

**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

ORDER 05

FINAL ORDER DENYING PETITION
FOR REVIEW

BACKGROUND

- 1 On September 15, 2022, the Washington Utilities and Transportation Commission (Commission) served on Puget Sound Energy (PSE or Company) the formal complaint (Complaint) of Alexander and Elena Argunov, Thomas and Heidi Johnson, and Chad and Victoria Groesbeck (collectively Complainants). The Complaint alleges that PSE violated several Commission rules contained in Chapter 480-100 of the Washington Administrative Code (WAC).
- 2 On May 15, 2023, the Commission entered Order 04, Initial Order; Assessing \$10,000 Penalty (Order 04). Order 04 rejected Complainants claim that PSE was and is inaccurately billing them for electricity usage as a result of faulty calculation of interval data as opposed to actual usage. Order 04 also assessed penalties amounting to \$10,000 against PSE for violations of Chapter 480-120 WAC relating to billing, meter reading, and meter testing, and RCW 80.28.080 related to billing.¹
- 3 On May 16, 2023, Complainants filed a Motion for Extension to File Petition for Reconsideration, requesting an additional 15 days to file a petition.²

¹ Order 04 includes a detailed procedural and evidentiary summary which the Commission adopts and will not repeat in this Order.

² WAC 480-07-825(2)(a) allows parties 20 days after entry of an initial order to file any petition for administrative review.

- 4 On May 17, 2023, the Commission issued a Notice Granting Motion for Extension of Deadline to File Petition for Administrative Review.
- 5 On June 26, 2023, Complainants filed their Petition for Reconsideration, Request for Oral Argument, and Motion to Reopen Record (Petition).
- 6 On June 30, 2023, PSE filed an Opposition to Administrative Review (Opposition), and Public Counsel filed a letter stating that it would not take a position regarding the Petition.
- 7 On July 7, 2023, Complainants filed a request to reply to the Opposition and its proposed reply.
- 8 In the Petition, Complainants state that their “main and only argument is that PSE omits crucial standards [and] required steps of their operational software causing unrealistically high charges for energy consumption.”³ Complainants reiterate their claim that the advanced metering infrastructure (AMI) meters used by PSE are only designed to read interval data and that PSE is failing to take the necessary steps to render the interval data for an accurate billing process. Complainants state that the software provided by the meter designer is “mandatory” software and that PSE’s failure to use it for the Company’s billing process is contrary to industry standards and creates usage values that are “off by a factor of [four].”⁴ The Petition requests review of paragraphs 19-21 of Order 04.
- 9 In its Opposition, PSE disputes the sufficiency of the Petition and asserts that the challenged paragraphs are fully supported in the record. PSE reiterates that it uses kilowatt hour (kWh) usage for billing purposes, and not kilowatt (kW) demand (or interval) billing, and thus its data does not require any further manipulation to produce accurate billing. PSE also reiterates that while the AMI meters are capable of measuring demand and contain software that will produce accurate readings based on demand, that is not the functionality that PSE uses for its billing process, and PSE is not required to do so.
- 10 In their final request to reply to the Opposition, Complainants request a further opportunity to present oral argument and once more claim that PSE is miscalculating interval data to produce its bills, that interval data is the only data available through the

³ Complaint, p. 4.

⁴ *Id.*

AMI meters, and that the billing process envisioned by the meter manufacturer is the only available billing process.

DISCUSSION

- 11 As an initial matter, we construe the Petition as a petition for administrative review authorized under WAC 480-07-825(2). Per WAC 480-07-395(4), the Commission will liberally construe pleadings to effect justice among the parties and will consider pleadings based on the relief that they request. Additionally, the Commission will disregard errors or defects in pleadings that do not affect the substantial rights of the parties. We thus accept the Petition as filed and will address it on the merits of the arguments presented regardless of whether it meets the standards for a petition for administrative review detailed in WAC 480-07-825(2).
- 12 We deny the Complainants' request for additional oral argument and motion to reopen the record. Complainants have had sufficient opportunity to provide the Commission with prefiled testimony, exhibits, testimony at hearing, and argument, both at hearing and in their Petition, to present their case. We sufficiently comprehend both the basis and tenor of Complainants argument and have ample information with which to analyze the decision of the Administrative Law Judge (ALJ) in Order 04.⁵ We nevertheless allow the Complainants' proposed reply into the record and give it the consideration it warrants.
- 13 We agree with PSE that the only issue addressed by the Petition, and thus subject to review, is that of the Complainants' overarching claim of inappropriate billing practices related to the use of AMI meters. The penalties assessed in Order 04 for specific violations of RCW 80.28.080 and WAC 480-100 related to billing, meter reading, and meter testing are unchallenged by either party and remain unaltered.
- 14 We deny the Complainants' Petition. Order 04 properly found that Complainants assertions regarding PSE's billing practices were not supported by the evidence. We affirm the decision in Order 04 in full.
- 15 The Company has established that it bills residential customers, such as the Complainants, based on kWh usage, not kW demand. The ALJ found that PSE witnesses credibly testified that the Company does not use interval data readings for its monthly reads for residential billing purposes.⁶ PSE instead bills residential customers based on the starting and ending reads for each month, consistent with SAP's standard Periodic

⁵ WAC 480-07-825(2)(e).

⁶ *E.g.*, McClenahan, Exh. KM-1CT at 5:19-20.

Meter Reading Process.⁷ To the extent that Complainants have presented exhibits to suggest that PSE is billing based on kW demand, such as meter displays or other data, it appears that Complainants continue to misinterpret the meters' ability to measure and record kW demand as an exclusive function. This point was addressed by PSE to the satisfaction of the ALJ, and we are similarly satisfied.

- 16 Complainants have still not established that PSE is using automated meter reading (AMR) or AMI meters incorrectly or contrary to any published guidance. PSE convincingly explained that using AMI meters to generate monthly billings does not contradict the description of AMI meters and the guidance provided by the U.S. Department of Energy.⁸ Complainants' exhibits referenced in the Petition concern the use of AMI meters for real-time pricing billing, which PSE does not use for residential customers.⁹ Utilities are not required to use real-time pricing billing.¹⁰ PSE's testimony on this issue was credible and fully supported by the record evidence. The fact that meters have the capability to be used in another manner does not establish that PSE is required to use them in that manner. There is no persuasive evidence that PSE is failing to follow guidance on the use of AMR or AMI meters.
- 17 The Complainants have not established their claim that PSE is multiplying charges by a factor of four or otherwise overbilling. PSE credibly explained that "[n]o conversion from kW demand is taking place" and that the AMI meters accurately record kWh usage.¹¹ A kWh is a standard unit of energy used by utilities to bill customers.¹² Although the meters also measure and record kW demand, *this information is not used for billing residential customers*.¹³ As Order 04 discussed at some length, PSE does not use interval data for billing residential customers, and there is no evidence that PSE is required to do so. The Complainants' over-arching claim is based on a misapprehension.
- 18 For the reasons discussed above, we adopt and affirm as our own the findings and conclusions set forth in Order 01 in full and deny Complainants' Petition.

⁷ *Id.* 6:4-7; 7:4-6.

⁸ McClenahan, Exh. KM-1CT at 7:15-17.

⁹ *Id.* at 19:5-8.

¹⁰ *Id.* at 19:11-12.

¹¹ Hagan, Exh. IH-1T at 2:13-20.

¹² *Id.* at 3:10-11.

¹³ *Id.* at 4:1-11.

ORDER

19 THE COMMISSION ORDERS THAT:

20 (1) Alexander and Elena Argunov, Thomas and Heidi Johnson, and Chad and
Victoria Groesbeck's Petition for Administrative Review is DENIED.

21 (2) The \$10,000 penalty assessed against Puget Sound Energy remains due, and
must be paid within five days after the date of this Order.

DATED at Lacey, Washington, and effective September 13, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, 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 81.04.200 and WAC 480-07-870.