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Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**RE: PSE Service Quality Program and Electric Service Reliability Annual Filing
Dockets UE-170033 and UG-170034 (consolidated) and Dockets UE-072300 and
UG-072301 (consolidated); and WAC 480-100-398, Electric Service Reliability
Reports – Filed Electronically**

Dear Ms. Maxwell:

Pursuant to Order 08 of Dockets UE-170033 and UG-170034 (consolidated) and Order 29 of consolidated Dockets UE-072300 and UG-072301 (consolidated) and consistent with WAC 480-100-398 and WAC 480-07-140(5), Puget Sound Energy (“PSE”) provides the electronic version of PSE’s Service Quality Program and Electric Service Reliability Annual Filing for the twelve-month reporting period ending December 31, 2022.

This annual filing includes the following three reports:

- Attachment A: PSE 2022 Service Quality and Electric Service Reliability Report,
- Attachment B: PSE Natural Gas Emergency Response Plans for Outlying Areas, and
- Attachment C: PSE 2022 Critical Infrastructure Security Annual Report.

Attachment A, PSE 2022 Service Quality and Electric Service Reliability Report, details the Service Quality Indices (“SQI”) performance results for both PSE and its service providers and the electric service reliability results and analyses.

For the 2022 service quality reporting year, PSE met seven of its nine SQI performance benchmarks. PSE fell short of SQI #3-System Average Interruption Duration Index (“SAIDI”) and SQI #5-Customer Access Center answering performance. Weather events in January, November, and December of 2022 resulted in the annual 2022 performance exceeding the SQI #3 benchmark of 155 minutes, while the average length of power outages per customer per year as measured by SQI #3 decreased in 2022 compared to 2021. Besides these winter weather events, other key causes of missing the SQI #5 benchmark of 80% of calls answered live within 60 seconds include resource

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constraints, technology issues, and increased call volumes due to the annual purchased gas rate adjustments.

There is no performance-based penalty associated with SQI #3 as the performance penalty mechanics has been replaced since July 30, 2016, by PSE's 24-Hour Restoration Service Guarantee where a \$50 credit is applied to customer accounts if they have experienced certain prolonged outages as prescribed in PSE's Schedule 131, Restoration Service Guarantee.

The penalty for not meeting the SQI #5 benchmark is \$742,500. PSE's owners will contribute the entire amount of \$742,500 to its electric and natural gas Schedule 129 energy bill assistance programs as extra funding to the programs. None of the SQI #5 penalty of \$742,500 will be borne by PSE ratepayers.

Appendix D of Attachment A presents PSE's proposed customer notice, Customer Report Card, for the 2022 performance year. The Customer Report Card is designed to inform customers of how well PSE delivers its services in key areas to its customers. After consultation with the staff of the Washington Utilities and Transportation Commission ("Commission") and the Public Counsel Unit of the Washington State Attorney General's Office, PSE will begin distributing the report card by June 27, 2022, as part of the customer-billing package.

Two Service Quality Program changes are coming starting from the 2023 performance year per Order 24/10 of the consolidated Dockets UE-220066, UG-220067, and UG-210918 dated December 22, 2022, where the Commission approved the Settlement Stipulation and Agreement on Revenue Requirement and all Other Issues Except Tacoma LNG and PSE's Green Direct Program. These two Service Quality Program changes are:

- SQI semi-annual reporting to the Commission that used to be due by July 30th of each year will be discontinued going forward, starting from the 2023 performance year; and
- SQI #4-System Average Interruption Frequency Index ("SAIFI") will be computed using only the latest electric power distribution reliability standard number P1366, "Guide for Electric Distribution Reliability Indices", published by the Institute of Electrical and Electronic Engineers ("IEEE"). This IEEE standard also sets forth, in the electric service reliability performance calculation, the removal of major event day outages with additional adjustment for catastrophic events. This IEEE approach is consistent with the current SQI #3 SAIDI performance calculation. The new SQI #4 benchmark will be at the average of no more than 1.2 interruptions per year per PSE electric-service customer.

The electric service reliability section of Attachment A meets all the electric service reliability monitoring and reporting requirements set forth in WAC 480-100-388, WAC 480-100-393, and WAC 480-100-398. The information in this section is also consistent with PSE's Electric Service Reliability Monitoring and Reporting Plan approved by the Commission in Docket UE-110060.

Attachment B to this filing contains PSE's natural gas emergency response plans for the following outlying areas: Centralia and Chehalis, Kittitas County, Toledo, Vashon Island, Winlock, and Sumas Generating Station and Pipeline. In accordance with WAC 480-07-160, PSE is requesting confidential treatment of Attachment B. Attachment B includes contact information for local emergency agencies and PSE employees and suppliers, detailed PSE facility information, and

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procedures for shutting down natural gas supply. PSE identifies that these local emergency agencies and PSE owners, customers, employees, and suppliers might be directly affected by disclosure of the confidential information.

Attachment C to this filing is PSE's 2022 Critical Infrastructure Security Annual Report. This report contains a description of PSE's cybersecurity and physical security policies and standard practices in 2022.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:

Attachment A: 2022 Service Quality and Electric Service Reliability Report

Attachment B: Natural Gas Emergency Response Plans for Outlying Areas (Confidential)

Attachment B: Natural Gas Emergency Response Plans for Outlying Areas (Redacted)

Attachment C: 2022 Critical Infrastructure Security Annual Report