

**EXH. PRM-14T
DOCKET UE-220216
PSE'S PENALTY MITIGATION
WITNESS: PATRICK R. MURPHY**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For Penalty Mitigation Associated with
Service Quality Index No. 11-Electric
Safety Response Time Annual
Performance for Period Ending
December 31, 2021**

Docket UE-220216

PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF

PATRICK R. MURPHY

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 17, 2023

PUGET SOUND ENERGY

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
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PUGET SOUND ENERGY

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LIST OF EXHIBITS

- Exh. PRM-15 PSE Responses to Public Counsel and Staff Data Requests
- Exh. PRM-16 PSE Response to WUTC Staff Data Request No. 007
- Exh. PRM-17 PSE First Supplemental Response to Public Counsel Data Request
No. 011

PUGET SOUND ENERGY

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
PATRICK R. MURPHY**

I. INTRODUCTION

1
2 **Q. Please state your name and business address.**

3 A. My name is Patrick R. (“Ryan”) Murphy. My business address is 355 110th Ave.
4 NE, Bellevue, WA 98004.

5 **Q. Are you the same Patrick R. (Ryan) Murphy who filed direct testimony in**
6 **this proceeding?**

7 A. Yes, I previously submitted prefiled direct testimony and exhibits identified as -
8 Exh. PRM-1T and Exh. PRM-2 through PRM-13.

9 **Q. What is the purpose of your prefiled rebuttal testimony?**

10 A. My testimony responds to the prefiled response testimony of WUTC Staff
11 (“Staff”) and the Public Counsel Division of the Washington Attorney General’s
12 Office (“Public Counsel”). Specifically, my testimony rebuts the testimony of
13 Andrew Roberts, Exh. AR-1T and Corey J. Dahl, Exh. CJD-1T.

1 **II. OVERVIEW OF STAFF AND PUBLIC COUNSEL TESTIMONY**

2 **Q. What are your overall impressions of Staff and Public Counsel’s testimony in**
3 **this proceeding?**

4 A. Overall, I think Staff and Public Counsel interpret the standard for mitigation too
5 narrowly and underestimate the cumulative impacts of all the unusual and
6 exceptional circumstances that occurred during 2021 and that directly led to PSE
7 failing to meet the SQI-11 performance standard. The standard for mitigation of a
8 penalty is whether the penalty “is due to unusual or exceptional circumstances for
9 which PSE’s level of preparedness and response was reasonable.”¹ Yet Staff
10 witness Andrew Roberts attempts to reframe the standard to claim that PSE’s
11 preparedness and response was not adequate, rather than reasonable. For example,
12 Mr. Roberts states, “perhaps PSE was not adequately prepared for the extreme
13 weather referenced in PRM-6.”² This observation makes PSE’s point. PSE was
14 not adequately prepared for the weather events *because* they were extreme and
15 unusual.

16 Further, both Staff and Public Counsel consider the impact of each circumstance
17 in isolation and ignore the cumulative effects that the unusual circumstances of
18 2021 had on PSE’s electric first responders.

¹ *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy, Inc.*, Dockets UE-011570 & UG-011571, Settlement Agreement, Exh. J, Appx. 2, Service Quality Program Mechanics, page 3 (June 6, 2002).

² Roberts, Exh. AR-1T at 8:10-11.

1 **Q. What do you mean?**

2 A. My prefiled direct testimony, Exh. PRM-1T, identifies multiple factors, with
3 supporting data, that PSE considers unusual circumstances and directly impacted
4 electric first responder fatigue in 2021. These factors include extreme weather,
5 record levels of both emergency response and planned workload, extreme travel
6 conditions, and unexpected, unusually high levels of workforce attrition. The data
7 to support these unusual circumstances was provided in my direct prefiled
8 testimony, Exh. PRM-1T, and additional support was provided in PSE's
9 responses to Staff and Public Counsel data requests. Specifically, see Exhibit
10 PRM-15 for copies of such data request responses.

11 Although industry benchmarks do not exist to quantify workforce fatigue with an
12 objective and specific metric, PSE has articulated how these factors had a
13 compounding effect on fatigue. This correlated closely with the deteriorating SQI-
14 11 performance over the second half of 2021, as illustrated in Exh. PRM-15 and
15 Figure 4 of my prefiled direct testimony, Exh. PRM-1T. For example, Figure 4 in
16 Exh. PRM-1T demonstrates that the number of total outages significantly
17 decreased from June to July and August 2021, but the response times substantially
18 increased over that same period.³

³ PSE also experienced unexpected retirements in that same period, reducing the number of electric first responders from 82 to 79. See Exh. PRM-16, which is PSE's Response to WUTC Staff Data Request No. 007 and Attachment A thereto.

1 **Q. Public Counsel claims that it is not reasonable for PSE to cite exceptional and**
2 **unusual weather events as grounds for penalty mitigation, because these**
3 **exceptional weather events were already excluded from the SQI-11 data as**
4 **qualifying Major Event Days.⁴ Public Counsel further asserts that “Relying**
5 **on the *direct* impacts to argue in favor of penalty mitigation of extreme**
6 **weather events is misleading”.⁵ Do you agree with this viewpoint? If not,**
7 **why not?**

8 A. PSE disagrees with this viewpoint. PSE recognizes that the 55 Major Event Days
9 in 2021 do not directly impact the final SQI-11 performance results; however,
10 PSE would like to clarify its position: these extreme weather events were
11 unquestionably a big contribution to resource fatigue over the course of 2021
12 (reference Table 3 in my prefiled direct testimony, Exh. PRM-1T). The 55
13 excluded days from 2021 equate to a 41 percent increase over the preceding
14 five-year average from 2016 to 2020. The increased workload resulting from
15 these 55 Major Event Days is one component of fatigue that is additive to the
16 record-setting levels of planned and emergency workload in 2021.

17 As shown in Figures 1, 2, and 3 of Exh. PRM-1T, the numbers of planned work
18 projects and electric outages that PSE’s electric first responders had to respond to
19 were much higher in 2021 than any of the prior years. The accumulation of
20 electric first response workload and the corresponding performance degradation

⁴ See Dahl, Exh. CJD-1T at 11:3-11.

⁵ Dahl, Exh. CJD-1T at 11:9-10 (emphasis in original).

1 associated with fatigue are illustrated in Figures 2, 3 and 4, beginning on page 19
2 of Exh. PRM-1T. Furthermore, the correlation between high workload and
3 employee fatigue is also demonstrated in the high dispatch time described on page
4 27 of Exh. PRM-1T, paragraphs 2-11, and Figure 5.

5 **III. IMPACTS OF COVID-19 ON STAFFING AND RESPONSE TIME**

6 **Q. Both Staff and Public Counsel appear to claim that PSE overstated the**
7 **impacts of COVID-19 on its emergency first responders.⁶ How do you**
8 **respond?**

9 A. I strongly disagree. Staff claims that PSE's COVID-19 work order, which was
10 implemented to track employee regular time lost hours due to COVID-19, should
11 not be considered for mitigation.⁷ It must be understood that the COVID-19 work
12 order only quantifies hours lost from regular scheduled shifts of electric first
13 response employees. The COVID-19 work order does not quantify missed
14 opportunities where an employee would respond to an emergency callout while
15 not on their regular shift. Although the work order does not fully quantify the
16 resource depletion impacts from COVID-19, PSE believes it is important to
17 submit this data to demonstrate there were real impacts from COVID-19
18 exposures and sicknesses.

⁶ See Dahl, Exh. CJD-1T at 14:1-8; Roberts, Exh. AR-1T at 9:5-9.

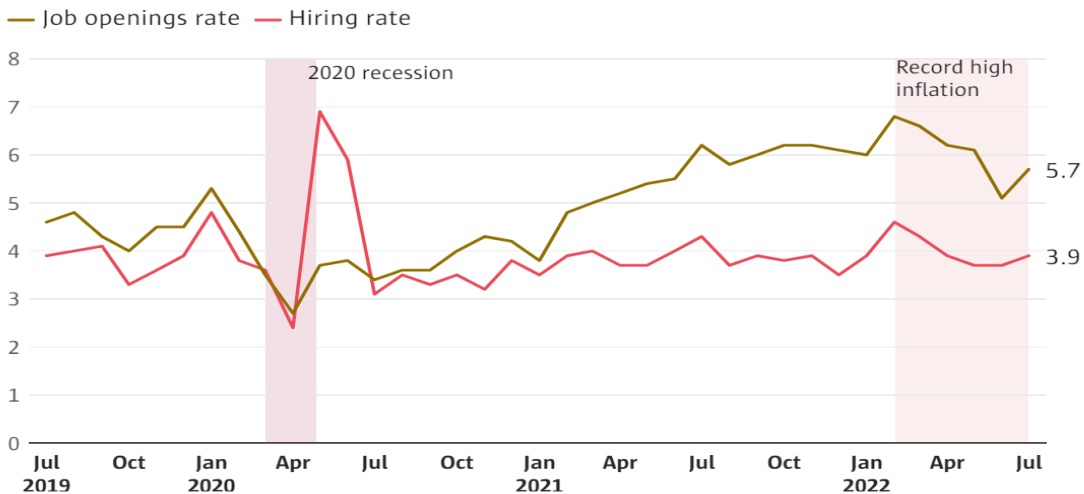
⁷ See Roberts, Exh. AR-1T at 8:20-9:1.

1 Like all industries with jobs where employees cannot work from home, PSE
 2 experienced very real and significant impacts by COVID-19 on resource depletion
 3 throughout the entire year of 2021. These include impacts related to positively
 4 confirmed COVID-19 cases, as well as impacts every time an employee
 5 experienced COVID-like symptoms or simply a high-risk exposure. The impacts
 6 also include labor issues. The Seattle Times reported an overall labor shortage in
 7 Washington State from July 2020, as shown in the figure below, with the gap
 8 between the number of job openings and the number of hirings expanding
 9 throughout 2021.⁸

Figure 1: Washington Labor Data

Rates of job openings and hirings in WA

Washington's labor market was growing steadily before the COVID-19 recession hit in March 2020. The economy has been on the rebound, though openings and hirings have not kept pace.



The job openings rate is the number of job openings divided by the sum of employment and job openings and multiplied by 100. The hiring rate is the number of hires as a proportion of the total number of employed workers.
 Chart: Alison Saldanha / The Seattle Times • Source: Bureau of Labor Statistics

⁸ [Job openings in WA grew rapidly this summer. That's not good news | The Seattle Times:](https://www.seattletimes.com/business/job-openings-in-wa-grew-rapidly-this-summer-thats-not-good-news/)
<https://www.seattletimes.com/business/job-openings-in-wa-grew-rapidly-this-summer-thats-not-good-news/>.

1 **Q. Both Staff and Public Counsel appear to claim that PSE overstated the**
2 **impacts of COVID-19. How do you respond?**

3 A. I strongly disagree. Public Counsel’s claim is contradicted by State COVID-19
4 data, provided in Figure 2, below. As a matter of fact, during 2021, Washington
5 State was still under various COVID-19 emergency orders and a state of
6 emergency, which remained effective until October 31, 2022.⁹ Moreover, the
7 state announced a pause in reopening on May 5, 2021, while Washington was in a
8 fourth COVID-19 wave.¹⁰ Figure 2 shows that the numbers of COVID-19
9 outbreaks in the non-healthcare congregate settings were volumetrically much
10 higher in 2021 than 2020.¹¹

11 Public Counsel compares PSE’s 2020 SQI-11 performance with PSE’s 2021
12 performance in an attempt to argue that the impacts of COVID-19 were worse in
13 2020 than in 2021 and, since PSE succeeded in meeting the SQI-11 benchmark in
14 2020, then it should have easily met the benchmark in 2021.¹² But the data
15 contradicts Public Counsel’s conclusion — the outbreaks of COVID-19 in

⁹ The National Academy for State Health Policy, “*States’ COVID-19 Public Health Emergency Declarations*”:

<https://nashp.org/states-covid-19-public-health-emergency-declarations-and-mask-requirements/>.

¹⁰ *Id.*

¹¹ Non-healthcare congregate settings include agricultural settings, public events, schools, childcare, restaurants, food processing facilities, and prisons. Statewide COVID-19 Outbreak Report by Washington State Department of Health as of 02/02/2022:

<https://doh.wa.gov/sites/default/files/2022-02/StatewideCOVID-19OutbreakReport.pdf?uid=63dd384068951>.

¹² See CJD-1T at 13:8-14:14:2. See also, CJD-1T at 13:10-13 (“Despite the necessity for immediate change, very high levels of uncertainty, and a relatively small set of tools to fight COVID, PSE met the SQI 11 benchmark in 2020 with four minutes to spare.” CJD-1T at 13:10-13).

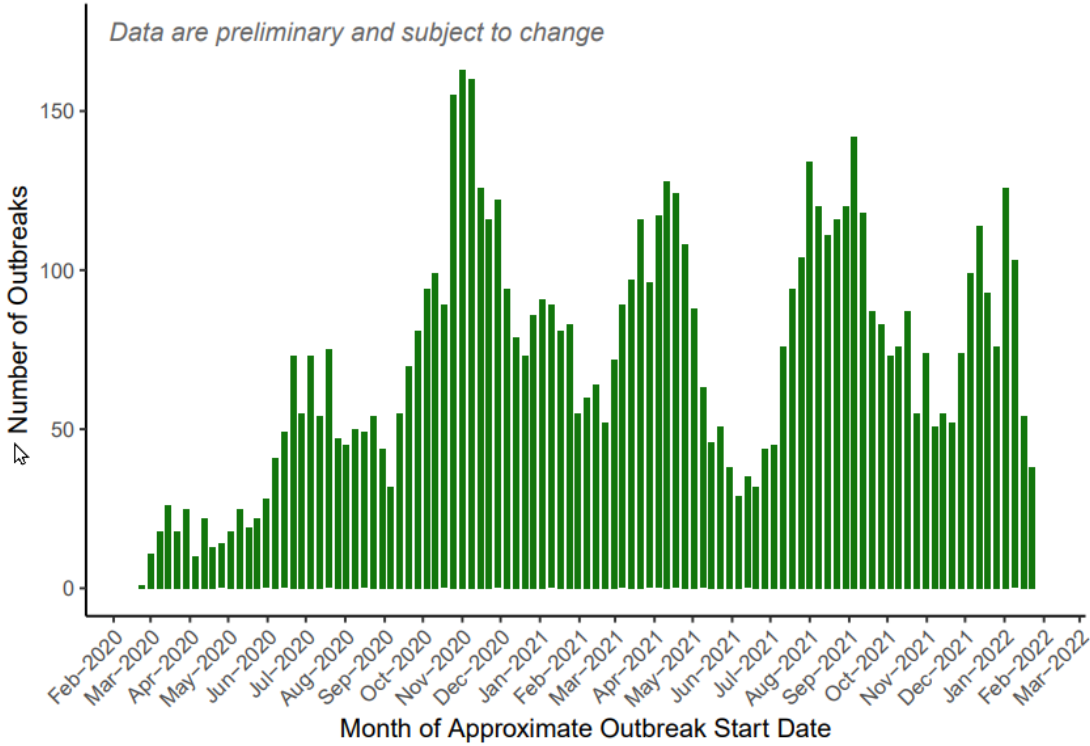
1
2
3
4
5
6

Washington state, and impacts of the pandemic at PSE, were worse in 2021 than 2020.

Figure 2: COVID-19 Outbreaks in Non-Healthcare Congregate Settings

Number of non-healthcare congregate settings outbreaks reported by approximate week of initial symptom onset, through 01/29/2022

The following epidemiologic curve shows the 7,276 non-healthcare associated COVID-19 outbreaks that were reported as of Saturday, 01/29/2022.



The extended COVID-19 pandemic had similarly affected PSE, its employees, and its customers since early 2020 and throughout the year in 2021, as described in Section II. B of Exh. PRM-1T.

1 **Q. Staff argues that PSE did not “decide” to increase EFR staffing until 2021:**
2 **“Second, despite nearly missing the benchmark three times in the years**
3 **leading up to 2021, PSE didn’t decide to substantially increase its electric**
4 **first responder staffing or begin to examine alternatives such as higher wages**
5 **until 2021.”¹³ First, is this true? And how do you respond?**

6 A. No, I disagree with Staff’s assertion. As shown in Table 2 of my direct testimony,
7 Exh. PRM-1T, 2021 was the first year since SQI-11’s inception in 2003 that PSE
8 failed to successfully meet the benchmark. In 2016 and 2017, SQI-11 was met
9 with a narrow margin at 55 minutes each year; however, the average annual SQI-
10 11 response time in the last decade (2011 to 2021), was 53 minutes. Therefore,
11 SQI-11 performance throughout this decade was strongly met and well below the
12 55-minute target in numerous years. In fact, in the years 2018-2020, SQI-11
13 performance was 52 minutes, 54 minutes and 51 minutes respectively.

14 Further, as demonstrated in Table 1 of the Response Testimony of Public Counsel
15 witness Corey J. Dahl, Exh. CJD-1T, the difference between the maximum and
16 minimum total response time for each year from 2017 through 2020 was three
17 minutes. Then, that delta exploded to 14 minutes in 2021. It is not reasonable to
18 demand that PSE fully predict the 2021 staffing needs based on the vastly
19 different historic trend. Recognizing the success of SQI-11 between 2003 to 2020,
20 PSE believes that electric first responder staffing has been consistently and
21 responsibly balanced. The timing of the wage increases in 2021 was driven by an

¹³ Roberts, Exh. AR-1T at 12:5-7.

1 upward trend in attrition, as well as Northwest job market indicators. These
2 factors began to elevate in risk in early 2021, and PSE promptly responded.

3 **Q. While we are on the subject of staffing, Public Counsel claims, “The primary**
4 **driver for hiring and retention challenges are higher cost of living and**
5 **demanding workload. Both of these factors are within PSE’s control.”¹⁴**

6 **First, is this true? And how do you respond?**

7 A. It is true that high cost of living and demanding workload are factors that continue
8 to challenge employee retention in King County; however, the pandemic had a
9 unique and significant impact on the high level of electric first responder attrition
10 in 2021, which was characterized by early retirements and out-of-state
11 relocations. The data illustrated in Table 1 below shows the large numbers of
12 electric first responders lost to attrition during the pandemic as compared with the
13 rest of the decade.

Table 1: Attrition in Electric First Responder Positions

Year	2014	2015	2016	2017	2018	2019	2020	2021
EXH- PRM-1T Figure 3 Electric First Responder Total Workload	44,000	46,000	47,000	51,000	47,000	53,000	52,000	58,000
No. of EFRs Lost to Attrition	5	3	7	5	2	4	6	7

¹⁴ Dahl, Exh. CJD-1T at 16:10-11.

1 The high level of attrition in 2021 was the underlying driver for the King County
2 staffing turnover. As you can see in Table 1, the workload increased at the same
3 time attrition worsened, compounding the effect of either workload or attrition
4 alone.

5 Additionally, see Exh. PRM-16 for PSE's Response to WUTC Staff Data Request
6 No. 007, which further illustrates the high turnover experienced in 2021. PSE
7 started the year with 77 electric first responders, growing to 82 by June 2021, only
8 to lose several positions over the summer, down to 79 in August 2021.

9 **IV. FUTURE SQI-11 PERFORMANCE**

10 **Q. Public Counsel claims that PSE's failure to meet its SQI-11 benchmark**
11 **disproportionately impacts highly impacted communities and vulnerable**
12 **populations.¹⁵ How do you respond?**

13 A. PSE agrees with Public Counsel's statement that it is critical to ensure that named
14 communities are not disproportionately saddled with the public safety and
15 reliability issues associated with slow emergency response times, but PSE
16 disagrees with Public Counsel's implication that named communities experienced
17 disproportionately longer average emergency response times in 2021. A complete
18 representation of the tables from Exh. CJD-9, reflected below, demonstrates that
19 PSE's performance related to highly impacted communities and vulnerable
20 populations was actually significantly better than other areas.

¹⁵ See Dahl, Exh. CJD-1T at 35:4-36:2.

1 **2021 Results by Region:**

2
3 The below table provides the 2021 results of analysis by region. Values are
4 rounded to the nearest minute.
5

Northern	52
South King	62
Southern	61
Western	66
North King (including Kittitas)	82

6
7
8 **2021 Results for Highly Impacted Communities and Vulnerable**
9 **Populations:**

10
11 The below table provides the 2021 results of analysis for Highly Impacted
12 Communities and Vulnerable Populations by region. Values are rounded to
13 the nearest minute.
14

	Highly Impact Communities	Vulnerable Populations
Northern	52	49
South King	57	54
Southern	60	63
Western	66	56
North King (including Kittitas)	58	67

15 **Q. Public Counsel compares PSE’s SQI-11 performance with Avista’s. How do**
16 **you respond?**

17 A. Public Counsel raises an interesting point by comparing PSE’s 55-minute
18 benchmark with Avista’s 80-minute benchmark. Avista’s benchmark was
19 established in 2015,¹⁶ while PSE’s 55-minute benchmark is over 20 years old, and
20 the target has remained unchanged ever since SQI-11 was first established. PSE

¹⁶ *WUTC v. Avista Corp.*, Docket UE-140188, Order 06, Final Order Approving Avista’s Service Quality Measures Program Compliance Filing (June 25, 2015).

1 recognizes many changes that have occurred over the past two decades, including
2 population and load growth in both urban and rural areas, traffic profiles, local
3 economy, climate and extreme weather patterns, etc. PSE feels it would be
4 valuable to evaluate SQI-11 in a future proceeding to ensure the metric is
5 designed to best serve the evolving needs of PSE’s customer base. Besides
6 evaluating the present-day target, PSE believes the SQI-11 metric needs to be
7 discussed from both a safety perspective, as well as recognition of the impacts
8 from electrical grid modernization. Although PSE met its benchmark in 2022
9 (providing more support for the “extraordinary circumstances of 2021), the metric
10 may require further evaluation.

11 **Q. Despite PSE meeting its benchmark in 2022, has PSE taken any steps to**
12 **improve its SQI performance?**

13 A. Absolutely. Even though PSE met its SQI-11 benchmark for 2022, and despite a
14 strong 10-year SQI-11 average performance of 53 minutes, PSE has continued to
15 strive to improve SQI-11 performance. PSE takes its first missed benchmark in
16 2021 very seriously. As described in my prefiled direct testimony¹⁷ and PSE’s
17 First Supplemental Response to Public Counsel Data Request No. 011, which is
18 provided here as Exh. PRM-17, PSE has instituted wage increases driven by
19 market analysis, staffing increases, shift modifications, process workshops, and

¹⁷ Murphy, Exh. PRM-1T at 22:5-24:13.

1 investments in new technology to include a work management platform and an
2 automated callout tool.

3 **V. CONCLUSION**

4 **Q. Does that conclude your testimony?**

5 **A. Yes, it does.**