



Puget Sound Energy  
PO. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

October 5, 2015

***Via Electronic Mail***

Steven V. King, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
1300 S. Evergreen Park Drive S.W.  
Olympia, Washington 98504-7250

**Re: Docket U-144155: Comments of Puget Sound Energy, Inc. on Rulemaking to Consider Amending Billing Requirements for Electric and Natural Gas Companies**

Dear Mr. King:

Puget Sound Energy, Inc. (“PSE”) submits the following comments regarding the draft rules and responses to the questions posed in the Washington Utilities and Transportation Commission’s (“Commission”) September 04, 2015 Notice of Opportunity to Submit Written Comments (“Notice”) issued in Docket U-144155.

PSE has been subject to billing and metering performance standards since 2008. In May 2012, PSE agreed with the Commission to comply with and report on annual meter and billing performance standards as part of a partial settlement in consolidated Docket Nos. UE-111048 and UG 111049 Order 08 (“Order 08”). The standards require PSE to 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 initial occurrence of the problem. PSE will identify and correct all stopped meter and unassigned energy problems for both gas and electric meters within 24 months from the initial problem.

**Comments on draft rules**

PSE appreciates the Commission’s efforts to clarify its rules regarding utility practices in issuing corrective bills. PSE supports the intent of the Commission’s draft rules and offers the following comments and proposed language revisions to provide greater clarity and to better align the final rule with existing statutes and settlements regarding billing and metering performance standards.

*WAC 480-90-178(5)(a) and WAC 480-100-178(5)(a)*: PSE is unclear with the term “upon discovery” and “discovers” in this section of the draft rules. PSE recommends replacing “upon

discovery with “from the date the utility determines” in the first sentence and replacing “discovers” with “determines” in the last sentence. This change would give more clarity as to when the sixty day clock starts for issuing a billing correction. A potential billing error often requires investigation and confirmation, and it is unclear whether sixty days would begin before or after a utility has investigated and confirmed the meter is malfunctioning. From PSE’s perspective, the rules would be made clear by stating from the “date the utility determines the error” in order to ensure time for investigation and confirmation of the meter malfunction and issuance of the corrected billing statement.

Additionally, PSE requests the Commission remove “a meter with unassigned energy usage” from the draft rules requiring a utility to issue a corrected bill within sixty days upon determination. PSE supports a sixty day threshold for issues related to stopped meters, meter failure or malfunction, but not issues related to unassigned energy usage (“UEU”). Unlike a stopped meter, a meter with unassigned energy usage is the result of a customer failing to start energy service with the utility after move-in. As discussed in PSE’s previous comments, the billing process for UEU meters is tied to the unassigned usage reaching the threshold. In some circumstances, the utilization is very low and may take months before the initial threshold triggers an investigation. Reaching the UEU threshold is not time-based but rather based on reaching a threshold of usage that is balanced between allowing adequate time for the customer to sign-up for service and avoiding the cost of a PSE truck roll. For these reasons, PSE recommends the Commission remove UEU meters from this section.

*WAC 480-90-178(5)(b)(ii) and WAC 480-100-178(b)(ii)*: For the reasons listed above, PSE recommends removing language from these draft rules that require a sixty day threshold for issuing a billing correction for a meter with unassigned energy usage. This includes the provision to define an unassigned energy usage meter.

*WAC 480-90-178(5)(c) and WAC 480-100-178(5)(c)*: PSE proposes to eliminate this section from the draft rules because there are existing rules that establish requirements for utilities to develop and maintain procedures for meter testing, repairing and replacement of meters. It is unclear to PSE the value in requiring utilities to file a “plan” and provide ongoing updates for identifying and repairing meters to have on file at the Commission. The Commission can already request such information from utilities on its billing and metering procedures at any time, and therefore an additional requirement to file a “plan” is duplicative, burdensome and does not belong in the final rule. It is unclear what value will be gained by adding an additional administrative filing.

*WAC 480-90-178(6)(f) and WAC 480-100-178(6)(f)*: PSE proposes to eliminate the phrase “an explanation of” from this section because it is unclear and ambiguous what should be included in an explanation of the availability payments arrangements beyond the payment arrangements themselves. For clarity, PSE proposes this section to read “*the availability of payment arrangements in accordance with WAC 480-09-138(1)<sup>2</sup>, Payment arrangements.*”

*WAC 480-90-178(7)(c) and WAC 480-100-178(7)(c)*: PSE proposes to add a new subsection (c) that includes an exemption for non-residential meters from the provisions of section 5(a). The exemption is necessary because utilities require flexibility to address the varying scenarios that occur with non-residential versus residential customer billing and metering. The varying nature of the non-residential customer class makes it difficult for the utility to identify slowed or stopped meters. For example, a business may operate seasonally, temporarily close, or not notify the utility of equipment or facility changes. Another rationale for exempting non-residential meters from these draft rules is the additional time and resources needed to address the unique and customized nature of larger meter sets. This is particularly prevalent with larger, non-residential natural gas meters for industrial customers. These customized meter sets require additional time to be designed, scheduled, etc. to ensure precise and accurate measurement.

#### **Responses to Questions posed by Commission staff**

1. Please provide the three most recent years of data regarding the number of corrected bills issued for under-billed amounts due to meter failure or malfunctions, or unassigned energy usage meters that exceeded six months in duration.

#### **PSE Response**

The following table summarizes the results of billing corrections for stopped meters. The data represents PSE's tracking of all stopped meters because PSE's meter and billing correction tracking system does not have specific fields to track "meter malfunction" or "meter failure." For the purposes of this response, PSE interprets the Commission's terms "meter failure" and "meter malfunction" as stopped meters. If the Commission has a different interpretation of these terms beyond stopped meter, PSE would be happy to work with the Commission to provide additional data if readily available.

Year	Residential		Non Residential		Total Revenue
	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months	Company's total revenue
2012	572	\$473,216	110	\$517,811	\$3,248,843,000
2013	433	\$323,100	69	\$278,368	\$3,187,335,000
2014	536	\$424,585	88	\$606,874	\$3,116,123,000

2. Please provide the three most recent years of data regarding the number of corrected bills issued for under-billed amounts due to all other billing errors (excluding meter tampering, fraud and estimated bills.) Examples include: corrected bills for incorrect prorated bills; mislabeled meter bases; incorrectly installed meters; incorrect billing rate schedules; and incorrect billing multipliers

**PSE Response**

PSE's meter and billing correction tracking system specifically tracks billing corrections related to stopped meter and UEU problems. The system does not include an "other billing errors" category.

3. The rationale for requesting the exclusion of non-residential customers from the six month billing correction limitation is unclear.
  - a. Please provide additional rationale and examples of why it is important to exclude non-residential customers.
  - b. Please provide an explanation of the terms "small business customer," "commercial customer," "large commercial customer," and "industrial customer."
  - c. Please provide the following additional data regarding seasonal commercial customers. Also, please provide an explanation of how seasonal commercial customers pose a problem for companies to identify and correct billing problems.

**PSE Response**

(a) As described above and in previous PSE comments, it is extremely difficult to distinguish whether changes in usage patterns are due to a business’s operational changes or a slowed/ stopped meter. In addition, non-residential customer billing adjustments represent a much higher billing amount (on average) than residential. The data in PSE’s response to question #4 below demonstrates this higher amount. In 2012, for example, the total average non-residential amount was \$2,414 versus \$248 for residential. In 2013, the total average non-residential amount was \$4,481 versus \$179 for residential. In 2014, the total average non-residential amount was \$362 versus \$56 for residential. Utilities need flexibility to address the causes of usage pattern changes for non-residential customers and to ensure the larger average amounts are fully addressed. Finally, another rationale for excluding non-residential meters is the additional time and resources needed to address the unique and customized nature of larger meter sets. This is particularly prevalent with larger, non-residential natural gas meters for industrial customers. These customized meter sets require additional time to be designed, scheduled, etc. to ensure precise and accurate measurement.

(b) The distinction between commercial and industrial customers is a matter of the end-use for which the energy supply is required. While those terms are sometimes colloquially used to distinguish customers that use more or less energy, based on the more strict end-use interpretation, such generalizations are often accompanied by frequent and significant exceptions. Whether a customer is “large” or “small” is equally subjective and largely dependent on the nature of the customers being served in a particular area. This is illustrated by the wide variety of eligibility standards for different utilities’ non-residential rate schedules. See Attachment A for a simple list of PSE’s electric and natural gas rate schedules. The eligibility standards for these rate schedules can be found on PSE’s website at <https://pse.com/aboutpse/Rates/Pages/default.aspx>. That being said, PSE recommends the above quoted terms not be used in rule language that will have broad applicability across multiple utilities. Instead, customer distinctions should be more clearly defined, preferably through the measurement of maximum energy demand and/or average consumption levels.

(c)

Year	Seasonal Commercial Customers		Total Revenue
	Number of accounts issued corrected bills exceeding six months	Total amount billed in excess of six months	Seasonal customer revenue
2012	3	\$13,630	n/a
2013	4	\$16,592	n/a
2014	4	\$18,318	n/a

PSE tracks its revenue by tariff rate schedule and not by customer usage pattern, and therefore no data exists for seasonal customer revenue. As noted above, seasonal customers pose a problem for utilities to identify and correct billing issues because it is extremely difficult to distinguish whether changes in usage patterns are due to a business’s operational changes or a slowed/ stopped meter. While PSE has processes in place to address these issues, they require more time and flexibility than provided for in these draft rules.

4. Please provide the most recent three years of data for corrected bills related to over-billing.

**PSE Response**

Year	Residential		Non Residential	
	Number of accounts issued refunds exceeding six months	Total amount of refunds in excess of six months	Number of accounts issued refunds exceeding six months	Total amount of refunds exceeding six months
2012	13	-\$3,226	3	-\$7,242
2013	30	-\$5,363	1	-\$4,481
2014	33	-\$1,861	13	-\$4,704


5. Please describe all current procedures in place to prevent and identify billing errors resulting from: incorrect prorated bills; mislabeled meter bases; incorrectly installed meters; incorrect billing rate schedules; or incorrect billing multipliers.

**PSE Response**

As mentioned earlier, PSE has been subject to billing and metering performance standards since 2008, and in May 2012 agreed with the Commission to comply with and report on annual meter and billing performance standards as part of a partial settlement in consolidated Docket Nos. UE-111048 and UG 111049 Order 08 (“Order 08”). Many of the systems within PSE focus on identifying stopped meters and UEU issues. However, PSE, through its Customer Information System (“CIS”), has put in place a series of parameters to help identify and out sort potential billing errors before the bill is sent to the customer. These parameters provide a range of “normal usage” to be expected during the billing cycle and when the usage exceeds that limit, the bill is out sorted. The system creates a daily review list of the out sorted items and PSE agents work those items daily to investigate and correct potential billing errors prior to generating a bill to send the customer.

PSE appreciates the opportunity to provide responses and proposed language to the Commission's Notice of Opportunity to File Written Comments. Please contact Nate Hill at (425) 457-5524 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

  
Nate Hill  
Manager Regulatory Initiatives

for Ken Johnson  
Director, State Regulatory Affairs

# Attachment A



## Electric tariffs

- **Residential Service**
  - Electric Schedule 007 - Residential Service - 11/16/2013
  - Electric Schedule 007A - Master Metered Residential Service - 11/16/2013
- **Commercial Industrial General Service**
  - Electric Schedule 008 - Residential & Farm General Service - 07/01/2002
  - Electric Schedule 010 - Residential & Farm Primary General Service - 07/01/2002
  - Electric Schedule 011 - Residential & Farm Small Demand General Service - 07/01/2002
  - Electric Schedule 012 - Residential & Farm Large Demand General Service - 07/01/2002
  - Electric Schedule 024 - General Service - 11/16/2013
  - Electric Schedule 025 - Small Demand General Service - 11/16/2013
  - Electric Schedule 026 - Large Demand General Service - 01/01/2014
  - Electric Schedule 029 - Seasonal Irrigation & Drainage Pumping Service - 11/16/2013
  - Electric Schedule 031 - Primary General Service - 01/01/2014
  - Electric Schedule 035 - Seasonal Primary Irrigation & Drainage Pumping Service - 11/16/2013
  - Electric Schedule 040 - Large Demand General Service Greater Than 3 aMW - 11/16/2013
  - Electric Schedule 043 - Interruptible Primary Service for Total-Electric Schools - 11/16/2013
  - Electric Schedule 046 - High Voltage Interruptible Service - 11/16/2013
  - Electric Schedule 049 - High Voltage General Service - 11/16/2013
  - Electric Schedule 448 - Power Supplier Choice - 07/01/2013
  - Electric Schedule 448 - Schedule 448 Power Supplier Choice - Service Agreement - 06/12/2003
  - Electric Schedule 449 - Retail Wheeling Service - 07/01/2013
  - Electric Schedule 449 - Schedule 449 Retail Wheeling Service - Service Agreement - 07/01/2002
  - Electric Schedule 458 - Back-Up Distribution Service - 07/01/2002
  - Electric Schedule 459 - Back-Up Distribution Service - 07/01/2002

## Natural gas tariffs

- **Residential Service**
  - Gas Schedule 023 - Residential General Service - 11/16/2013
- **Emergency Compressed Natural Gas**
  - Gas Schedule 050 - Emergency Compressed Natural Gas - 11/16/2012
  - Gas Schedule 050 Attached A - Emergency Compressed Natural Gas Service Agreement - 03/11/2011
- **Propane Service**
  - Gas Schedule 053 - Propane Service - 12/13/2014
- **Commercial Industrial General Service**
  - Gas Schedule 031 - Commercial and Industrial General Service - 11/16/2013
  - Gas Schedule 041 - Large Volume High Load factor gas Service (Optional) - 11/16/2013
  - Gas Schedule 085 - Interruptible Gas Service Agreement - 06/26/2010
  - Gas Schedule 085 - Interruptible Gas Service with Firm Option (Optional) - 11/16/2013
  - Gas Schedule 086 - Interruptible Gas Service Agreement - 05/01/2009
  - Gas Schedule 086 - Limited Interruptible Gas Service with Firm Option (Optional) - 11/16/2013
  - Gas Schedule 087 - Interruptible Gas Service Agreement - 05/01/2009

- Gas Schedule 087 - Non-Exclusive Interruptible Gas Service with Firm Option (Optional) - 11/16/2013
- **Transportation Service**
- Gas Schedule 031T - Distribution System Transportation Service (Firm Commercial & Industrial) - 11/16/2013
- Gas Schedule 031T - Transportation Service Agreement (Firm Commercial & Industrial) - 06/26/2010
- Gas Schedule 041T - Distribution System Transportation Service (Firm-Large Volume High Load) - 11/16/2013
- Gas Schedule 041T - Transportation Service Agreement - 06/26/2010
- Gas Schedule 085T - Distribution System Transportation Service (Interruptible with Firm Option) - 11/16/2013
- Gas Schedule 085T - Transportation Service Agreement - 06/26/2010
- Gas Schedule 086T - Distribution System Transportation Service (Interruptible with Firm Option) - 11/16/2013
- Gas Schedule 086T - Transportation Service Agreement - 06/26/2010
- Gas Schedule 087T - Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option) - 11/16/2013
- Gas Schedule 87T - Transportation Service Agreement - 06/26/2010