24</sup> Hagan, Exh. IH-1T at 4:18-5:11.

establish that PSE uses kW demand to bill residential customers. PSE witness Hagan explained that while PSE's meters contain up to eight metrics, including kW demand, it does not mean PSE is using that metric for billing purposes.<sup>25</sup> Instead, PSE provided overwhelming evidence that it bills based on kWh usage, not kW demand,<sup>26</sup> and the ALJ correctly dismissed Complainants' contention otherwise.

15. Complainants also challenge the fact that PSE does not use interval data reads for its monthly reads for residential billing purposes.<sup>27</sup> Complainants point to Exhibit EACCH-30 ("Focus AX Product Specification and Schedule Sheet") to support its claim that PSE uses interval reads by contending that PSE's meters currently only offer "Time of Use and Demand Billing" billing options, which require interval billing.<sup>28</sup> This is simply incorrect. "Time of Use and Demand Billing" are only two of many features or measurements that can be used on the meter and the "Display Options" on meters can also include "Energy Metrics" in kWh.<sup>29</sup> "Time of Use and Demand Billing" are merely an option, but neither are used for residential billing.<sup>30</sup>

16. While it is true that PSE's meters can generate interval data already in kWh, that data is provided to help customers so they can better understand their energy usage, but it is not used for billing. PSE witness McClenahan testified PSE does not use interval readings for billing<sup>31</sup> but instead bills customers based on the start read and end read of each month.<sup>32</sup> For example, Halsen Exhibit SBH-5C shows the meter read for each month for the Johnsons.<sup>33</sup> The meter acts like an odometer providing values in kWhs, where if a customer's meter read at the start of the

---

<sup>25</sup> *Id.* at 3:1-6; 4:4-17; 5:2-11.

<sup>26</sup> Hagan, Tr. 65:17-20; Hagan, Exh. IH-1T at 2:13-20, 4:20-5:11, 9:11-21 (explaining how meters are recording kWhs used even if there are communications issues with the network); McClenahan, Exh. KM-1T at 8:1-20 (explaining most residential customers are billed on kWh used rather than demand), 10:12-11:9 (explaining how a review of Complainants' rate schedules show they were not billed on demand); Halsen, Exh. SBH-1T at 7:3-20, 10:5-17, 11:16-12:2 (explaining how the meters were tested as receiving accurate measurements of energy used).

<sup>27</sup> Petition at 1-3.

<sup>28</sup> *Id.* at 1.

<sup>29</sup> Exh. EACCH-30 at 2.

<sup>30</sup> *Id.* at 3.

<sup>31</sup> McClenahan, Exh. KM-1CT at 5:19-20.

<sup>32</sup> *Id.* at 6:4-7; 7:4-6.

<sup>33</sup> Halsen, Exh. SBH-5C.



month is 1500, and at the end of the month the meter read is 3500, then the customer used 2,000 kWhs of electricity and is billed for that amount. Although customers can use interval data to better understand their usage patterns, PSE does not use interval data for billing purposes.<sup>34</sup>

17. Complainants also incorrectly point to “SAP’s Standard Periodic Meter Reading Process” and allege this document demonstrates PSE is not using the proper billing module resulting in the improper conversion of kW to kWh.<sup>35</sup> First, there is no conversion of kW to kWh because PSE’s meters track customer usage in kWh.<sup>36</sup> Second, PSE witness Ms. Sains credibly addressed Complainants’ module theory at hearing. Ms. Sains testified that “**MDUS is not a requirement** of exchanging data between an MDMS system and SAP. It is just a -- an application you can purchase so you don't have to build it in in-house.”<sup>37</sup> In other words, MDUS is unnecessary if there is an alternative application available. Ms. Sains noted PSE built the MDUS equivalent application in-house and it provides the necessary functionality.<sup>38</sup> Ms. Sains has substantial experience with SAP and PSE’s data management systems, demonstrated extensive knowledge with those systems,<sup>39</sup> and was able to provide credible testimony regarding their functionality contrary to Complainants’ assertions.

18. Paragraph 19 of the Initial Order is supported by the record and the Commission should affirm the Initial Order. Notably, Complainants’ contentions relating to paragraph 19 were also not supported by Public Counsel<sup>40</sup> or Commission Staff, who withdrew from the case.

---

<sup>34</sup> Sains, Exh. ARS-1T at 6:9-20 (explaining how interval data is provided to customers to understand their daily energy consumption but uses the end of month reads for billing).

<sup>35</sup> Petition at 2-3.

<sup>36</sup> Hagan, Tr. 65:17-20; Hagan, Exh. IH-1T at 2:13-20, 4:20-5:11 (explaining there is no need to convert from kW to kWh because the meter already contains a kWh energy register that is consistently running).

<sup>37</sup> Sains, Tr. at 72:22-25 (emphasis added).

<sup>38</sup> Sains, Tr. at 73:1-6.

<sup>39</sup> Sains, Exh. ARS-2.

<sup>40</sup> Public Counsel stated it does not take a position on the Petition.

**2. Paragraph 20 is supported by the record: PSE is using its meters correctly to bill customers.**

19. Paragraph 20 of the Initial Order rejected Complainants' claim that PSE was improperly using AMI or AMR meters in a manner contrary to any industry standard guidance.<sup>41</sup> Once again, Complainants misunderstand PSE's billing practices and provided documentation that pertained to real-time pricing billing, or interval billing, neither of which PSE uses for residential customers like Complainants.<sup>42</sup> PSE witness Hagan also provided testimony explaining how PSE uses and follows industry standards with its meters and how its meters are correctly used for billing customers.<sup>43</sup>

20. In the Petition, Complainants do not dispute that PSE follows meter industry standards<sup>44</sup> but instead, recycle the same contentions relating to PSE's alleged failure to utilize the MDUS module and that "PSE meters have only two billing methods: TOU (time-of-use) or demand billing."<sup>45</sup> Again, as explained above, PSE demonstrated that the MDUS module is not required and that time of use or demand billing (or interval billing), while capabilities of PSE's AMI meters, are not the methods PSE uses to bill customers for energy usage nor are they required. As noted in the Initial Order, Complainants did not show how its assertions are proscriptive rather than descriptive.<sup>46</sup> Simply because a system or device has the capability to implement time of use or demand billing, does not require its use. PSE witnesses credibly explained that PSE bills residential customers based on the standard periodic process, wherein customers are billed based on the beginning and end read of their billing cycle.<sup>47</sup>

---

<sup>41</sup> Initial Order ¶ 20.

<sup>42</sup> McClenahan, Exh. KM-1CT at 7:15-17; 19:5-12.

<sup>43</sup> Hagan, Exh. IH-1T at 10:14-18.

<sup>44</sup> Petition at 3 (Complainants state they do not understand how PSE meters being industry standard is relevant).

<sup>45</sup> Petition at 4.

<sup>46</sup> Initial Order ¶ 20.

<sup>47</sup> McClenahan, Tr. at 92:23-93:9; McClenahan, Exh. KM-1CT at 19:5-12.

21. Paragraph 20 of the Initial Order is supported by the record and the Commission should affirm the Initial Order. Again, Complainants' contentions relating to paragraph 20 were also not supported by Public Counsel<sup>48</sup> or Commission Staff.

**3. Paragraph 21 is supported by the record: PSE is not multiplying charges by four or quadruple billing customers.**

22. Paragraph 21 of the Initial Order rejected Complainants' claim that PSE was improperly multiplying customer energy usage by four or otherwise quadrupling the energy charged to customers.<sup>49</sup>

23. As the Initial Order correctly found, the record does not support Complainants' claim. PSE does not bill customers in the manner described by Complainants and PSE certainly is not quadrupling the energy charged to customers nor are PSE's usage values off by a factor of four. As explained above, PSE's meters track customer energy usage by kWh and that amount is multiplied by the billing rate which creates the customer bill.<sup>50</sup> There is no conversion of kW to kWh as Complainants incorrectly believe. Thus, while Complainants provide various screenshots and excerpts of charts showing alleged usage data,<sup>51</sup> that data is based on interval information available to the customer, and none of those charts using interval information are the actual kWh usage data PSE uses to bill customers.<sup>52</sup>

24. Complainants point to their calculations using available interval information as demonstrating there are billing inaccuracies.<sup>53</sup> But again, setting aside the accuracy of Complainants' calculations, this information is not used for residential billing purposes.<sup>54</sup> PSE witness Sains directly addressed the possibility for discrepancies, explaining when the meter is

---

<sup>48</sup> Public Counsel stated it does not take a position on the Petition.

<sup>49</sup> Initial Order ¶ 21.

<sup>50</sup> Sains, Exh. ARS-1T at 10:13-17; Hagan, Exh. IH-1T at 2:13-20; 3:8-5:11; McClenahan Exh. KM-1CT at 13:1-8.

<sup>51</sup> Petition at 4-9.

<sup>52</sup> Sains Tr. at 77:2-78:20 (explaining PSE uses the cumulative reads and not interval data provided to the customer and how that might explain a potential gap).

<sup>53</sup> Petition at 6-9.

<sup>54</sup> McClenahan, Tr. at 90:20-23 ("PSE does not bill on interval data or use real-time pricing for billing purposes.").

unable to communicate with MDMS, the interval load data may not match the actual usage.<sup>55</sup> This simply means MDMS did not receive a transmitted read for that limited time window so energy usage might show up as lower than the actual usage for that day or as zero. Ms. Sains elaborated on this issue at the hearing explaining that when MDMS does not receive all of the reads for a period of time, the interval data available to customers might not reconcile because there could be gaps.<sup>56</sup> This gap would only impact interval reads and does not impact the cumulative read.<sup>57</sup> Even if there is a communication issue with a meter, the meter is still properly reading and recording usage in kWh and once it communicates with MDMS, the system will have an accurate read for the cumulative kWh usage at that point in time.<sup>58</sup>

25. Complainants also claim the Johnsons' account demonstrates there is a clear discrepancy.<sup>59</sup> Complainants assert the Johnsons did not use the electricity billed.<sup>60</sup> But there is credible evidence in the record that explains the Johnsons' energy usage, and the ALJ found Complainants did not meet their burden of proof as to these claims.<sup>61</sup> The Johnsons' communications with their contractors tell a different story than what Complainants claim in the Petition.<sup>62</sup> The Johnsons were using electricity to heat a house that was undergoing construction, in the peak of winter, and was not fully enclosed.<sup>63</sup> Finally, PSE tested the Johnsons' meter, and the meter tested as accurate.<sup>64</sup>

---

<sup>55</sup> Sains, Exh. ARS-1T at 11:1-6.

<sup>56</sup> Sains, Tr. 77:7-20.

<sup>57</sup> *Id.*

<sup>58</sup> Sains, Tr. 78:12-20, 88:1-8; Hagen, Exh. 1H-1T at 9:11-21; *see also id.* at 9:1-21 (explaining that while AMI meters have communication systems that are different from previous solid-state meters, they still record kWh energy usage the same way).

<sup>59</sup> Petition at 9.

<sup>60</sup> *Id.*

<sup>61</sup> Initial Order ¶¶ 36-38.

<sup>62</sup> Halsen, Exh. SBH-1CT at 5:5-12, 16:17-17:17. *Accord* Halsen, Exh. SBH-4 (Communications Between Johnsons and contractors).

<sup>63</sup> *Id.*

<sup>64</sup> Halsen, Exh. SBH-1T at 15:13-16.

26. Paragraph 21 of the Initial Order is supported by the record and the Commission should affirm the Initial Order. Again, Complainants' contentions relating to paragraph 21 were also not supported by Public Counsel<sup>65</sup> or Commission Staff.

**C. There is no basis to reopen the record and oral argument is unnecessary.**

27. Complainants' Petition includes a "Motion to Reopen Record" but it provides no argument or discussion whatsoever supporting their motion. WAC 480-07-830 governs motions to reopen the record prior to entry of a final order. The rule requires the moving party to provide "evidence that is essential to a decision and that was unavailable and not reasonably discoverable with due diligence at the time of the hearing or for any other good and sufficient cause. A motion to reopen the record must include the evidence the party proposes to add to the record and must demonstrate that the evidence meets this standard."<sup>66</sup> Complainants have not provided any of this information and their motion should be denied.

28. Likewise, Complainants' request for oral argument should be denied because oral argument is unnecessary. Complainants have not demonstrated "that oral argument is necessary to assist the commission in making its decision on the petition for administrative review and that the written presentations are insufficient."<sup>67</sup> Complainants had the opportunity to establish their case through discovery, in testimony and response testimony (including over thirty exhibits), and through cross examination and oral argument at the hearing. Given the extensive evidence in the record, another round of oral argument is unnecessary and the request for oral argument should be denied.<sup>68</sup>

#### IV. CONCLUSION

29. For these reasons, the Initial Order should be approved, and administrative review denied.

---

<sup>65</sup> Public Counsel stated it does not take a position on the Petition.

<sup>66</sup> WAC 480-07-830(3).

<sup>67</sup> WAC 480-07-825(2)(e).

<sup>68</sup> If the Commission grants the request for oral argument, PSE requests permission to respond orally.

DATED this 30th day of June, 2023.

**Respectfully submitted**

**PERKINS COIE LLP**

By s/ Byron C. Starkey  
Sheree Strom Carson, WSBA # 25349  
David S. Steele, WSBA #45640  
Byron T. Starkey, WSBA #55545

*Attorneys for Puget Sound Energy*