

**EXH. CLW-1T  
DOCKETS UE-22 \_\_\_/UG-22 \_\_\_  
2022 PSE GENERAL RATE CASE  
WITNESS: CAROL L. WALLACE**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-22 \_\_\_**

**Docket UG-22 \_\_\_**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**

**CAROL L. WALLACE**

**ON BEHALF OF PUGET SOUND ENERGY**

**JANUARY 31, 2022**

**PUGET SOUND ENERGY**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
CAROL L. WALLACE**

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**PUGET SOUND ENERGY**

**PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
CAROL L. WALLACE**

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1 **PUGET SOUND ENERGY**

2 **PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF**  
3 **CAROL L. WALLACE**

4 **I. INTRODUCTION**

5 **Q. Please state your name, business address, and position with Puget Sound**  
6 **Energy.**

7 A. My name is Carol L. Wallace, and my business address is Puget Sound Energy,  
8 Inc., P.O. Box 97034, Bellevue, Washington 98009-9734. I am employed by  
9 Puget Sound Energy (“PSE”) as Director, Customer Solutions.

10 **Q. Have you prepared an exhibit describing your education, relevant**  
11 **employment experience, and other professional qualifications?**

12 A. Yes, I have. It is Exhibit CLW-2.

13 **Q. What are your duties as Director, Customer Solutions for PSE?**

14 A. As the Director I lead PSE’s Customer Solutions team which includes: customer  
15 experience and journey management; digital experience on self-service platforms;  
16 strategic business intelligence; billing and payment operations; energy assistance  
17 programs and credit and collections operations. These groups are charged with  
18 enhancing PSE’s digital customer service platform, data analytics capabilities,  
19 billing and payment processes, increasing access to energy assistance programs,  
20 and managing customer arrearages and field collections.

1 **Q. What topics are you covering in your testimony?**

2 A. My testimony addresses Puget Sound Energy's efforts to serve our community  
3 and customers, including our work to assist those impacted by the COVID-19  
4 pandemic, and to meet the growing expectations of modern-day consumers for  
5 efficient, convenient, and technologically updated service. I will also provide  
6 information about our deployment of expanded assistance programs, payment  
7 options for customers, and the Bill Discount Rate. Finally, I will give an overview  
8 of how Customer Solutions is supporting PSE's Clean Energy Transformation.

9 **II. PSE IS WORKING TO IMPROVE ITS ENERGY ASSISTANCE**  
10 **SERVICES TO CUSTOMERS**

11 **A. PSE Took Immediate Steps To Assist Customers During the Pandemic**

12 **Q. Please provide a timeline of key actions taken by PSE to assist customers in**  
13 **response to the pandemic.**

14 A. Starting in March of 2020, PSE took the following actions to assist its customers  
15 in response to the pandemic, disconnect moratorium, and the Washington Utilities  
16 and Transportation Commission's ("Commission") COVID Order 03 in Docket  
17 U-200281:

- 18 i. March 2020: PSE voluntarily halted all disconnections for non-payment  
19 prior to the moratorium.
- 20 ii. March 2020: PSE voluntarily waived all late payment fees.

- 1           iii.    April 2020: PSE implemented the Crisis Affected Customer Assistance  
2                    Program (“CACAP”) to aid those impacted by COVID-19.
- 3           iv.    June 2020: PSE halted the assessment of security deposits.
- 4           v.    June 2020: PSE streamlined the process to apply for low-income  
5                    assistance under its Home Energy Lifeline Program (“PSE HELP” or  
6                    “HELP”).
- 7           vi.    March 2021: PSE implemented 18-month payment arrangements.
- 8           vii.   April 2021: PSE implemented the COVID-19 Bill Assistance Program  
9                    pursuant to Order 01 in Docket U-200281 to provide additional bill  
10                  payment assistance to customers impacted by the on-going COVID-19  
11                  pandemic.
- 12          viii.   November 2021: PSE implemented the Supplemental CACAP program in  
13                    Dockets UE-210792 and UG-210793 to automatically provide arrearage  
14                    relief to customers identified by PSE as struggling to pay their bill due to  
15                    the COVID-19 pandemic.

16   **Q.    How has the COVID-19 pandemic impacted PSE’s residential and business**  
17           **electric and natural gas customers?**

18   A.    The COVID-19 pandemic has had a significant impact on PSE’s residential and  
19           business customers, particularly those individuals who either lost employment or  
20           saw reduced wages and those small businesses in industries where virus

1 mitigation efforts necessitated closures or restrictions in operations. While the  
2 economy of western Washington has improved over the course of the pandemic,  
3 its economic disruption continues to impact some customer's ability to pay utility  
4 bills. For a more detailed discussion on these issues, please see the Prefiled Direct  
5 Testimony of Adrian J. Rodriguez, Exh. AJR-1T.

6 **Q. How does the impact of COVID-19 compare to previous economic**  
7 **downturns?**

8 A. The rapid loss of employment in the March-April timeframe of 2020 was  
9 unprecedented. Many customers who were previously able to routinely pay their  
10 energy bill were suddenly in arrears and customers who historically had  
11 difficulties paying their bill were struggling even more. This brought new  
12 challenges to providing customers with payment assistance because traditional  
13 assistance programs were not designed to handle an immediate influx of  
14 individuals and families that needed assistance at this scale due to the pandemic.  
15 Families and individuals who previously enjoyed income security, now found  
16 their lives suddenly disrupted. With the pandemic, fresh approaches to assistance  
17 have been required—changes to determining qualification for aid, simplifying  
18 qualification processes for the eligible, leveraging technology to distribute aid,  
19 and expanding payment options so that those who are recovering economically  
20 have extended time to reduce the balances owed in their accounts.

1 **Q. Describe the bill assistance programs that PSE launched as a result of**  
2 **COVID-19.**

3 A. In response to the COVID-19 crisis PSE has implemented three separate bill  
4 assistance programs, Crisis-Affected Customer Program (“CACAP”), COVID  
5 Bill Assistance, and Supplemental CACAP. All three programs were designed to  
6 get assistance to customers quickly and easily by removing as many barriers as  
7 possible with a streamlined application process or completely automatic  
8 enrollment. In total, as of December 31, 2021 these three programs have resulted  
9 in processing 89,488 applications with \$53 million dollars of assistance to pay  
10 their PSE bill.

11 **Q. Describe PSE’s Crisis-Affected Customer Assistance Program.**

12 A. Created in response to the COVID-19 crisis, CACAP provided a one-time bill  
13 credit for impacted customers equal to the cost of energy used based on a 2019  
14 baseline. Customers at or below 250 percent of federal poverty level who recently  
15 became unemployed, partially unemployed, or could not work due to COVID-19  
16 were eligible. PSE distributed \$9.1 million to 15,851 customers in 2020.

17 **Q. How does the CACAP program compare to previous assistance programs?**

18 A. The key difference between CACAP and traditional forms of assistance was the  
19 ability to rapidly and effectively assist customers who were previously on a sound  
20 financial footing but who now, as a result of the pandemic and related economic  
21 restrictions, found themselves out of work or with greatly reduced working hours



1 and wages. The program was developed at the onset of the pandemic in  
2 partnership with the Commission and stakeholders representing economically  
3 disadvantaged and marginalized customers. PSE deployed the program very  
4 quickly, with the first customers receiving assistance by the end of April 2020.  
5 PSE began discussions internally in early March, submitted a tariff revision to the  
6 Commission in early April 2020, and the tariff was approved on April 13, 2020.  
7 PSE was able to simultaneously work with its vendor to add functionality to the  
8 existing EnergyHelp portal (used to administer PSE HELP funds) and get the  
9 system ready to begin accepting applications immediately after the tariff was  
10 approved.

11 **Q. How was PSE's COVID-19 Bill Assistance Program implemented?**

12 A. In April 2021, PSE implemented PSE COVID-19 Bill Assistance Program in  
13 accordance with Order 01 in Docket U-200281 to provide additional bill payment  
14 assistance to customers who are impacted by the on-going COVID-19 pandemic.  
15 As ordered by the Commission, PSE is providing additional assistance equal to  
16 one percent of retail revenue, which came to an additional \$20 million for electric  
17 customers and \$7.7 million for gas customers. Eligibility this time was strictly  
18 based on income guidelines, only customers at or below 200 percent of the federal  
19 poverty level qualified. The first round of customers would be auto-qualified  
20 based on prior receipt of assistance from other programs (e.g., PSE HELP,  
21 CACAP, Salvation Army Warm Home Fund).

1 EnergyHelp, the Avertra system that PSE and Community Action Program  
2 (“CAP”) agencies use for application creation, tracking, and updating, was  
3 updated to include upload capability which helped PSE automate some of its  
4 assistance efforts. This upload capability streamlined the process because it  
5 allowed the company to create a file of eligible customers, upload it to the system,  
6 then the system automatically created applications for those customers. The  
7 system then sets the benefit amount equal to the amount in arrears and moved the  
8 applications to “Approved” status. Once at “Approved” status, the benefit amount  
9 is applied to the customer’s account. Starting in May of 2021 customers were also  
10 able to apply online on their own or request a manual application. The application  
11 process was enhanced so that customers would apply for HELP and COVID Bill  
12 Assistance at the same time to limit duplication of efforts. As of December 31<sup>st</sup>,  
13 2021, 27,004 customers have been served through the COVID-19 Bill Assistance  
14 Program with over \$17.9 million distributed. PSE will continue to distribute  
15 COVID Bill Assistance until funds are exhausted.

16 **Q. Has PSE offered any subsequent programs for COVID bill assistance?**

17 A. Yes, PSE filed for a supplemental assistance program, Supplemental CACAP, and  
18 was authorized to proceed after the UTC Open Meeting on November 12, 2021.  
19 In this program, PSE leveraged estimated household income from Experian  
20 Marketing Solutions and household size based on census data to identify past due  
21 customers who are likely to be at or below 200 percent Federal Poverty Level  
22 (“FPL”) and then automatically provide arrearage relief for up to \$2,500 to these

1 customers. The program enabled PSE to reach many customers who were  
2 struggling to pay their PSE bill, but had previously never applied for assistance.  
3 This also served to help raise awareness that PSE offers several assistance  
4 programs for those in need. PSE started uploading applications on December 7,  
5 2021 and as of December 31, 2021 distributed \$26.4 million to 46,633 customers.

6 **Q. How did PSE utilize its workforce to increase customer awareness and**  
7 **participation in assistance programs during the pandemic?**

8 A. Two groups of PSE employees adopted new roles as a result of the COVID-19  
9 pandemic. In PSE's Customer Care Center, Customer Care Representatives made  
10 proactive outbound telephone calls to customers who were identified and selected  
11 based on specific account characteristics. In analyzing detailed account history,  
12 PSE attempted to reach out to customers who were a) new to being past due on  
13 their utility bill or b) had not previously applied for PSE's COVID assistance  
14 program (and therefore might not be aware of the assistance and/or long-term  
15 payment arrangement options available to them). As of October 31<sup>st</sup> 2021, more  
16 than 10,000 customers have been called through this effort, with approximately  
17 39 percent taking some type of direct action on their account following PSE's  
18 call. This includes engaging in a payment arrangement, applying/receiving energy  
19 assistance, making a payment, or suspending collection and disconnection  
20 activities by placing a dunning lock on their account (e.g. a dunning lock while  
21 seeking energy assistance).

1 Similarly, PSE employees in Meter Network Services, whose normal role prior to  
2 the moratorium would be to process field disconnections and reconnections, took  
3 on the work of processing CACAP and manual COVID Bill Assistance  
4 applications. The Meter Network Services and PSE's Energy Assistance teams  
5 completed a combined 32,618 applications awarding \$23.3 million as of  
6 November 3<sup>rd</sup>, 2021.

7 **Q. How have PSE's payment arrangement programs been altered during the**  
8 **COVID-19 pandemic?**

9 A. Understanding the hardship many customers were experiencing, PSE temporarily  
10 extended the existing 3-month payment plan option to 18 months and removed a  
11 long-standing requirement to pay 50 percent of the past due balance with the first  
12 payment arrangement. Although the 18-month payment arrangement offering  
13 ends in January 2022, extended payment plans will continue moving forward with  
14 terms of up to 12 months and no requirement for a first-installment lump sum as  
15 was the case prior to the COVID-19 pandemic.

16 **B. PSE is Focused on Making Its Assistance Programs More Accessible**

17 **Q. What has been learned through the experience of providing these new energy**  
18 **assistance programs during the pandemic?**

19 A. Recent experience with the CACAP program, COVID-19 Bill Assistance  
20 Program, and customer use of self-service to select the recently expanded  
21 payment plan options, all point to the effectiveness of technology in enabling

1 more customers to be enrolled in the various forms of assistance faster and with  
2 less effort. Customer preferences have shifted to digital engagement over in-  
3 person, live telephone agent and paper-driven models of accessing assistance.  
4 This is consistent with what PSE has seen with other forms of customer service,  
5 such as outage notifications and stop/start/transfer of premises. Further  
6 information on digital engagement trends is provided in the Prefiled Direct  
7 Testimony of Suzanne Tamayo, Exh. SLT-1T.

8 **Q. Has PSE seen a decline in participation in low-income programs in recent**  
9 **years?**

10 A. Yes, over the past four program years, PSE has seen declining participation in  
11 PSE HELP. The number of customers served by PSE HELP has declined 26  
12 percent from 35,771 in the 2016-2017 program year to 26,397 in the 2019-2020  
13 program year. Likewise, the distribution of all available PSE HELP funds  
14 continues to decline with 80 percent, or \$16.5 million, of available assistance  
15 being awarded to customers in 2016-2017 as compared to 59 percent, or \$11  
16 million, of available assistance being awarded to customers in 2019-2020.

17 **Q. Does PSE believe there is more need for bill assistance than suggested by**  
18 **these recent trends?**

19 A. Yes. PSE knows there continues to be a need for low-income assistance, even  
20 though some of the funds are not being used. Energy Assistance is a vital lifeline  
21 for low-income customers to reduce their energy burden or prevent loss of service

1 due to disconnection for non-payment. Data on program participation highlights  
2 the need to make program enhancements to better enable eligible customers to  
3 access these funds.

4 At a time of great change in customer preferences, demographics and technology,  
5 it was vital that PSE gain greater insight into our customers' needs and challenges  
6 rather than rely on what could be outdated perceptions or practices.

7 **Q. What steps has PSE taken to better understand the decline in participation**  
8 **in the various low-income programs?**

9 A. In 2020, PSE contracted with Cadmus Group to conduct a Low-Income Needs  
10 Assessment ("LINA") which included the calculation of program participation  
11 rates for PSE HELP and Low Income Home Energy Assistance Program  
12 ("LIHEAP") by looking at the number of households that received bill assistance  
13 as a proportion of the estimated number of households eligible. The LINA found  
14 that only 17 percent of eligible households participated in bill assistance  
15 programs. See PSE-Exh. CLW-3 for more details on this study.

16 **Q. Does the LINA research align with other PSE findings into customer barriers**  
17 **to enrollment?**

18 A. Yes, the LINA research is consistent with other research undertaken by PSE. In  
19 2016, PSE partnered with Patricia Glazer Research Associates to better  
20 understand the reasons customers may not fully utilize available assistance  
21 programs. The researchers conducted qualitative interviews with 30 customers

1 who had received bill assistance across multiple counties served by PSE to  
2 understand pain points with the process of applying and receiving assistance. The  
3 study found that “scheduling an appointment to apply for the Bill Payment  
4 Assistance Plan appears to be the biggest bottleneck in the process” with 57  
5 percent of customers interviewed saying that scheduling the appointment was  
6 somewhat-to-very difficult. Multiple customers interviewed stated that while  
7 attempting to make an appointment they needed to call the CAP agency more than  
8 20 times. The 2020 LINA research tracks with these findings, a fact that should  
9 not be surprising given the highly disruptive impact COVID-19 has had and the  
10 increasing customer preference for self-service, automated forms of interaction  
11 across all sectors of business and government.

12 **Q. Has the COVID-19 pandemic altered or exacerbated the barriers found in**  
13 **PSE’s 2016 research?**

14 A. Yes. In 2020, PSE conducted a survey of residential customers who were past due  
15 or had recently applied for bill assistance including CACAP. Of the customers  
16 who had recently applied for bill assistance, the main pain points cited were lack  
17 of communication about application status, knowing who to call to apply, and  
18 difficulty providing the necessary documentation. Customers who were past due  
19 but had not applied for bill assistance were asked about barriers to participating.  
20 The main barriers to participating in bill assistance were awareness of the  
21 programs and lack of understanding about how the programs work and who  
22 qualifies.

1 The same trends continued in 2021 research being conducted for PSE by the  
2 Cadmus Group in the Low-Income Needs Assessment phase 2 (“LINA Phase 2”)  
3 to further assess barriers to participation. This research is ongoing, but initial  
4 qualitative results based on interviews with customers find that barriers include  
5 lack of awareness, language, hard to reach, lack of time, administrative burden,  
6 lack of trust, and pride. Please see Exh. CLW-4 for more details on this study.

7 **Q. What key themes have been derived from the various customer research**  
8 **efforts?**

9 A. Across all these multiple research studies from 2016-2021, several common  
10 themes have arisen. These include:

- 11 i. Customer awareness. Many customers are not aware of the bill assistance  
12 for which they may be eligible. This is due in part to a lack of  
13 understanding of eligibility rules. Proactive outreach will continue to play  
14 a key role in increasing awareness. Additionally, simplifying the eligibility  
15 requirements of programs could reduce the knowledge gap that some  
16 customers experience related to whether they qualify.
- 17 ii. Customer preferences. Customers who need assistance are as diverse as  
18 the community as a whole and have a wide range of needs and preferences  
19 that require a variety of means of delivering service, whether through self-  
20 service or in-person or through English or other languages.



1           iii.    Customer application effort. The current process to receive PSE HELP is  
2                                    managed through our CAP agencies. While customers can apply online  
3                                    through the Energy Portal, they also need to contact their local agency for  
4                                    an appointment to process their application. Customers often find the  
5                                    current process difficult to navigate, citing everything from knowing  
6                                    which agency to call, scheduling an appointment, and providing all the  
7                                    necessary documentation. Simplifying the process and requiring less  
8                                    documentation could dramatically reduce this barrier.

9   **Q.    Please describe PSE’s plans for acting on the various research findings.**

10   A.    The various research findings related to program awareness, service delivery  
11                                    preferences and application complexity have spurred PSE to launch numerous  
12                                    initiatives. These efforts are targeted at increasing customer participation and  
13                                    satisfaction with the available means of assistance. PSE’s actions are focused on  
14                                    the following areas:

15           i.    Outreach: Broadening the dissemination and availability of information to  
16                                    customers is crucial. The education and outreach for COVID-19 has been  
17                                    successful and has given PSE data to understand how effective these  
18                                    efforts have been in increasing the awareness of offered programs with our  
19                                    customers. PSE will continue these efforts, using tactics identified during  
20                                    the pandemic that have been most successful. PSE will continue  
21                                    promoting program awareness via a wide variety of channels, including  
22                                    social media, digital ads, “The Voice” (a monthly publication sent to

1 customers by mail or email depending on their preference), email, PSE's  
2 website and app, outbound calling, postcards, community partners, and  
3 radio/TV sponsorships.

4 ii. Channel performance: In a time of dynamic change in both demographics  
5 and communication preferences, it is key that the performance of various  
6 channels is monitored to determine their effectiveness. Fortunately, many  
7 new tools provide insight into the impact of outreach programs. For  
8 example, during the 2021 campaign promoting bill assistance and payment  
9 arrangements, PSE saw 9.6 million impressions from digital channels such  
10 as social media, email, and search engine marketing ("SEM").<sup>1</sup> These  
11 impressions directly resulted in 167,000 visits to the pse.com energy  
12 assistance web pages. Likewise, digital advertising proved effective,  
13 generating 25 million impressions and driving 74,000 visits to PSE's bill  
14 assistance web pages. Of note, more than 3 million of those digital  
15 impressions came from engagements with audiences on platforms utilized  
16 by Spanish-speaking community members. Overall, the pse.com  
17 assistance pages were visited 317,752 times as of October 31<sup>st</sup>, 2021. For  
18 the same time period in 2020 pages were visited 533,470, as compared to  
19 72,068 in 2019.

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<sup>1</sup> An impression is a metric used to quantify the number of views or engagements of a piece of content, usually an advertisement, digital post, or a web page.

- 1 iii. Non-digital channels: Although many customers have shifted their  
2 engagement to online platforms, traditional television and radio messaging  
3 played a significant role in increasing awareness of programs, with  
4 broadcast media advertising resulting in 42 million impressions among  
5 Western Washington residents. Such broadcast strategies can help “prime  
6 the pump” for direct, actionable engagement by motivating customers to  
7 seek further information.
- 8 iv. Multi-Language Support: Currently, [www.pse.com](http://www.pse.com) offers multi-language  
9 support on a limited number of webpages and all translations are  
10 performed manually through external services with a 1 to 2 week turn-  
11 around. For example, in June 2021 PSE launched updated bill assistance  
12 webpages in 5 languages which received 9,499 page views in 3.5 months.<sup>2</sup>  
13 In 2022, PSE will enhance language support for [www.pse.com](http://www.pse.com) by adding  
14 machine translation capabilities (Amazon Translate) to the website content  
15 publishing process. Machine translation will enable PSE to support more  
16 languages, offer translations on a larger number of [www.pse.com](http://www.pse.com)  
17 webpages, create or update translated pages much more quickly, and  
18 complete translations at a lower cost (i.e., machine translation costs 0.05  
19 percent of human translation). PSE will continue to engage human  
20 translators to confirm website content accuracy and consistency, as  
21 needed.

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<sup>2</sup> Languages include Chinese, Spanish, Hindi, Russian and Vietnamese.

1 v. Multiple service platforms. Understanding that no two customers are alike,  
2 PSE is committed to a multi-channel approach that includes self-service,  
3 telephonic and in-person modes so that the company can “meet customers  
4 where they are” and accommodate as many preferences as possible. For  
5 example, PSE is developing a self-service option for PSE bill assistance  
6 program applications including PSE HELP, the Bill Discount Rate, and  
7 the arrearage management program. The Bill Discount Rate and the  
8 arrearage management program will be discussed in more detail later in  
9 this testimony.<sup>3</sup> In turn, for customers who are not comfortable using  
10 online options or who need language support, PSE customer service  
11 representatives will be available telephonically, and in-person service will  
12 be available through the CAP agencies located across the company’s  
13 service area.

14 vi. Reduced customer effort. Removing documentation and administrative  
15 burdens from customers experiencing hardship is critical to expanding  
16 service delivery. The creation of an income validation process for the Bill  
17 Discount Rate and PSE HELP that is simple and fast is essential. PSE  
18 proposes an application process that relies on limited documentation and a  
19 customer’s self-attestation that they have provided accurate information  
20 about their income and household size or proof of enrollment in other state

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<sup>3</sup> The Bill Discount Rate is also discussed in more detail in the testimony of Birud D. Jhaveri, Exh. BDJ-1T.

1 means-tested programs.<sup>4</sup> To safeguard against potential fraud, PSE  
2 proposes to randomly audit and require full documentation for a  
3 percentage of applications, with any customer who is deemed ineligible  
4 being removed from the program in which they were incorrectly enrolled  
5 and directed to an appropriate program, such as budget billing or payment  
6 arrangements. Any customer who receives a LIHEAP grant will not be  
7 subject to audit as their income will already have been validated.

8 **Q. Are simplified application programs, such as that proposed by PSE, in use**  
9 **elsewhere?**

10 **A.** Yes. Simplified application processes that rely on attestation along with random  
11 audits have been implemented at several California utilities, including Southern  
12 California Edison.<sup>5</sup>

13 **Q. How do PSE's plans to enhance assistance programs benefit its customers**  
14 **and the community?**

15 **A.** PSE's plans to enhance assistance programs will provide two primary benefits to  
16 our customers in hardship. First, the utilization of the research and data has helped  
17 create more effective means of program design and outreach that will result in  
18 customers having greater awareness of available assistance and an easier task of  
19 gaining access to help. Second, by leveraging self-service and digital platforms

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<sup>4</sup> See RCW 80.28.068(2).

<sup>5</sup> See Public Utilities Commission of the State of California, Decision 21-06-015, Dkt. A19-11-003 *et al.* at 6 (June 3, 2021).

1 where possible, the more time-intensive and high-effort engagements such as live  
2 telephonic support and in-person appointments can be prioritized toward those  
3 customers who most need or desire such support.

4 Through the COVID-19 bill assistance program, PSE learned that simplified,  
5 online application processes are more effective than traditional methods. More  
6 than \$9 million was awarded through the CACAP program in 2020, with most  
7 applications coming through self-service. Further, PSE had a 31 percent increase  
8 in the number of customers served in the 2020 PSE HELP program year (Oct. 1<sup>st</sup>,  
9 2019 – Sept. 30<sup>th</sup>, 2020), as compared to the 2019 program year (Oct. 1<sup>st</sup>, 2018 –  
10 Sept. 30<sup>th</sup>, 2019), with the addition of CACAP to the existing LIHEAP and PSE  
11 HELP programs.

12 **Q. Is there a significant disparity between the overall percentage of PSE**  
13 **customers with online accounts and that of PSE customers receiving**  
14 **assistance?**

15 A. No, there is not a significant disparity. Notably, 75 percent of customers who have  
16 received at least one form of bill assistance in the past two program years have  
17 active digital accounts with PSE. This compares well with the overall 73 percent  
18 of PSE customers having an online account and underscores that success in  
19 delivering assistance in the years ahead will be dependent on staying in step with  
20 the trend across all customer segments toward digital engagement.

1 **Q. In addition to extended payment plans, does PSE offer other billing options**  
2 **that enable customers to better manage energy costs?**

3 A. Yes, PSE's Budget Payment Plan enables customers to better manage energy  
4 costs. By providing a predictable, stable energy bill each month, PSE's Budget  
5 Payment Plan helps customers avoid large, unexpected payment fluctuations  
6 throughout the year. When a customer enrolls, an estimate of their annual energy  
7 usage is divided by twelve, with the customer then owing the same sum each  
8 month of the year. Each July (the start of the program year), the monthly bill is  
9 recalculated based on the customer's actual energy use the previous year, with the  
10 ongoing bill being revised to true up any variations between the previous  
11 estimated cost and the actual energy usage. As of October 2021, some 82,280  
12 customers are enrolled in this program.

13 **Q. What does PSE propose to address customers with a high energy burden?**

14 A. A customer's energy burden is the percent of household income that is spent on  
15 energy costs. A household is considered energy burdened if they spend six  
16 percent or more of their household income on energy costs.<sup>6</sup> PSE's approach to  
17 reducing energy burden is through the combination of new programs and program  
18 enhancements described in this testimony. With the combination of low-income  
19 programs described in this testimony, including LIHEAP, PSE HELP, the Bill  
20 Discount Rate, arrearage management programs, low-income weatherization, and

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<sup>6</sup> See Wash. Dept. of Commerce, *Guidelines for RCW 19.405.120* (Mar. 2020), found at <https://www.commerce.wa.gov/wp-content/uploads/2020/03/Guidelines-for-19.405.120.pdf>.

1 other forms of assistance, PSE believes that the energy burden for the  
2 preponderance of qualifying customers can be reduced to below six percent. PSE  
3 is leveraging a combination of data sources to determine household income and  
4 total energy costs, including non-PSE energy costs, in order to calculate energy  
5 burden for residential customers. For more details on energy burden analysis,  
6 please reference the Prefiled Direct Testimony of Birud D. Jhaveri, Exh. BDJ-1T.

7 Crucial to reaching this goal are the program enhancements that PSE is proposing  
8 to both increase awareness of available low-income programs and to reduce the  
9 barriers faced in applying for and receiving assistance, as discussed earlier in my  
10 testimony.

11 **Q. Does PSE intend to implement a low-income discount rate pursuant to RCW**  
12 **80.28.068?**

13 A. Yes, PSE has proposed its Bill Discount Rate, which would include both low-  
14 income customers and low-income senior customers. Additionally, PSE is  
15 developing an arrearage management program, which I discuss below, as  
16 proposed in PSE's Disconnect Reduction Plan filed with the Commission on July  
17 8, 2021 in Dockets UE-190529 and UG-190530. The Bill Discount Rate is  
18 intended to reduce qualifying customer's energy burden and prevent  
19 disconnection for non-payment.



1 **Q. What approach did PSE employ to develop the Bill Discount Rate proposal?**

2 A. In order to develop the Bill Discount Rate design proposal, PSE outlined an  
3 overall vision of the program, determined ways to integrate it with PSE’s existing  
4 energy assistance programs, and identified five elements as primary  
5 considerations for program: 1) rate design, 2) funding, 3) operation, 4) eligibility,  
6 and 5) outreach.<sup>7</sup> As part of this design process, PSE also engaged in multiple  
7 stakeholder outreach efforts. Key stakeholders in the Bill Discount Rate  
8 development included Commission Staff, Northwest Energy Coalition, The  
9 Energy Project, Public Counsel, PSE’s Low-Income Advisory Committee  
10 (“LIAC”) and Equity Advisory Group. Presentations were made to these groups  
11 to provide input and feedback on the Bill Discount Rate.<sup>8</sup> The following table  
12 shows the dates for each presentation or discussion:

	Commission Staff	Public Counsel	NWEC	The Energy Project	Equity Advisory Group	Low Income Advisory Committee
<b>Bill Discount Rate</b>						
Initial 1:1 meetings	7/1/2021	6/30/2021	6/28/2021	6/28/2021		
Collaborative #1					7/12/2021	7/13/2021
Collaborative #2					8/16/2021	8/12/2021
Collaborative #2 Repeat					8/27/2021	8/27/2021
Collaborative #3	9/10/2021				10/4/2021	9/14/2021
Collaborative #4				9/27/2021		10/5/2021
Updated Proposal Presentation					12/13/2021	11/9/2021

15 To start the program design, PSE outlined a vision for the Bill Discount Rate. The  
16 vision states that PSE and the LIAC will partner to make energy assistance more

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<sup>7</sup> For more details on the proposed Bill Discount Rate’s rate design and funding, please reference Prefiled Direct Testimony of Birud D. Jhaveri, Exh. BDJ-1T.

<sup>8</sup> For more details from these meetings please reference Exh. BDJ-12.

1 impactful, more accessible, and easier to sign-up for than ever before for PSE  
2 customers. This will be accomplished by offering a new Bill Discount Rate,  
3 which can be combined with payment assistance programs such as LIHEAP and  
4 PSE HELP. PSE plans to work with LIAC to develop key performance indicators  
5 for the Bill Discount Rate over the next year and before the program is launched.

6 PSE also identified five major elements that needed to be determined as part of  
7 the program design process:

- 8 1. Rate design: what the program is going to do (e.g., level of discount);
- 9 2. Funding: how to balance low-income customer needs with impacts to all  
10 customers;
- 11 3. Operation: how the discount is administered;
- 12 4. Eligibility: who gets the discount; and
- 13 5. Outreach: how to get the word out about the discount/providing support  
14 and education.

15 **Q. Is the Bill Discount Rate complimentary to existing PSE energy assistance**  
16 **programs?**

17 A. Yes. PSE HELP is an annual grant program to provide energy security to our  
18 customers by paying a percentage of their annual usage costs, including covering  
19 past due balances when needed. The Bill Discount Rate has been designed to  
20 provide ongoing affordability by discounting a customer's monthly bill. PSE has  
21 structured the Bill Discount Rate so that the two programs work together to provide  
22 both security and affordability.

PSE’s Bill Discount Rate proposal is a rate discount of 45 percent on net bill (all rates except voluntary programs and any applicable taxes) for customers within 0-30 percent area median income (“AMI”) bracket and 15 percent on net bill for customers within 30-50 percent AMI income bracket as shown in Table 2 below. Details of the proposed Bill Discount Rate programs’ rate design can be found in the Prefiled Direct Testimony of Birud D. Jhaveri.

Together with PSE’s existing HELP program, the total PSE discounts are proposed to be:

- 70 percent for customers within 0-30 percent AMI bracket (column A, Row 1 in Table 2);
- 35 percent for customers within 30-50 percent AMI bracket (column B, Row 1 in Table 2); and
- 15 percent for customers within 50-80 percent AMI bracket or 200 percent FPL, whichever is greater (column C, Row 1 in Table 2).

**Table 2. PSE’s proposed Bill Discount Rate and modified PSE HELP discount/benefit rates, by customer income qualification level tiers**

	A	B	C
Customer tier by AMI bracket:	0%-30% AMI	30%-50% AMI	50% -80% AMI or 200% FPL (greater
Average Annual:			
<b>Total PSE Discount</b>	<b>70%</b>	<b>35%</b>	<b>15%</b>
Proposed Bill Discount Rate %	45%	15%	<i>not applicable</i>
Proposed PSE HELP %	25%	20%	15%
<b>Bill Discount Rate + HELP Combined Discount</b>	<b>70%</b>	<b>35%</b>	<b>15%</b>
<b>Supplemental PSE HELP (Year 1 only)</b>	<b>35%</b>	<b>20%</b>	<b>5%</b>
<b>Combined Discount (Bill Discount Rate + PSE HELP) (Year 1 only)</b>	<b>105%</b>	<b>55%</b>	<b>20%</b>

In Year 1 of a customer being on the Bill Discount Rate, PSE HELP benefits would remain unchanged from the current benefit structure, and provide supplemental assistance to eligible customers with arrearages for future bills where applicable (Rows 5 and 6 in Table 2).

1 In Year 2 onwards, the PSE HELP program benefits would become a fixed  
2 percentage for customers on the Bill Discount Rate. The proposed fixed  
3 percentages for PSE HELP are: 25 percent for 0-30 percent AMI bracket; 20  
4 percent for 30-50 percent AMI bracket; and 15 percent for customers in the 50-80  
5 percent AMI or 200 percent FPL, whichever is greater (Rows 2 – 4 in Table 2).

6 PSE customers will be able to enroll in the discount rate either by contacting PSE  
7 directly or by applying through one of our 11 CAP agencies. Customers will  
8 provide a self-attestation of their net household income and occupancy every two  
9 years, which will automatically qualify them to be on the rate if they meet the  
10 income guidelines. PSE will partner with the CAP agencies to subsequently audit  
11 a percentage of applicants to confirm accuracy. This will also allow the agencies  
12 the opportunity to offer additional programs to those who might qualify. Please  
13 see Section III within this testimony for additional details on this project.

14 **Q. Please describe PSE’s Arrearage Management Program.**

15 A. PSE will be piloting an Arrearage Management Program (“AMP”). This will  
16 augment the current COVID Bill Assistance program, which has proven effective  
17 at reducing arrearages for income-qualified customers with a past due balance.  
18 The pilot program will begin when COVID Bill Assistance funds are exhausted  
19 (estimated to be in the third quarter of 2022), and the pilot will target customers  
20 who are still carrying a past due balance at that time. In developing the AMP, PSE  
21 examined other AMPs, debt forgiveness plans, and Percentage of Income Plans  
22 currently available throughout the country and consulted with the LIAC. The pilot

1 leverages customer data on income and household size to automatically pay off  
2 past due balances for customers who have not received assistance yet and fall at  
3 or below 200 percent of the Federal Poverty Line. Using the results of the initial  
4 pilot to better understand and develop a long-term program, PSE will propose a  
5 permanent AMP program launch in 2023. PSE is working with the LIAC to create  
6 the program and consider how to determine customer eligibility requirements, the  
7 structure of arrearage forgiveness, the technology needed to facilitate changes to  
8 its billing system, application of credits, and resources needed to manage the  
9 program. Deployment of a long-term AMP program will be in addition to the  
10 required Bill Discount Rate discussed previously. Please see Section III within  
11 this testimony for details on this project.

12 **III. PSE'S CUSTOMER SOLUTIONS WORK SUPPORTS CUSTOMERS AND**  
13 **THEIR EVOLVING NEEDS**

14 **Q. Please describe PSE's Customer Solutions work.**

15 A. The Customer Solutions work stream addresses the necessary customer products,  
16 programs, and enabling foundations to support customers and their evolving  
17 needs. Customer Solutions also is charged with the deployment of the previously  
18 discussed assistance and rate programs and providing technology and innovations  
19 to consumers to assist with clean energy adoption. As customers increasingly shift  
20 to digital engagement, the technological interface between them and the services  
21 of their choice, whether in rate plans, bill assistance, renewable energy offerings,

1 distributed generation, demand management and reduction, or electric vehicle  
2 (“EV”) adoption, will necessitate continued investment and upgrades.

3 **Q. How is Customer Solutions work supporting PSE’s transformation to clean**  
4 **energy?**

5 A. Customers are a vital part of PSE’s carbon-neutral future — they must adopt  
6 energy efficiency and participate in demand response programs and distributed  
7 energy resources for these programs to be successful. This customer involvement  
8 requires a new level of engagement and focus on equity so that all customers can  
9 participate in, and benefit from, the clean energy transition. To accomplish this,  
10 PSE must provide a good customer experience for enrolling in programs and  
11 providing information on customer bills that is easy to understand.

12 **Q. Please describe the projects in the Customer Solutions roadmap supporting**  
13 **PSE’s Clean Energy Transformation, including projected costs and benefits**  
14 **to customers.**

15 A. The projects in the roadmap are:

16 **i. Complex Billing:**

17 a) Project Description: This project will enable PSE to accurately collect  
18 customer meter data and integrate with existing SAP customer information in  
19 order to seamlessly bill services for specialized tariffs. Examples of these  
20 tariffs will include distributed solar, battery storage, demand response and

1 electric vehicles rates and services. These products require additional data  
2 from the AMI system in order to bill accurately. For example, if a customer  
3 has rooftop solar, PSE will need to capture both the energy delivered to them,  
4 as well as any energy they might deliver back to the Company. These are  
5 called energy channels. Although AMI meters are capable of storing and  
6 sending data to PSE's billing system for up to four energy channels, PSE's  
7 billing and meter system is currently configured to receive only two energy  
8 channels. Enhancing the billing and meter systems will allow four channels to  
9 capture and store data to be utilized for billing and bill print. This enables a  
10 monthly register of energy reads and demand, and for customers who are  
11 requesting interconnecting distributed energy resources ("DER") like demand  
12 response or distributed solar, PSE will have four energy channels available to  
13 capture and store the data for customer billing. PSE will utilize web facing  
14 content for customers to sign up and communicate regarding their services.

15 b) Alternative: The alternative for this project would be to have customers utilize  
16 MV-90 upgraded metering and billing which is costly to the customer and  
17 PSE. If this project is not completed, a customer will lack easily accessible  
18 data to take advantage of billing information regarding demand response and  
19 other products services or DERs the customer would want to take advantage  
20 of in the future.

- 1 c) Estimated Forecast of Costs: The total estimated spend is \$7.5 million, which  
2 is projected to be spent in 2023 and 2024. The in service date for this project  
3 is expected by December 2024.
- 4 d) Customer Benefit: The customers will benefit by being able to easily enroll in  
5 desired programs. They will also benefit by receiving notifications and  
6 detailed billing information consolidating each program they are enrolled in as  
7 well as energy consumption information into one easy to read bill.
- 8 e) Management Approval and Contemporaneous Documentation: Please see  
9 Exh. CLW-5, PSE’s Complex Billing Project Corporate Spending  
10 Authorization (“CSA”) for more details.

11 **ii. Arrearage Management Plan Pilot:**

- 12 a) Project Description: To help customers with past due balances, the  
13 Commission requires investor-owned utilities to: “[e]xplore development of  
14 an AMP, Percentage of Income Payment Plan (PIPP), or other potential  
15 programs, as well as barriers to access, in order to address potential long-term  
16 solutions for customers’ energy burden beyond TPAs with their Low-Income  
17 or Energy Assistance Advisory Group, including the cost of development and  
18 implementation.”<sup>9</sup> PSE has selected the AMP as the program that will best  
19 support our customers by facilitating energy security and manageable

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<sup>9</sup> *In the Matter of Response to COVID-19 Pandemic*, Docket U-200281 Order 03, Third Revised Term Sheet - Appendix A at 4 (May 18, 2021).



1 payments. This project is to implement a pilot. PSE chose this as the best  
2 option for our customers because the company already has many existing long  
3 term payment assistance options. The AMP provides an opportunity for  
4 customers to have their entire past due balance cleared as opposed to just a  
5 portion of it, as long as they maintain on-time payments for current charges  
6 over a twelve month period. One reason the AMP was selected is to keep  
7 customers maintaining payments on their current charges. This allows the  
8 customer to see the previous past due balance being reduced/credited back to  
9 the customer month over month which eventually brings the customer current  
10 after the twelve month plan.

11 b) Alternative: The alternative is to not provide this offering to customers. If PSE  
12 does not provide it, customers will have to rely on current payment  
13 arrangement options which do not always work or provide enough relief for  
14 these specific income qualified customers. The PIPP was not selected as the  
15 best option because implementing the Bill Discount Rate will serve the same  
16 purpose.

17 c) Estimated Forecast of Costs: The total estimated spend for this pilot project is  
18 \$4 million, which is projected to be spent in 2023 and 2024. The in service  
19 date for this project is expected by October 2024.

20 d) Customer Benefit: Income qualified customers will benefit from the AMP by  
21 being able to have their arrearage written off over time as they make on-time  
22 payments.

1 e) Management Approval and Contemporaneous Documentation: Please see  
2 Exh. CLW-6, PSE's Arrearage Management Plan Project CSA for more  
3 details.

4 **iii. Bill Discount Rate:**

5 a) Project Description: The COVID-19 pandemic has had a profound impact on  
6 our customers and communities across many aspects of normal daily life –  
7 including customers' finances and ability to pay their utility bill. Per RCW  
8 80.28.068, PSE is required to propose a low-income assistance program  
9 comprised of a discount rate for low-income customers.<sup>10</sup> To enable the  
10 customer experience there must be a portal for customers to view eligibility  
11 criteria, submit information and understand if they qualify for the Bill  
12 Discount Rate. Employees will also need the capability to support customers  
13 calling in to qualify for the rate. This experience will enable employees to  
14 easily qualify a customer so that the customer will receive the appropriate bill  
15 discounted rate based on income and household size. The criteria for  
16 qualification will be consistent if the customer goes through the EnergyHelp  
17 portal, a PSE Agent or a CAP agency. No alternatives were considered  
18 because this program will assist PSE in complying with state law.

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<sup>10</sup> RCW 80.28.068(1).

1 b) Estimated Forecast: The total estimated spend for this project is \$2.7 million,  
2 which is projected to be launched on October 1, 2023 and in service by  
3 January 1, 2024.

4 c) Customer Benefit: Customers will benefit by having a discounted energy bill  
5 that is affordable for their income level and household size. This will  
6 contribute to the reduction of energy burden for PSE's low income customers.

7 d) Management Approval and Contemporaneous Documentation: Please see  
8 Exh. CLW-7, PSE's Bill Discount Rate Project CSA for more details.

9 **iv. Customer Relationship Management:**

10 a) Project Description: Puget Sound Energy's current customer relationship  
11 management system will no longer receive vendor support after 2027. To  
12 prevent disruption of key services for customers, PSE will upgrade the  
13 obsolete systems to a current customer relationship portal that will support  
14 future technology demands and improvements. The project will provide  
15 capabilities critical to deployment of the company's clean energy strategies,  
16 including DER and will upgrade existing customer processes like  
17 start/stop/move, customer interaction data, and other preferences.  
18 Additionally, the system will allow agents to view products and services as  
19 transactions are completed and the customer relationship portal will be  
20 updated for employee-customers interactions. Updated integration to other  
21 customer facing systems, like the website and mobile application, will be also  
22 be necessary with the upgrade. PSE will need to align the customer

1 relationship system with clean energy products and DER offerings, and  
2 support customer sign-up through web, mobile application, and agents who  
3 work directly within the customer relationship system.

4 b) Alternatives: PSE considered and rejected an alternative to do nothing. If this  
5 project is not implemented it will create a segmented and inconsistent  
6 experience for customers. Customers would have to independently research  
7 and understand which clean energy products, services and distributed energy  
8 resource options they would be eligible for instead of PSE providing them  
9 guidance and information regarding clean energy products through the web  
10 and mobile application. Without the update, PSE employees would have  
11 antiquated systems that lack easily accessible information containing the  
12 eligible options for customers or the ability to sign customers up for the right  
13 clean energy options. Additionally, customers would not be prompted through  
14 communication, interactions, and offerings during start/stop/move process  
15 with eligible clean energy options and resources within their area.

16 c) Estimated Forecast of Costs: The total estimated spend for this project is \$2.7  
17 million, which is projected to be spent in 2023 and 2024. The in service date  
18 for this project is expected to be September 2024.

19 d) Customer Benefit: Customers will benefit by being able to easily enroll in  
20 products and services, including those supporting their desire for clean energy.  
21 Additionally, interactions and engagements would be tailored to meet  
22 individual customer needs through targeted communications simplifying

1 access to assistance programs, energy efficiency rebates, and other tools for  
2 reducing energy burden. Upgrading will enable customers to receive a  
3 consistent experience through the web, mobile application, or through an  
4 agent.

5 e) Management Approval and Contemporaneous Documentation: Please see  
6 Exh. CLW-8, PSE's Customer Relationship Management Project CSA for  
7 more details.

8 **v. Cash Payment Transformation:**

9 a) Project Description: PSE currently provides payment options for customers at  
10 many walk-in locations throughout the PSE service territory. PSE wants to  
11 include an additional cash payment experience to support customers who  
12 prefer to pay with cash at retailers directly. This will enable customers to  
13 make a payment while purchasing groceries or other items at the check stand  
14 without having to wait in a separate line at the customer service desk.  
15 Customers will be able to pay their bill without an additional line to wait in  
16 and will be able to have that balance applied in near real time.

17 b) Alternatives: The alternative to this project, which was rejected, is to continue  
18 with the existing walk-in payment process, which requires customers to wait  
19 in a separate line to pay and has fewer locations.

1 c) Estimated Forecast of Costs: The total estimated spend for this project is \$4.6  
2 million in 2023. The in service date for this project is expected to be  
3 December 2023.

4 d) Customer Benefit: Customers will have greater flexibility to pay in cash at a  
5 wide range of local retailers, with a safe, easy and convenient process that  
6 recognizes the potential inequities in credit and bank-dependent channels.  
7 This project will add up to 75 new retail payment locations.

8 e) Management Approval and Contemporaneous Documentation: Please see  
9 Exh. CLW-9, PSE's Cash Payment Transformation Project CSA for more  
10 details.

11 **vi. PSE 2030 Digital Experience:**

12 a) Project Description: The PSE 2030 Digital Experience will provide a suite of  
13 digital tools for customer support. The Clean Energy Transformation Act  
14 ("CETA") sets various benchmarks to reach 100 percent of electricity from  
15 renewable or non-carbon-emitting sources by 2045. Accordingly, Washington  
16 State will probably see an acceleration in the adoption of residential solar  
17 generation, battery storage, and vehicles that do not use fossil fuels. To  
18 support this shift, PSE will offer new products, programs, and services to meet  
19 green energy goals and our customers' needs. The Get to Zero program  
20 established PSE's digital foundation with a focus on customer self-service for  
21 core transactions (e.g., bill pay, start/stop/move service, outage reporting, and

1 account management) across digital channels (i.e., website, app, Interactive  
2 Voice Response (“IVR”), and Video Interactive Voice Response (“VIVR”)).  
3 The PSE 2030 Digital Experience program will build on that foundation by  
4 adding features to support the new products, programs, and services needed  
5 for our green energy future by enhancing the following key areas:

- 6 1. Product / Program / Service Education & Enrollment – PSE will build  
7 a product / program / service “portal” within the www.pse.com  
8 website that enables customers to view information, join interest lists,  
9 enroll, manage options, cancel enrollment, and manage consents and  
10 communications. PSE will also build the capability for Customer Care  
11 agents to assist customers with these actions when they call PSE for  
12 assistance.
- 13 2. Interactive eBill – PSE will build an enhanced, interactive eBill  
14 platform that includes customers’ energy generation, energy usage,  
15 data from DERs, information about rates (e.g., time of use), and  
16 personalized energy saving recommendations. Currently, PSE’s online  
17 bill (i.e., “my bill” page on www.PSE.com) provides only basic  
18 account balance and billing information. The interactive eBill platform  
19 will support green energy adoption by providing access to usage  
20 information from distributed energy resources (e.g., rooftop solar,  
21 community solar, battery storage), assist in the management of new  
22 rate structures (e.g., time of use rates), and helping customers manage  
23 their usage.
- 24 3. Product and Service Communication and Management – PSE’s  
25 customer communications include physical mail, email, text  
26 messaging, app alerts, and phone calls. Communication with  
27 customers is essential for new product and service adoption, and  
28 customers’ on-going management of the products and services they  
29 sign-up for. The Digital Experience program will enable PSE’s  
30 continued compliance with customer privacy guidelines by expanding  
31 customers’ ability to add or revoke consent for new products and  
32 services, and minimize data shared with third-parties for all customer  
33 emails.
- 34 4. Website and App Personalization – When customers login to the  
35 PSE.com website or myPSE app, they land on the “my account” page,  
36 which includes basic billing information and links to billing and  
37 energy programs. The PSE Digital Experience program will add

1 personalized information to the “my account” page to help customers  
2 manage their energy usage and PSE products or services, including  
3 energy usage and generation information, energy saving tips, and  
4 recommendations for products and services or support (e.g., payment  
5 assistance).

6 5. Customer Construction Services – The shift to green energy will  
7 increase construction activity for PSE customers (e.g., solar panels,  
8 battery storage, electric vehicle chargers, etc.). Currently, customers  
9 must download, complete, and email PDF forms to PSE Customer  
10 Construction Services for residential and commercial projects. And,  
11 customers must call PSE with questions about those PDF forms or  
12 status. PSE will create an online customer construction portal that  
13 enables customers to start, save, submit, and track the status of  
14 construction services applications.

15 6. Customer Care - As PSE offers more products and services to reach  
16 CETA targets and support green energy adoption, customers’  
17 interactions with PSE will increase and become more complex (e.g.,  
18 energy generation, energy storage, time of use rates, etc.). Currently,  
19 PSE Customer Care provides live agent customer support via email  
20 and telephone. To meet future customer needs and service levels, the  
21 PSE Digital Experience program will expand Customer Care to  
22 include live agent chat and virtual assistance (chat bot) support.

23 b) Alternatives Considered: PSE considered two alternatives to the work  
24 described above.

25 1. PSE considered no investment in the digital channels to support the  
26 new products and services needed to meet CETA and the broader  
27 green energy transformation. This was rejected because (1) PSE would  
28 lack critical tools needed to gain the adoption necessary to meet CETA  
29 goals and (2) PSE would not be able to offer digital tools to customers  
30 related to these products and services, which proved effective for Get  
31 To Zero.

32 2. PSE considered a different approach to the work where each new  
33 product, program, or service would develop the specific elements of  
34 the Digital Experience program independently on a one-off basis. This  
35 approach was rejected because it risks duplicating development efforts  
36 and creating an inconsistent customer experience.



1 c) Estimated Forecast of Costs: The total estimated spend for the PSE 2030

2 Digital Experience program from 2023-2025 is \$16.4 million.

3 1. Projected in-service dates and estimated costs for the Digital  
4 Experience work described above are:

5 2. 2023 (\$3.5 million) - Product and Service Education & Enrollment,  
6 Interactive eBill, Product and Service Communication and  
7 Management.

8 3. 2024 (\$6.7 million) - Website and App Personalization, Customer  
9 Care Live Agent Chat.

10 4. 2025 (\$6.2 million) - Customer Construction Services Portal,  
11 Customer Care Virtual Assistant (chat bot).

12 d) Customer Benefits: The Digital Experience program will enhance PSE's  
13 digital channels (i.e., website, app, IVR, and VIVR) and Customer Care  
14 capabilities to offer and support the products and services essential to meet  
15 CETA goals and enable customers' green energy transformation. With these  
16 features, PSE will be able to educate customers on new products and services,  
17 make product sign-up and management easier for customers, present clear and  
18 actionable billing information, communicate with customers about products  
19 and services, manage customer construction requests, and provide other  
20 customer care.

21 e) Management Approval and Contemporaneous Documentation: Please see  
22 Exh. CLW-10, PSE's Digital Experience 2030 Project CSA for more details.

23 **vii. Customer Usage Disaggregation and Presentment:**

1 a) Project Description: The project builds the capability to present and analyze  
2 AMI interval data in real time. Currently, PSE has a two–three-day delay  
3 between customer energy usage and reporting analytics on AMI data.  
4 Reducing that delay will provide customers with more accurate price signals,  
5 current usage data, and enhanced outage or service disruption information.

6 b) Alternatives: PSE has considered two alternatives to this work.

- 7 1. The first alternative considered was to continue with the current two-  
8 three-day data lag. This alternative was rejected because continuing  
9 with the current data two-to-three-day data lag will not provide  
10 customers with enough information to change their energy usage  
11 behavior in meaningful ways. Additionally, PSE conducted several  
12 focus groups in early 2021 where customers indicated, reporting time  
13 lags made it difficult to identify energy-draining issues before those  
14 issues impact fees. Given the importance of changing customer energy  
15 usage behavior to meet CETA goals, PSE determined the current  
16 system is not a viable alternative.
- 17 2. The second alternative considered is to rely on technology installed by  
18 the customer to monitor energy usage real time. There are monitors  
19 such as Sense that can be purchased and installed at individual  
20 customer locations which enables real time tracking of energy usage.  
21 However, this alternative was rejected because it is expensive to  
22 widely implement and doesn't enable real time data for company  
23 operational purposes.

24 c) Estimated Forecast of Costs: The total estimated spend is \$12 million, which  
25 is projected to be spent from 2023 – 2025. The in service date for real time  
26 customer usage disaggregation and presentment is expected to be until  
27 December 2025. Costs are broken out as follows:

- 28 1. 2023 (\$2 million) – Planning and design of the solution.
- 29 2. 2024 (\$5 million) – Implementation of real time AMI data  
30 accessibility.

1                   3. 2025 (\$5 million) – Implementation of customer facing real time usage  
2                   data services such as viewing usage, alerts, and real time analytics.

3                   d) Customer Benefit: Over the next five years, PSE will see a proliferation of  
4                   internal use cases and needs for near real-time AMI interval usage data. The  
5                   data made accessible by this program is also foundational to other use cases,  
6                   including time of use rates, demand response, distributed generation, EV  
7                   charging, energy efficiency programs, outage detection and management,  
8                   power quality and battery storage. Customers will need access to their energy  
9                   usage data to monitor services, manage usage, and take part in behavior-based  
10                  energy reduction programs. A single thoughtful and strategic solution is  
11                  needed to avoid multiple, potentially conflicting sources of energy  
12                  information presented to customers.

13                  e) Management Approval and Contemporaneous Documentation: Please see  
14                  Exh. CLW-11, PSE’s Customer Usage Disaggregation and Presentment  
15                  Project CSA for more details.

16                  **viii. Interactive Bill:**

17                  a) Project Description: Currently there are links on the online PSE bill which  
18                  once clicked take the customers directly to rate information, and general  
19                  information regarding PSE and their bill. With the interactive bill project PSE  
20                  will implement the ability for customers to hover or click on sections of the  
21                  bill to provide further detailed information to the customer directly from the  
22                  online PDF bill. Expanding this capability allows customers to receive in

1 depth and detailed explanations regarding their bill directly at their fingertips,  
2 instead of opening separate pages to view additional detailed information,  
3 researching information on their own, or potentially contacting PSE through  
4 other methods. The alternative to this project is to continue to send customers  
5 a pdf bill format, which would require customers to navigate the web site to  
6 get additional information on their products and services.

7 b) Estimated Forecast of Costs: The total estimated spend is \$5.8 million in  
8 2024. Expected in service date is December 2024.

9 c) Customer Benefit: Customers will benefit because they would receive easily  
10 accessible information on their bill, including detailed explanations of  
11 charges, calculations, and any other items opted into directly from their bill,  
12 such as carbon balance or green power. This enables PSE to instantly  
13 communicate more details on the bill for customers, and will reduce the need  
14 for customers to research, call, or email and wait for a response to questions  
15 regarding their bill.

16 d) Management Approval and Contemporaneous Documentation: Please see  
17 Exh. CLW-12, PSE's Interactive Bill Redesign Project CSA for more details.

1 **IV. PSE CONTINUES TO STRIVE FOR IMPROVEMENT IN CUSTOMER**  
2 **SATISFACTION**

3 **Q. Please describe the improvement in PSE’s customer satisfaction since 2014.**

4 A. According to the J.D. Power & Associates (“JDPA”) utility satisfaction surveys,  
5 PSE has improved considerably in terms of customer satisfaction since 2014. At  
6 that time, the utility received a score of 641 in both JDPA residential electric  
7 utility and residential natural gas utility customer satisfaction surveys.<sup>11</sup> These  
8 scores placed were among the lowest scores received among utilities in JDPA’s  
9 West Large utility segment.

10 By contrast, in the final 2020 JDPA residential utility satisfaction surveys, PSE  
11 achieved scores of 764 in electric customer satisfaction and 747 in natural gas  
12 customer satisfaction, exceeding the averages among peer utilities in JDPA’s  
13 West Large utility segment.<sup>12</sup>

14 **Q. What factors account for PSE’s improvement in customer satisfaction?**

15 A. In 2014, PSE customer service was largely dependent on antiquated methods of  
16 interaction, such as live-agent telephone calls and in-person local offices. These

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<sup>11</sup> J.D. Power, *2014 Electric Utility Residential Customer Satisfaction Study*, (2014); J.D. Power, *2014 Gas Utility Residential Customer Satisfaction Study*, (2014). This is part of a licensed, subscription service subject to copyright protection but will be made available for review upon request pursuant to WAC 480-07-510(i)(iii).

<sup>12</sup> J.D. Power, *2020 Electric Utility Residential Customer Satisfaction Study*, (2020); J.D. Power, *2020 Gas Utility Residential Customer Satisfaction Study*, (2020). This is part of a licensed, subscription service subject to copyright protection but will be made available for review upon request pursuant to WAC 480-07-510(i)(iii).

1 methods were outmoded, and failed to meet customer expectations for efficient,  
2 digital self-service on the platform of their choice.

3 The deployment of modern customer technologies, through the “Get To Zero”  
4 program that launched in 2015, facilitated easy interactions for customers across  
5 multiple digital platforms. Additionally, the Interactive Voice Response self-  
6 service menu for telephone calls and improvements in the information provided to  
7 and capabilities of live-agent customer service representatives also proved  
8 helpful. Furthermore, the deployment of the PSE outage map for computer, laptop  
9 and mobile phone users and options for customers to receive proactive outage  
10 information via text or phone call were useful during storms and other service  
11 interruptions.

12 The investments in customer experience in this testimony are intended to maintain  
13 the gains PSE has made in customer satisfaction and enable the adoption of  
14 products and services that support CETA goals.

## 15 V. CONCLUSION

16 **Q. Does that conclude your prefiled direct testimony?**

17 **A.** Yes, it does.

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