

**EXH. DSL-3
DOCKETS UE-19 ___/UG-19 ___
2019 PSE GENERAL RATE CASE
WITNESS: DOUGLAS S. LOREEN**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-19 ___
Docket UG-19 ___**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

DOUGLAS S. LOREEN

ON BEHALF OF PUGET SOUND ENERGY

JUNE 20, 2019



WORKPLACE STRATEGY FINDINGS REPORT

MARCH 2016





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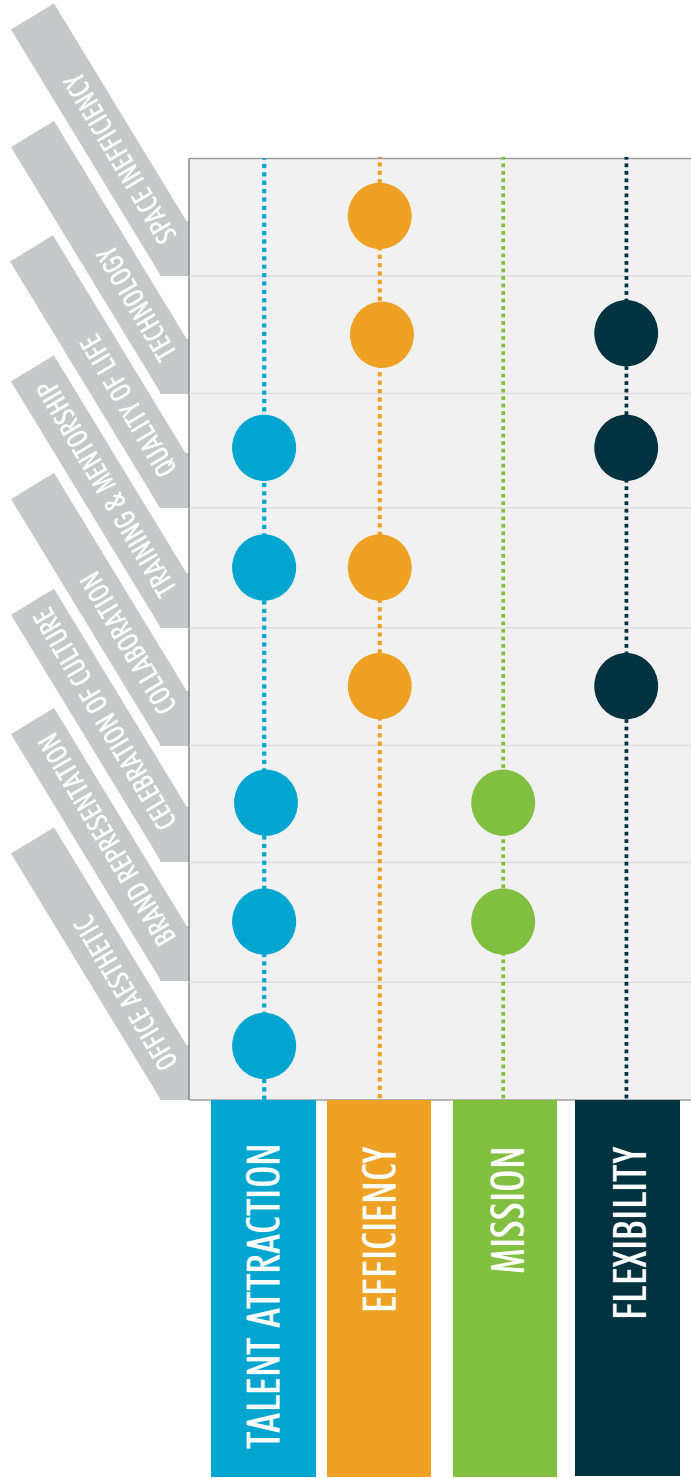


PROJECT OVERVIEW

LEADERSHIP PRIORITIES

 TALENT ATTRACTION	 EFFICIENCY	 MISSION	 FLEXIBILITY	<p>Focus on attracting and retaining the next generation of talent with an engaging work experience and a dynamic workplace.</p>	<p>Drive greater space efficiency as a means of illustrating that PSE is a good steward of financial resources.</p>	<p>Represent PSE's mission and purpose, and communicate the company's vision – energetic & innovative.</p>	<p>Enable people on projects, to collaborate in "matrixed" teams, and when available, build in flexibility for growth.</p>
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KEY CHALLENGES



BACKGROUND

Within the next 10 years over
25% of PSE's workforce
becomes retirement eligible.

CHALLENGE

PSE will need to quickly **attract the next generation of talent** and leadership and onboard them quickly to ensure knowledge transfer.

The Puget Sound Region is a highly competitive market for talent.

BACKGROUND

PSE currently has **882,804** square feet in over **30** locations in the Puget Sound Region.

There are a range of operating costs, employees complain of long commutes, and public scrutiny of PSE's decisions is high.

CHALLENGE

How can PSE create an **attractive and functional** work environment in a financially responsible way?



KEY DECISIONS



KEY DECISIONS

As you read through the deck – please think about the following questions. How you answer the following set of questions will help drive us to the ideal workplace strategy.

Page 59 repeats these questions along with supplemental information pertaining to them.

LOCATION

We are evaluating scenarios that would distribute certain teams on a geographic basis, making more efficient use of existing corporate assets and aligned with PSE's employee commute shed. For example, we may propose distributed functional satellites (e.g., engineering, project management, HR, etc.) coupled with the necessary collaboration technology suite and meeting space to accommodate periodic "all-hands" meetings and working sessions.

1. **Will you support the evaluation of your organization and its potential distribution throughout the portfolio footprint? Do you support distributing your organization across the footprint?**
2. **Are there specific departments or core elements within your organization that must be centrally located to the Bellevue HQ and why?**
3. **Do your teams need to be located together for daily work or only come together at certain times? That is, if they're distributed do they still require adjacency within the distributed footprint?**

EFFICIENCY & MOBILITY

To achieve a more efficient and effective use of the portfolio we are proposing to better align the size of spaces to the work required and reallocate space to better support the mix of activities that employees are already performing today.

1. Do you support an updated kit of parts for individual and team workspaces within a reduced footprint?

- We are proposing 6x6 workstations for engineering staff and 6x2.5 workstations for all other staff (currently in 7x9).
- We propose a reallocation of a portion the space saved into increased meeting rooms, informal collaborative space, and team storage.
- Are there any employees that will require a larger workstation footprint?

2. Should mobility be supported as part of a workplace strategy?

- Badge analysis suggests that moving past 1:1 assignment of desks is feasible and supported.
- Will you support this distributed workplace model, including the IT and training expenses necessary to ensure its success?

3. If so, should engineers be exempt from desk sharing?

EMPLOYEE EXPERIENCE

1. **How will you build and re-enforce the PSE and team cultures in all locations?**
2. **What story do you want your workplace to tell to your employees, recruits, and community?**
3. **How can you build a workplace that better support the PSE employee of the future?**



FINDINGS

RESEARCH PROCESS



(6) LEADERSHIP
INTERVIEWS



(1) OBSERVATION
STUDY OF BELLEVUE



(6) EMPLOYEE FOCUS
GROUPS



(846) SURVEY RESPONSES
50% RESPONSE RATE

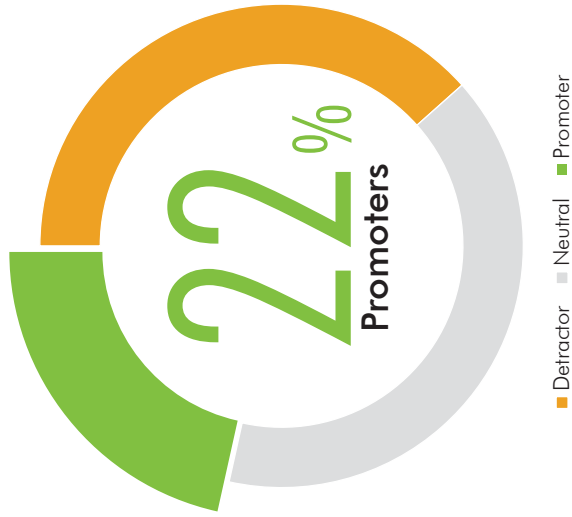


(3) BADGE-IN ANALYSES
EST, SKC, & TAC
1/5/15 - 10/27/15

CHALLENGE

PSE will need to quickly **attract the next generation of talent** and leadership as well as onboard them quickly to ensure knowledge transfer.

ONLY 22% OF SURVEY RESPONDENTS SAY THEY WOULD RECOMMEND THEIR WORKPLACE TO OTHERS



I'M STUCK DRIVING IN 405 TRAFFIC AND WHEN I GET HERE IT'S JUST BLAH.

- survey comment

CREATIVE SPACE IS VERY LIMITED, AS IS COLLABORATIVE SPACE.

- survey comment

TOO OFTEN, IT EQUIPMENT IS NOT MAINTAINED AND FAILS TO FUNCTION PROPERLY OR AT ALL WHEN NEEDED FOR A MEETING.

- survey comment

OUR SPACE TODAY IS PRETTY OLD SCHOOL AND NOT ATTRACTIVE TO OUR MAIN DEMOGRAPHIC.

- leadership interview

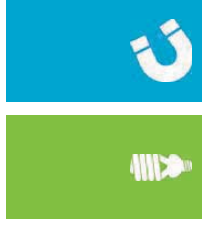


PSE'S WORKPLACE DOESN'T SHOWCASE THE COOL WORK THAT IS HAPPENING

Employees and leadership highlighted a desire to look and feel more forward-thinking, but not opulent. While there is currently some brand identity, there is an opportunity for an environment that looks and feels more forward thinking and better aligns with PSE's priorities.

“ I WOULD LIKE TO SEE MORE TECHNOLOGY AND FOR THE SPACE TO DRIVE THE MESSAGE THAT WE'RE INNOVATIVE AND ENERGETIC

- leadership interviews



“ IT'S JUST SO BEIGE. ”
- focus groups

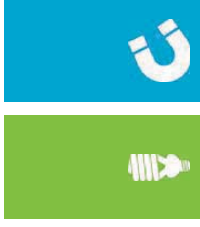


“ IT FEELS LIKE AN OLD PERSON'S BUILDING. ”
- focus groups



Focus groups highlighted a need for a greater variety of formal and informal spaces, more color, and more writable surfaces

THE WORK IS INSPIRING, BUT THE SPACE DOESN'T CELEBRATE IT



“ FOR YOUNG RECRUITS, PSE OFFERS AN OPPORTUNITY TO WORK ON INTERESTING PROBLEMS: ENVIRONMENTAL IMPACT, WIND, SOLAR, SERVICE DELIVERY...IT'S ALL INTERESTING STUFF.

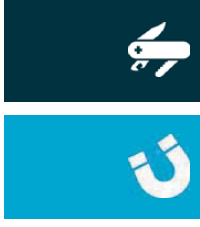
- leadership interview

“ PSE IS A VERY POPULAR EMPLOYER WITH UNIVERSITIES IN WASHINGTON AND OREGON BECAUSE IT'S AN ENVIRONMENTALLY FRIENDLY COMPANY WITH AN INTERESTING SERVICE TERRITORY. PEOPLE LOVE THE SERVICE COMPONENT OF THE WORK AND GET HOOKED ON STORM DUTY!

- leadership interview



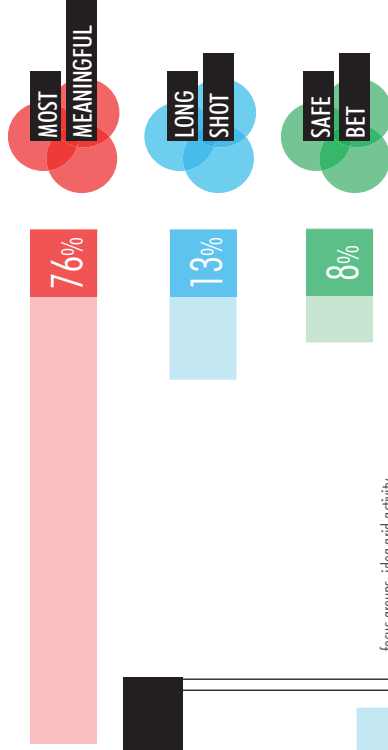
QUALITY OF LIFE IS A DIFFERENTIATOR



I WOULD PREFER TO HAVE A WORK ENVIRONMENT WHERE PEOPLE COULD COME AND GO AS NECESSARY -- EITHER WORKING FROM HOME OR FROM DIFFERENT SITES AS THEY PLEASE.

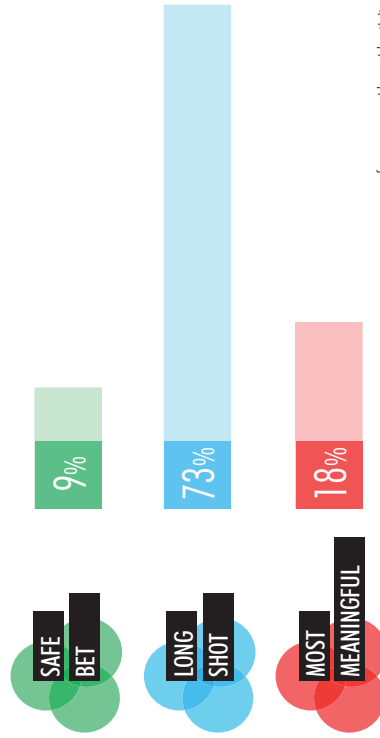
- survey comment

mobility



- focus groups: idea grid activity

sit-stand desks



- focus groups: idea grid activity

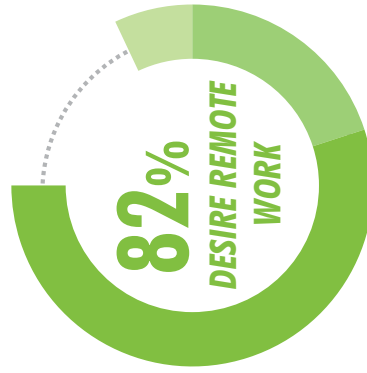
IT'S BEEN PROVEN (AND ACKNOWLEDGED BY PSE) THAT SIT-STAND DESKS ARE BENEFICIAL TO EMPLOYEE HEALTH, BUT IT TAKES A SPECIFICALLY WORDED NOTE FROM YOUR DOCTOR TO JUSTIFY THE COST.

- survey comment

THERE IS AN APPETITE FOR GREATER FLEXIBILITY

There is high interest in flexible working across almost every level of the organization. Ideally, 82% of employees would like to be able to work at least 1 to 2 days per week offsite with tools and policies that could make that easier and more accepted.

"IT WOULD BE GREAT IF ALL LEVELS OF MANAGEMENT WOULD TAKE THE LEAD OR INITIATE A FLEXIBLE WORKPLACE PLAN."
- focus group



■ 1-2 days/week ■ 2-3 days/week ■ All the time

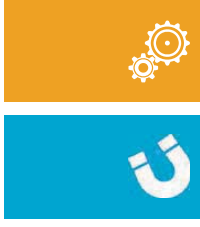


I WOULD PREFER TO HAVE A WORK ENVIRONMENT THAT IS MORE COLLABORATIVE AND PEOPLE COULD COME AND GO AS NECESSARY -- EITHER WORKING FROM HOME OR FROM DIFFERENT SITES AS THEY PLEASE.

- survey comment

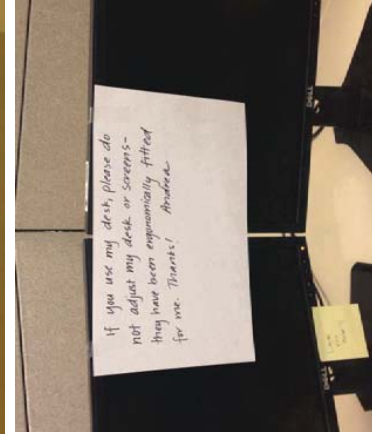


CURRENT SOLUTIONS LACK FUNCTIONALITY...



“**ALTHOUGH MY WORKSPACE IS LARGE,
IT IS NOT VERY FUNCTIONAL**”

- survey comment



TOP 3 MOST MEANINGFUL FUNCTION ISSUES

1. No small meeting rooms
2. Not enough conference space
3. Collaborative work surfaces are too small

- focus groups

TECHNOLOGY THAT SUPPORTS INDIVIDUALS, TEAMS, AND MEETINGS IS INCONSISTENT AND NOT RELIABLE



#1 Reported Tech Issue

INCONSISTENT TECHNOLOGY
IN MEETING ROOMS
- focus groups

#1 Requested Tech Item

POWERFUL LAPTOPS
- survey



IT'S VERY DIFFICULT TO FIND A ROOM WITH A PROJECTOR WHEN
NEEDED.

- survey comment

WE NEED A WORKING SMART BOARD IN OUR TRAINING ROOM.
WE HAD ONE, BUT IT HASN'T WORKED IN YEARS.

- survey comment

THE SOUND QUALITY OF THE POLYCOMS IN CONFERENCE ROOMS
IS TERRIBLE.

- survey comment

I NEED A BETTER COMPUTER. IT HAS FROZEN TWICE JUST TRYING
TO COMPLETE THIS SURVEY

- survey comment



LEADERS SEE VALUE IN ADVANCING TECH CAPABILITIES



“FUNCTIONAL AND EFFICIENT IS KEY. SOME TECHNOLOGIES MAY SEEM EXTRAVAGANT, BUT YOU HAVE TO TAKE PRODUCTIVITY INTO CONSIDERATION.”

- leadership interview

“THIS IS A VERY TECH INTENSIVE INDUSTRY AND WILL BECOME MORE SO. WE NEED TO MIGRATE AWAY FROM MEETING IN-PERSON AND TOWARDS TECH-ENABLED COLLABORATION.”

- leadership interview

EMPLOYEES DO NOT FEEL PSE INVESTS IN THEM



“ I WONDER IF ANYONE WILL LISTEN.

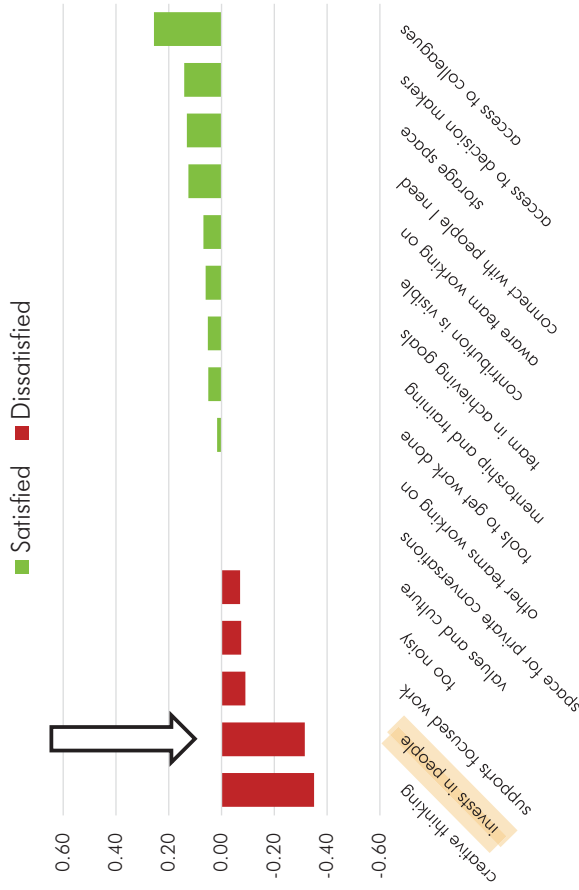
I WONDER IF PSE ALREADY KNOWS WHAT THEY ARE GOING TO DO, BUT WANTED IT TO LOOK LIKE WE WERE INVOLVED.

I WONDER IF CHANGES WILL BE FOUND TO BE TOO EXPENSIVE, THEN TABLED OR 'FORGOTTEN' ABOUT

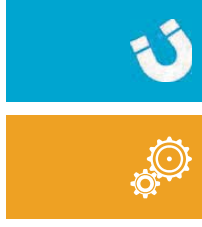
I LIKE VOICING MY OPINION – THANKS FOR THE OPPORTUNITY!

- focus groups

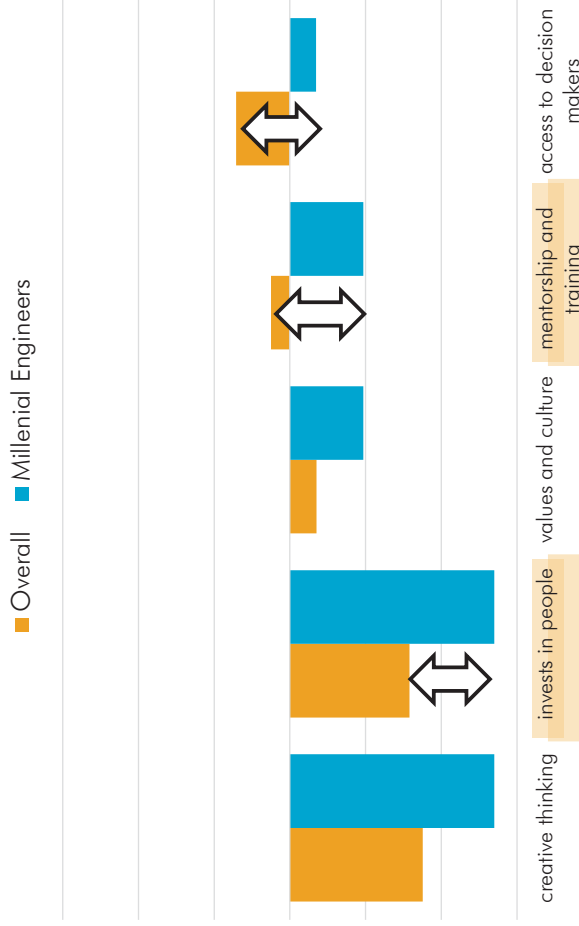
Overall Employee Workplace Satisfaction Score



RISING TALENT FEELS IT MOST ACUTELY



Overall vs Millennial Engineers Satisfaction Score



When comparing Millennial Engineers to the average satisfaction score, some key differences of opinions emerge. Low development could impact not only talent retention, but also knowledge transfer.

DESIGN FOR THE PEOPLE WHO WILL BE HERE THE NEXT 10-20 YEARS.

- leadership interviews

THERE ARE COMPETITORS IN THE REGION OFFERING GREAT PLACES TO WORK



" OVERALL, I LIKE MY WORKPLACE. IN COMPARISON TO A LOT OF OTHER COMPANIES IN SEATTLE THOUGH I FEEL THAT WE ARE LACKING IN AMENITIES. "

- survey comment

" I HAD THE OPPORTUNITY TO VISIT STARBUCKS CORPORATE. I REALLY LIKE HOW THEY DESIGNED THEIR OPEN AREAS. IT ENCOURAGES MEETINGS AND CONVERSATION. "

- survey comment



SPREAD ACROSS A GEOGRAPHIC REGION

PSE covers a large geographic area across the Puget Sound area, and this has implications for:

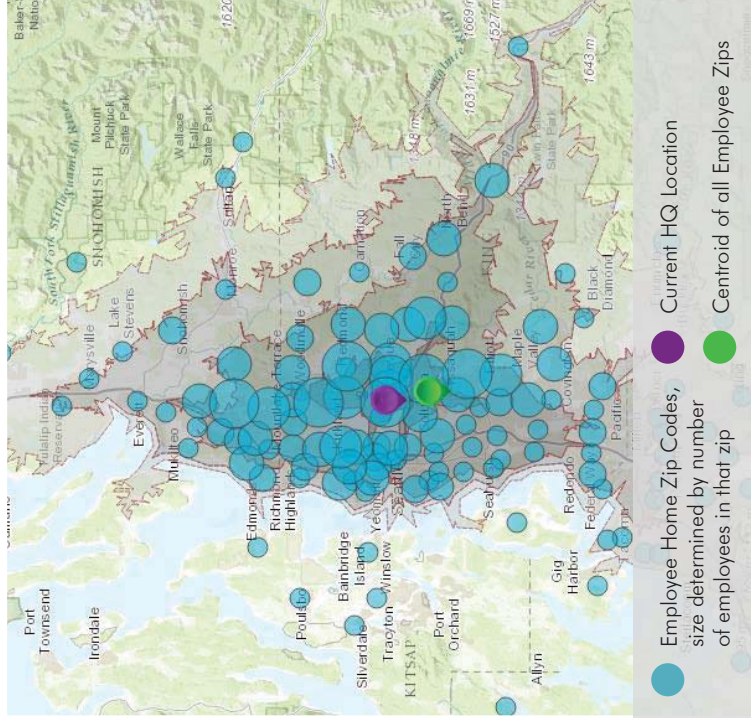
- Commute times; which is a growing issue for employees
- Knowledge sharing and connectivity for some teams (especially the engineering groups)

THE SINGLE BIGGEST IMPROVEMENT THAT COULD BE MADE TO MY WORKPLACE IS TO HELP ALLEVIATE THE PAIN OF MY COMMUTE. JUGGLING FAMILY LIFE IN SEATTLE, THEN COMMUTING TO/FROM BELLEVUE ADDS SIGNIFICANT STRESS.

- survey comment

A LOT GETS LOST WHEN EMPLOYEES MOVE AROUND SO MUCH. THERE SHOULD BE MORE FOCUS ON RETAINING KNOWLEDGE BEFORE AN EMPLOYEE IS ALLOWED TO MOVE TO A NEW POSITION.

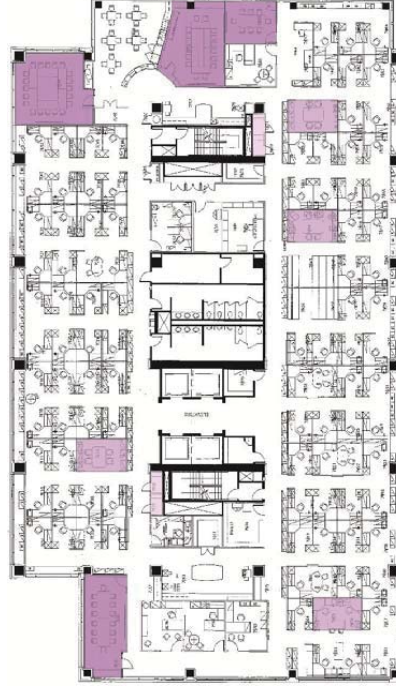
- survey comment



THERE ARE BARRIERS TO COLLABORATION



Teams are looking for improved access to space that is purpose-built to support collaboration.



48%
POOR OR FAIR
AVAILABILITY

“AVAILABLE CONFERENCE ROOM SPACE IS AN ISSUE. I CAN SPEND 30 MINUTES A DAY JUST TRYING TO FIND OPEN CONFERENCE ROOMS WHEN I AM SCHEDULING MEETINGS.”
- survey comment

“CURRENTLY, MANAGERS ARE BUNKERED IN THE MIDDLE OF THEIR GROUP WITH VERY TALL WALLS. ALL CUBICLE WALLS ARE HIGHER THAN THEY NEED TO BE FOR COLLABORATION PURPOSES.”
- survey comment

40%
POOR OR FAIR
FUNCTIONALITY

Today collaborative space makes up ~12% of RSF, best practices suggests it should be closer to 25%

0.65
COLLABORATION SEATS FOR EVERY 1.00 INDIVIDUAL SEAT

CHALLENGE

How can PSE create an **attractive and functional** work environment in a **fiscally responsible** way?

- People are spread across the region
- 9x7 current workstation standard
- Varied consistency in fit out of the workstations
- Owned facilities require capital investment to be upgraded to new standards

THERE IS LITTLE STANDARDIZATION OF SPACE



“ WE DON'T HAVE AN ESTABLISHED STANDARD, AND TEND TO JUST GIVE MORE SPACE TO LEADERS AND TO THOSE WHO HAVE A LOT OF MATERIALS.

- leadership interview

- There is 9x7 standard for approximately 75%+ of the portfolio
- But there are a variety of different fit-outs for employees (height, equipment, and support space)



THERE IS LOW UTILIZATION OF THE SPACE



Utilization of current office spaces is low, and the number of vacant seats leaves the office feeling empty even on full days. This contributes to a low energy atmosphere.



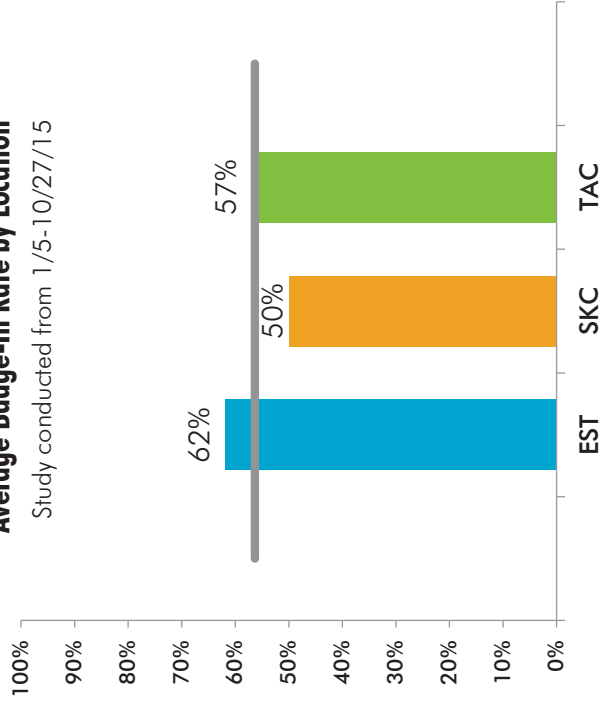
“ RIGHT NOW, WE’RE BIG, EMPTY, AND WALLED-OFF.
- leadership interview

THE THING I FIND THE SADDEST IS ALL THE EMPTY SPACES AROUND THAT THEN GET FILLED UP WITH JUNK OR SIT EMPTY AND SUCK UP THE ENERGY. ”
- survey comment

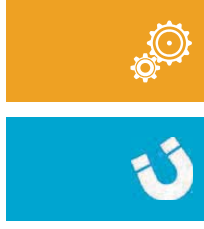


Average Badge-In Rate by Location

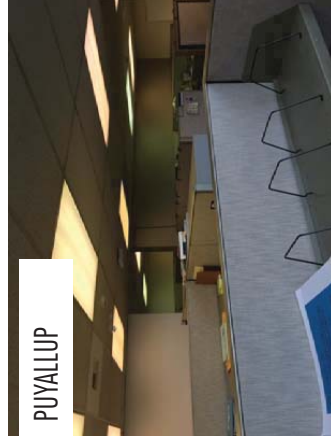
Study conducted from 1/5-10/27/15



*NOTE: BADGE-IN DATA FOR PSE UNAVAILABLE



SOME OWNED FACILITIES WILL REQUIRE CONSIDERABLE CAPITAL INVESTMENT TO IMPROVE



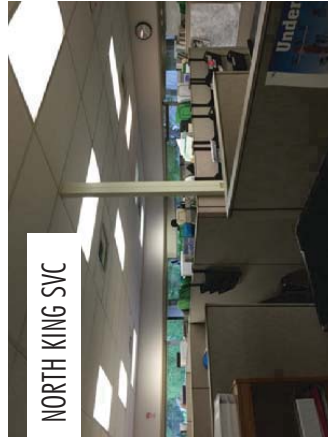
PUYALLUP



REDMOND WEST



TACOMA



NORTH KING SVC

“ THERE IS AN INTERNAL VIEW OF THE BELLEVUE CAMPUS AS AN IVORY TOWER. RATHER THAN DOWNGRADE THE QUALITY OF BELLEVUE, WE NEED TO UPGRADE THE ONES OF LESSER QUALITY – AND THERE ARE PLENTY OF FACILITIES THAT NEED WORK. - leadership interview

SUMMARY OF FINDINGS



OFFICE AESTHETIC

Your environment is not an asset to attracting and retaining your target demographic. *p. 13, 23, 29



TRAINING & MENTORSHIP

Employees, particularly Millennial Engineers, do not feel invested in or developed. *p. 21-22



BRAND REPRESENTATION

The office does not embody "innovative and energetic". *p. 14



QUALITY OF LIFE

There is a strong appetite for more flexible working and wellness in the workplace (such as sit-stand desks). *p. 16-17, 24



CELEBRATION OF CULTURE

Employees are excited to work for PSE for the meaningful challenges, but the office does not showcase or celebrate interesting work. *p. 15



TECHNOLOGY

Technology that supports individuals, teams, and meetings is inconsistent and not reliable. *p. 19-20



COLLABORATION

There are barriers to collaboration due to a lack of functional meeting space and high cubicle walls. *p. 25



SPACE INEFFICIENCY

Current solutions lack functionality and standardization, which contributes to low utilization and low energy. *p. 18, 27-28



SCENARIOS



FINDINGS IMPLICATIONS

LEADERSHIP PRIORITIES

FLEXIBILITY

MISSION

TALENT ATTRACTION

EFFICIENCY

FINDINGS CHALLENGES

OFFICE AESTHETIC

BRAND REPRESENTATION

CELEBRATION OF CULTURE

COLLABORATION

TRAINING & MENTORSHIP

QUALITY OF LIFE

TECHNOLOGY

SPACE INEFFICIENCY

PLANNING PRINCIPLES

Create a modern workplace that represents PSE as an innovative organization and the utility of the future.

Live PSE's safety culture by supporting employee health and wellbeing with ergonomic furniture, natural light, and better equipment.

Display pride in the history of PSE and emphasize the most unique and exciting elements of current work; celebrate storm culture.

Better support teams by creating a greater variety of collaborative spaces that support different team sizes, activities and requirements.

Prioritize opportunities for knowledge transfer. Invest in spaces, tools, and events/services that help connect senior and junior employees.

Attract and retain talent and interaction between teams by supporting and encouraging flexible work within, between and outside of PSE facilities.

Upgrade technology to enable mobility and better virtual collaboration, while also investing in increased training.

Standardize office and workstation sizes; consider unassigned seating for non-engineering, "mobile ready" teams.

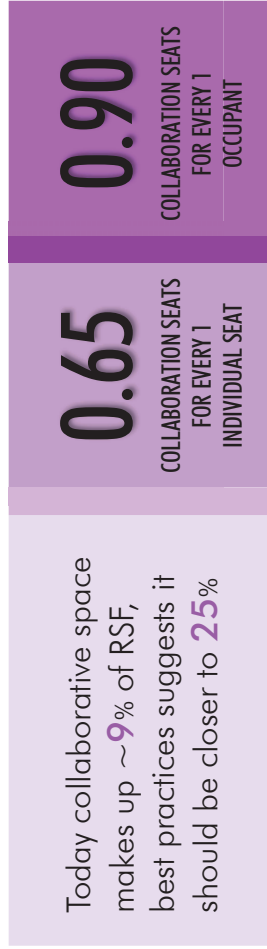
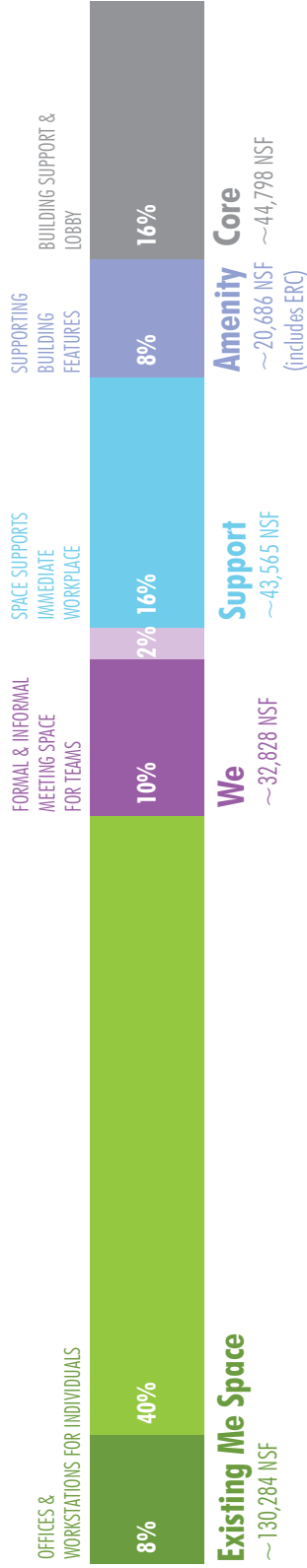
SCENARIO PROGRAM DRIVERS

CURRENT SPACE ANALYSIS: BELLEVUE CAMPUS (EST & PSE)

1,120 occupants TOTAL HEADCOUNT	314 RSF RSF PER OCCUPANT	351,305 RSF TOTAL RENTABLE SQUARE FEET	31 RSF AVERAGE RSF PER COLLABORATION SEAT	186 RSF AVERAGE RSF PER OFFICE
1,557 seats OFFICES & CUBES	226 RSF RSF PER SEAT <small>*the large number of vacant seats is what is driving this large of a discrepancy between per occupant and per seat</small>	.65 : 1.0 COLLABORATION SEAT : INDIVIDUAL SEAT	92% : 8% WORKSTATION : OFFICE	74 RSF AVERAGE NSF PER WORKSTATION

SCENARIO PROGRAM DRIVERS

COLLABORATION



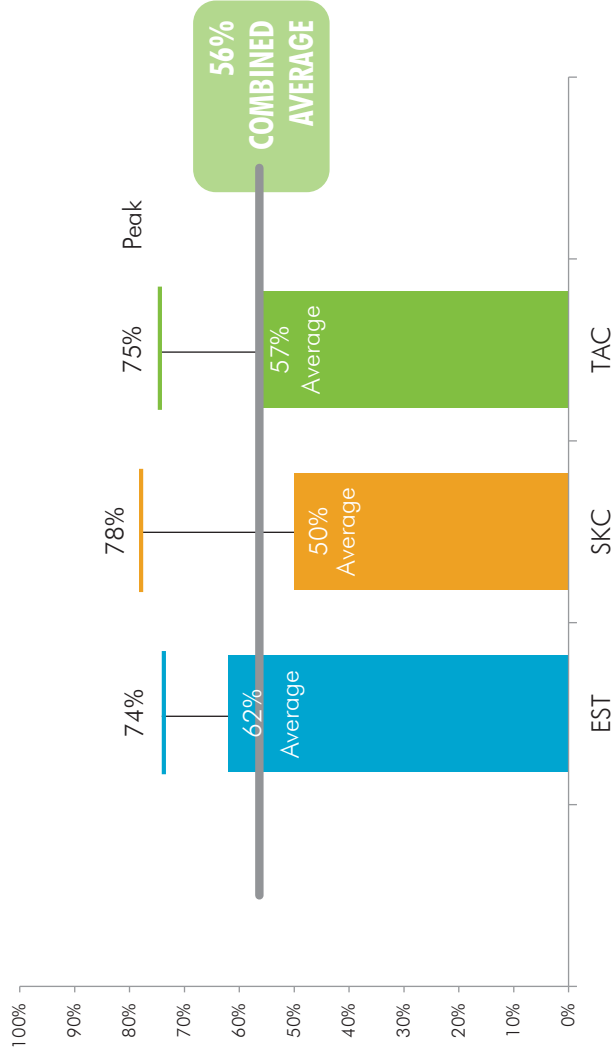
SCENARIO PROGRAM DRIVERS

EFFICIENCY

CURRENT SPACE ANALYSIS (BELLEVUE)



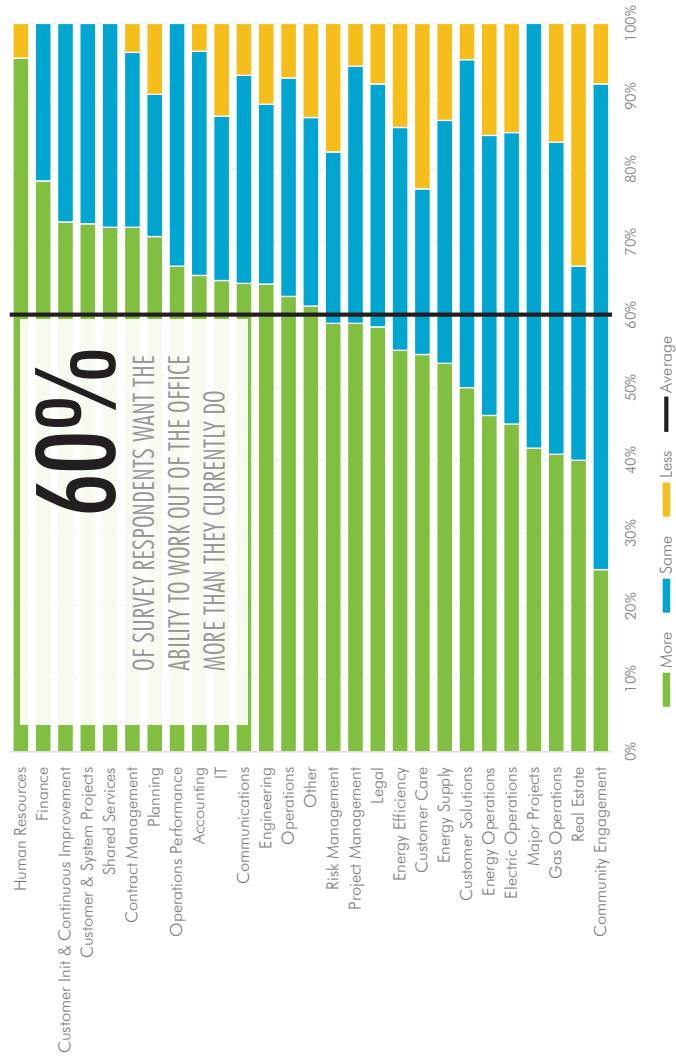
Average and Peak Badge-In Rate By Location



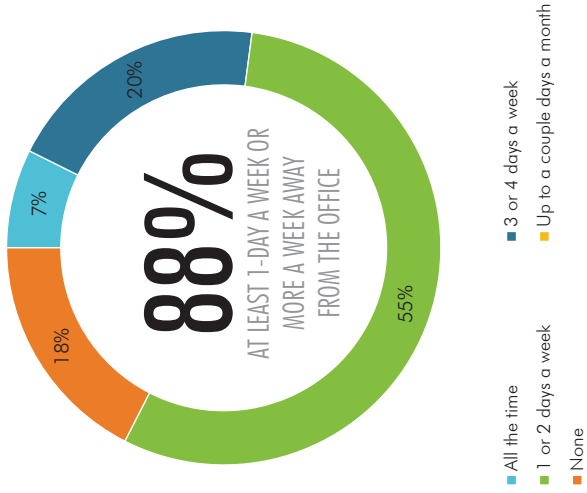
SCENARIO PROGRAM DRIVERS

MOBILITY

Desire to work out of the office more than you currently do:



If better enabled, how many days would you like to work out of the office?



SCENARIO PROGRAM DRIVERS

MOBILITY: DEPARTMENTS

DEPARTMENTS READY FOR MOBILITY		DEPARTMENTS ON THE FENCE ABOUT MOBILITY		DEPARTMENTS NOT READY FOR MOBILITY	
Budget & Financial Perf - Corp	Financial Reporting	AA Asphalt	General Accounting	Reg Compliance	Legal & Environmental Svcs
Budget & Financial Perf - Ops	Financial Systems	Accounting	Government Affairs & Public Policy	Reg Initiatives & Tariffs	Legal and Environmental & Prog Svcs
Budget & Financial Perf - Other	FP & SI Analysis	Accounts Payable	Hydroelectric Resources	Resource Planning & Analysis	Mgt
Budget Planning & Fin Performance	FP & SI Development & Strat Init	Application Solutions	IT Application Solutions	Safety	Legal Dept
(1)	HR Operations	Application/Web Services	IT Business Analysts	Safety & Business Continuity	Legal Dept
Budgeting	HR Workforce Planning	Applications	IT Infrastructure	Safety Department	Load Forecast
Business Services	Human Capital Services	Asset Management	IT Planning & Architecture	SAP	Load Saving Operations
Business Services & Economic Development	Human Resources	BW/DBA	IT Portfolio & Res Mgt Team	SAP 2	Major Projects
Communication Engagement	Internal Audit	Chief Financial Officer	IT Project Management	SAP Enterprise Central	Major Projects Const Mgmt
Communication Techs - Client Svc	Internal Audit Operations	Claims	IT Project Management Office	Component	Major Projects Electric
Communications Initiatives	Leaves	Compliance & Reg Audit Gas	IT Security & Risk	SOX	Major Projects Gas
Communications Strategy	Market Research	CS - CAC 5	IT Security & Risk - Compliance	State Regulatory Affairs	Meier/Billing
Compensation & Benefits	Media & Reputation	Customer Information System	IT Security & Risk - Security	State Business Intelligence	Natural Gas & Electric Development
Contract Management	Operational Training	Customer Init & Continuous Improvement	Land Planning & Sciences	Strategic Customer Insights	Outreach Implementation
Contract Services	Operations	Customer Initiatives	Liquid Natural Gas Initiative	Strategic Initiatives	Outreach Team 2
Contractor Management 2	Operations Performance	Data and Application Services	Local Gov Affairs & Pub Policy - King	Tariffs	Power & Gas Supply Ops
Corporate Affairs	Operations Systems	Disbursements	Natural Gas Resources	Technical Communication	Power Costs
Corporate Communications	Ops Trng - Cent Support	Escalade 230 KW	New Products & Services	Thermal Resources	Power Supply Ops
Corporate Plane	Ops Trng - Cust Facing	Enterprise Data	Office of Controller	Vegetation Management	Project Controls
Corporate Security	Organizational Effectiveness	Environmental & Program Svcs 1	ONS/GIS/Energy Trading Applications	Vendor Collections	Project Delivery
Corporate Shared Services	Payroll	Environmental & Program Svcs 2	Planning	VP & Chief Information Officer	Project Management
Corporate Spending Initiatives	Performance Excellence	Environmental & Program Svcs 3	Planning/Forecasting	Web Development	Project Management - Electric
Customer & System Projects	Portfolio Hedging	Environmental & Program Svcs 4	Property Accounting	Wind Resources & Asset Mgmt	Project Management - Gas
Customer and System Projects North President & Chief Executive Officer	President & Chief Executive Officer	Executive Support	Rates & Regulatory	Workstation Support	Project Management Energy Resources
Customer and System Projects South Pricing & Cost of Svc	Procurement & Contract Services				Real Estate
Customer Energy Management	Purchasing				Real Estate - Central
Energy & Derivative Accounting					Real Estate - Projects
					Smart Grid Technology Planning & Analysis

SCENARIO OVERVIEW

OPTIONS SUMMARY

OCCUPANCY STRATEGY OVERVIEW

Each scenario represents a different occupancy strategy, which impacts the work experience through varying levels of:

- Individual Space
- Collaborative Space
- Amenities
- Mobility

Some factors remain constants:

- Engineers are not eligible for mobility in any scenario and continue to be assigned 1:1
- 95% Workstations: 5% Offices
- 1,120 employees are the baseline
- Increased flexibility for all employees to work more flexibly

OPTION 1

UPDATE AND DISTRIBUTE 227 RSF/EMPLOYEE

- Standardize offices and workstation sizes while modernizing
- **All employees in 6x6 workstations**
- **Assigned seating for all**
- Right-sized # and size of conference rooms
- Small allocation of drop-in/open collaboration space
- Small improvements to current amenities

OPTION 2

HUB AND REMOTE 211 RSF/EMPLOYEE

- Standardize offices and workstation sizes while modernizing
- **Engineers in 6x6 workstations; all others in 6x2.5**
- **Unassigned seating for 23% of the population based on 'Mobile Ready' departments**
- Right-sized volume and size of conference rooms
- **Moderate allocation of drop-in/open collaboration space**
- Add wellness and work-life balance amenities.

OPTION 3

HUB AND HOME 179 RSF/EMPLOYEE

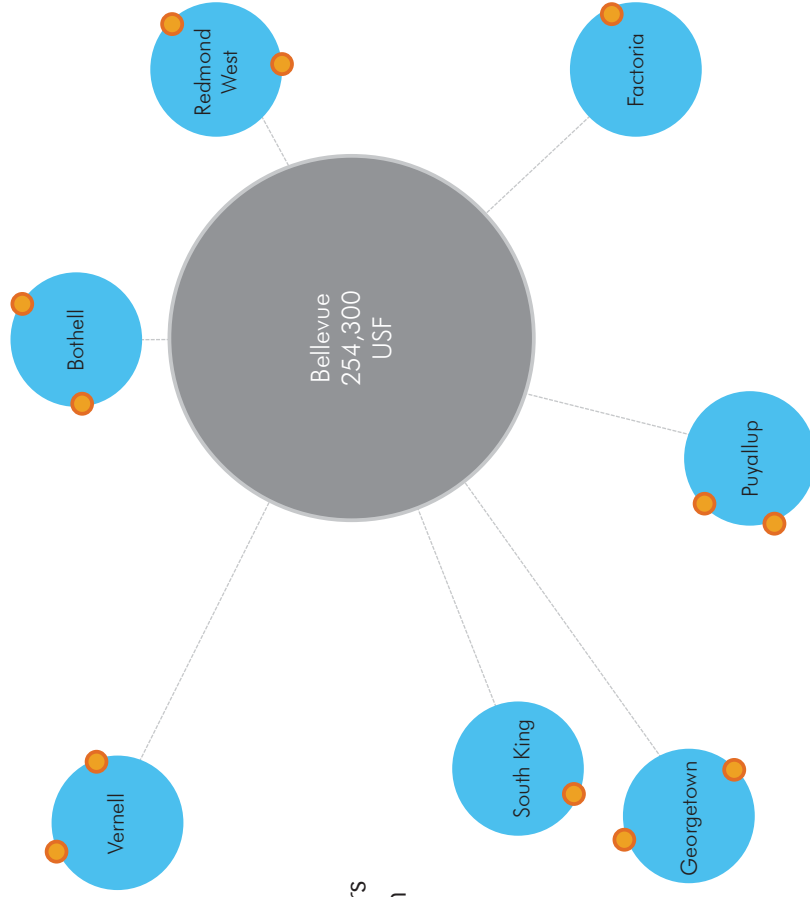
- Standardize offices and workstation sizes while modernizing
- **Engineers in 6x6 workstations; all others in 6x2.5**
- **Unassigned seating for 46% of the population based on 'Mobile Ready' & 'On the Fence' departments**
- Right-sized volume and size of conference rooms
- **High allocation of drop-in/open collaboration space**
- Add wellness and work-life balance amenities.

SCENARIO 1: UPDATE AND DISTRIBUTE

SCENARIO OVERVIEW

KEY ELEMENTS

- Build an occupancy plan that introduces new standards, modernizes the workplace, and enables more flexible work patterns
- All employees are assigned to a workstation or office at a 1-to-1 ratio in either the headquarters or one of the ancillary sites by department/team
- Any efficiencies in the ancillary sites come from re-shuffling with current standards and equipment, with minimal investment



SCENARIO 1: UPDATE AND DISTRIBUTE

IMPACT ON INDIVIDUALS

CURRENT HQ BELLEVUE

Workstation Size
9x7 base

Workstation Count
1,437

Conference Rooms
130

Conference Room Seats
862

Informal Collaboration Seats
155

Collaborative Seats : Person
0.9 : 1.0

**NEW HQ
BELLEVUE**

Workstation Size
6x6

Workstation Count
1,096

Conference Rooms
213

Conference Room Seats
957


Informal Collaboration Seats
246

Collaborative Seats : Person
1.04 : 1.0

0%
of mobile
employees

SHARING RATIO

1 : 1



19% COLLAB SF INCREASED

55% AMENITY SF INCREASED

SCENARIO 1: UPDATE AND DISTRIBUTE

BY THE NUMBERS

CURRENT HQ BELLEVUE

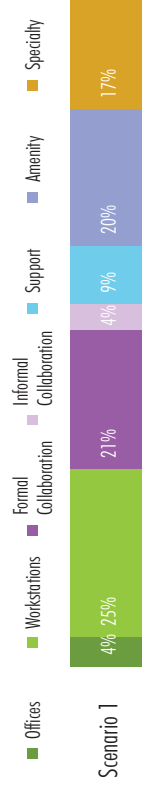
Headcount **1,120**
 Individual Seats **1,557**
 Total RSF **338,945**
 RSF/person **303**
 RSF/seat **218**
 Shared SF **32,828**

NEW HQ BELLEVUE

Headcount **1,120**
 Individual Seats **1,154**
 Total RSF **254,300**
 RSF/person **227**
 RSF/seat **220**
 Shared SF **38,775**

25% SF REDUCED

84,645 SF REDUCED



SCENARIO 1: UPDATE AND DISTRIBUTE CONSIDERATIONS

ADVANTAGES

- Update the current standards to reduce the SF need in Bellevue while creating a modern workplace
- Relatively easy to manage culturally and from a change management perspective
- Provides a variety of space types
- Increases collaboration spaces

CONSIDERATIONS

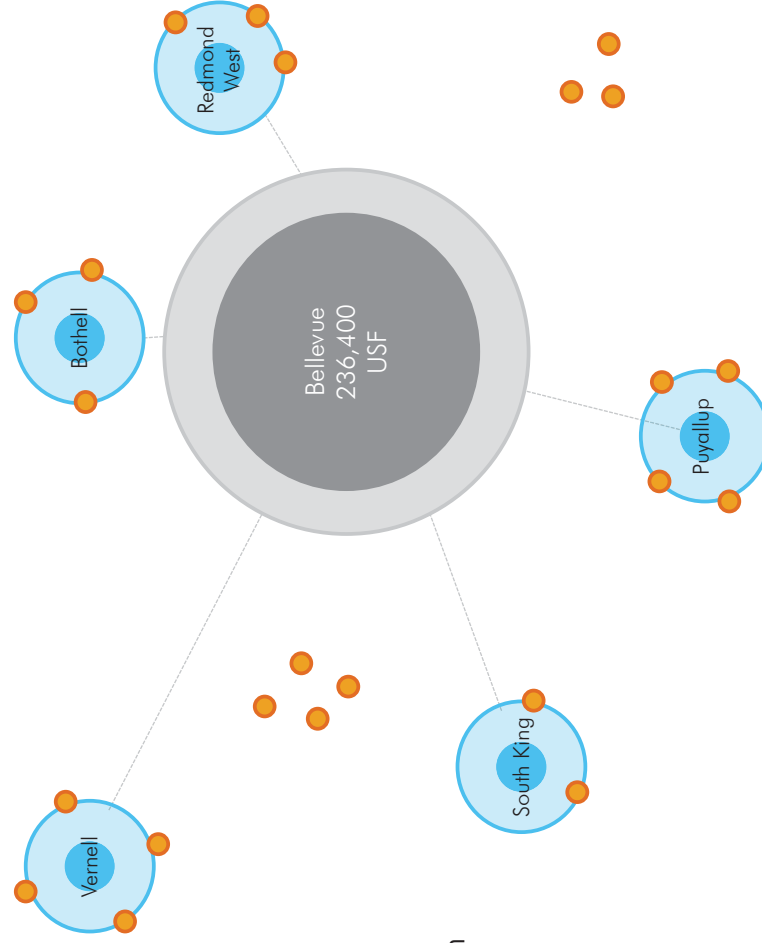
- Still behind competitors in terms of space attractive to talent demographics
- Ivory tower perception continues if auxiliary sites are not also brought into new workplace standards
- Limited mobility and flexibility for employees
- Spreading employees out could damage the ability for knowledge to transfer from those retiring to new employees

SCENARIO 2: HUB AND REMOTE

SCENARIO OVERVIEW

KEY ELEMENTS:

- Adopt more progressive workplace standards across all participating sites
- Introduce mobility for the departments 'Mobile Ready' ~ 23% of the Bellevue workforce
- Allow workers to be assigned to a 'home base' but allow them to work from whichever site is most convenient when not needed for in-person work
- Enhance focus on collaborative technology, training, and events bringing teams periodically together



SCENARIO 2: HUB AND REMOTE

SHARING RATIOS

2:1



HOW WE DETERMINE SHARING RATIOS:

$$\text{SHARING RATIO} = \frac{\text{Target Utilization}}{\text{Average Utilization}}$$

$$1.21:1 = \frac{75\%}{62\%}$$

75% increases overall utilization of seats while also recognizing that a person may come and go from a desk throughout the day.

This number makes an assumption of show-up rate based on badge-in well as anecdotal evidence.

SCENARIO 2: HUB AND SPOKE

IMPACT ON INDIVIDUALS

CURRENT HQ BELLEVUE

Workstation Size
9x7 base

Workstation Count
1,437

Conference Rooms
130

Conference Room Seats
862

Informal Collaborative Seats
155

Collaborative Seats : Person
0.9 : 1.0

NEW HQ BELLEVUE

Workstation Size
6x6; 6x2.5

Workstation Count
1,052

Conference Rooms
228


Conference Room Seats
1,012

Informal Collaborative Spaces
270

Collaborative Seats : Person
1.16 : 1.0

23%
of mobile
employees

SHARING RATIO
1.2 : 1



27% INCREASE IN COLLAB SF

55% INCREASE IN AMENITY SF

SCENARIO 2: HUB AND SPOKE

BY THE NUMBERS

CURRENT HQ BELLEVUE

Headcount
1,120

Individual Seats
1,557

Total RSF
338,945

RSF/person
303

RSF/seat
218

Shared SF
32,828

NEW HQ BELLEVUE

Headcount
1,120

Individual Seats
1,107

Total RSF
236,400

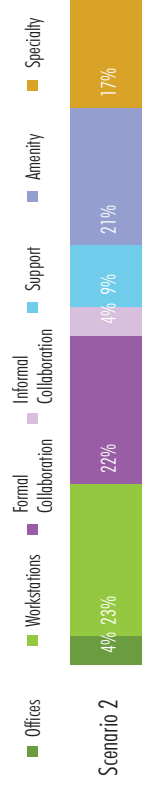
RSF/person
211

RSF/seat
214

Shared SF
41,325

30% SF REDUCED

102,545 SF REDUCED



Scenario 2

SCENARIO 2: HUB AND REMOTE

CONSIDERATIONS

ADVANTAGES

- Even further reduces the square foot requirement in Bellevue while also increasing the amounts of collaborative and amenity space
- Enables mobility for those who desire it most, creating flexibility in place and time for employees
- More competitive work environment for the next generation of PSE employees
- Option to better leverage the auxiliary sites, investment in them may be able to pull headcount out of Bellevue

CONSIDERATIONS

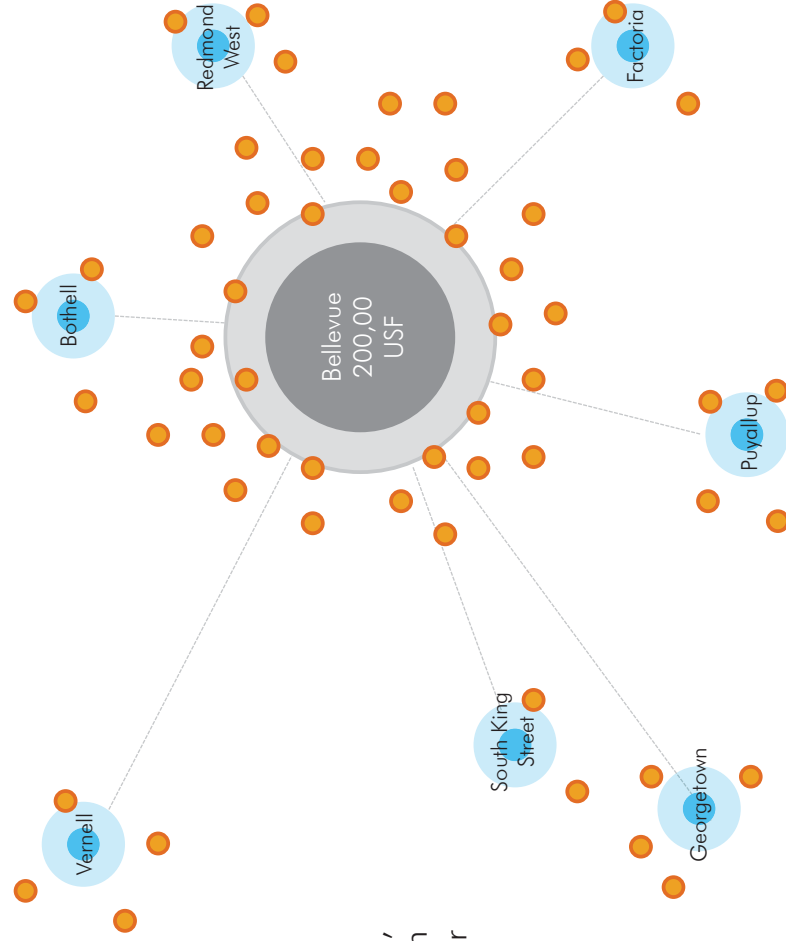
- Mobility will require considerable change management, particularly for more tenured employees
- Not updating the other facilities will make dropping into them as work centers more difficult and less attractive
- The more employees that are domiciled in external sites, the less connection they will have to PSE's mission and culture if not actively managed

SCENARIO 3: HQ AND HOME

SCENARIO OVERVIEW

KEY ELEMENTS:

- Assign more employees to a central HQ, but at an increased sharing ratio of 1.5:1
- Expand mobility to 46% of the employee base, or more as desired by teams
- Enable employees to work 1-2 days from home, but encourage them to come into the office with amenities, team meetings, and space that better supports them
- Prioritize talent acquisition and knowledge transfer within the HQ location



SCENARIO 3: HQ AND HOME

SHARING RATIOS

2:1



HOW WE DETERMINE SHARING RATIOS:

$$\text{SHARING RATIO} = \frac{\text{Target Utilization}}{\text{Projected Utilization}}$$

$$1.5:1 = \frac{75\%}{50\%}$$

75% increases overall utilization of seats while also recognizing that a person may come and go from a desk throughout the day.

This number decreases in scenario 3 to 50% which we would expect a new average to be, based on a more flexible work policy

SCENARIO 3: HUB AND HOME

IMPACT ON INDIVIDUALS

CURRENT HQ BELLEVUE

Workstation Size
9x7 base

Workstation Count
1,437

Conference Rooms
130

Conference Room Seats
862

Informal Collaborative Seats
155

Collaborative Seats : Person
0.9 : 1.0

**NEW HQ
BELLEVUE**

Workstation Size
6x6; 6x2.5

Workstation Count
927

Conference Rooms
224


Conference Room Seats
1,002

Informal Collaborative Spaces
264

Collaborative Seats : Person
1.3 : 1.0

46%
of mobile
employees

SHARING RATIO
1.5 : 1



25% COLLAB SF INCREASED

55% AMENITY SF INCREASED

SCENARIO 3: HUB AND HOME

BY THE NUMBERS

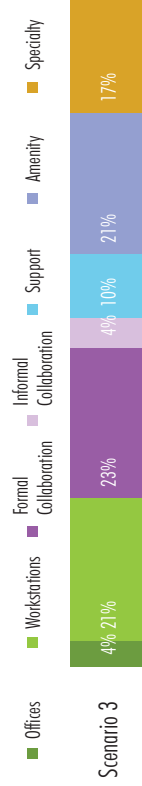
CURRENT HQ
BELLEVUE

Headcount **1,120**
Individual Seats **1,557**
Total RSF **338,945**
RSF/person **303**
RSF/seat **218**
Shared SF **32,828**

NEW HQ
BELLEVUE

Headcount **1,120**
Individual Seats **976**
Total RSF **200,000**
RSF/person **179**
RSF/seat **205**
Shared SF **40,775**

41% SF REDUCED
138,945 SF REDUCED



SCENARIO 3: HQ AND HOME

CONSIDERATIONS

ADVANTAGES

- Even further reduces the square foot requirement in Bellevue while also increasing the amounts of collaborative and amenity space
- Enables mobility for those who desire it most creating flexibility in place and time for employees
- More competitive work environment for the next generation of PSE employees
- Creates a workplace that communicates a new culture of re-invention and innovation
- Reduces the importance of the auxiliary sites

CONSIDERATIONS

- Mobility will require considerable change management programs, particularly for more tenured employees
- Mobility and effectiveness training will be required to ensure successful transition to mobile working
- Keeps the focus on a headquarters, rather than the surrounding area
- Significant investment in technology and tools in order to support a much more mobile workforce

SCENARIO OVERVIEW

OPTIONS SUMMARY

CURRENT HQ	SCENARIO 1 UPDATE AND DISTRIBUTE	SCENARIO 2 HUB AND REMOTE	SCENARIO 3 HUB AND HOME	
1,120 HEADCOUNT	1,120 HEADCOUNT	1,120 HEADCOUNT	1,120 HEADCOUNT	
1,557 INDIVIDUAL SEATS	1,154 INDIVIDUAL SEATS	1,107 INDIVIDUAL SEATS	976 INDIVIDUAL SEATS	INTRODUCING MOBILITY
338,945 TOTAL RSF	254,300 TOTAL RSF	236,400 TOTAL RSF	200,000 TOTAL RSF	INCREASING EFFICIENCY
303 RSF/PERSON	227 RSF/PERSON	211 RSF/PERSON	179 RSF/PERSON	
218 RSF/SEAT	220 RSF/SEAT	214 RSF/SEAT	205 RSF/SEAT	
32,828 SHARED SF	38,775 SHARED SF	41,325 SHARED SF	40,775 SHARED SF	SUPPORTING COLLABORATION
1 : 1 SHARING RATIO	1 : 1 SHARING RATIO	1.2 : 1 SHARING RATIO	1.5 : 1 SHARING RATIO	
	25% GAIN IN EFFICIENCY	30% GAIN IN EFFICIENCY	41% GAIN IN EFFICIENCY	
	19% INCREASE IN COLLAB SPACE	27% INCREASE IN COLLAB SPACE	25% INCREASE IN COLLAB SPACE	



QUESTIONS TO BE ANSWERED

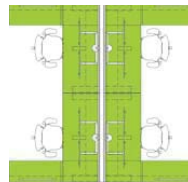


EFFICIENCY & MOBILITY

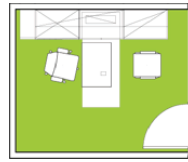
To achieve a more efficient and effective use of the portfolio we are proposing to better align the size of spaces to the work required and reallocate space to better support the mix of activities that employees are already performing today.

1. Do you support an updated kit of parts for individual and team workspaces within a reduced footprint?

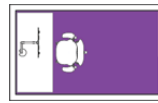
- We are proposing 6x6 workstations for engineering staff and 6x2.5 workstations for all other staff (currently in 7x9).
- We propose a reallocation of a portion the space saved into increased meeting rooms, informal collaborative space, and team storage.
- Are there any employees that will require a larger workstation footprint?
- Page references: Research: 23, 28, 30, 32 Scenarios: Recommendations: 60-66, 72, 73



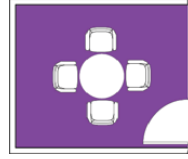
WORKSTATION
24 SF
36 SF



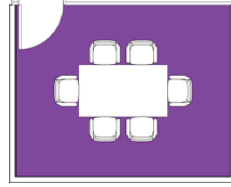
OFFICE
120 SF



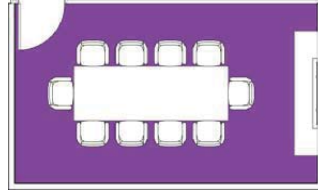
FOCUS ROOM
60 SF



MEETING ROOM
120 SF



MEETING ROOM
180 SF



MEETING ROOM
240 SF

KIT OF PARTS

WORKSTATIONS

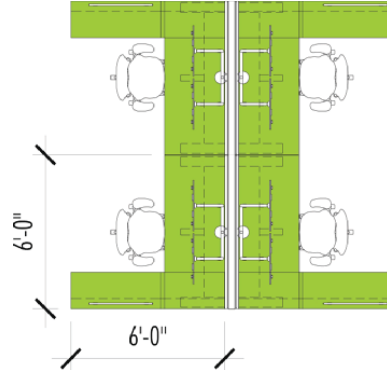
Workstations support individual work and are arranged in neighborhood configurations. When building out an ideal configuration is never more than 3-4 workstations away from a window.

SIZE

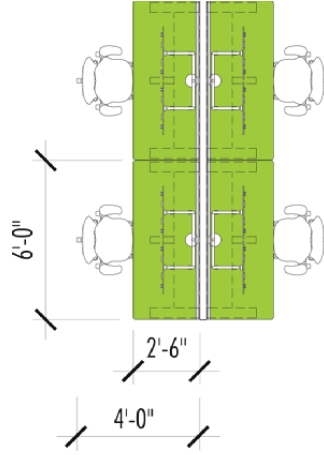
24 square feet, Non-Engineers
36 square feet, Engineers

LOCATION

Workstations should have access to daylight and be buffered from major sources of noise (such as central meeting areas or breakrooms). They should be in close proximity to support spaces such as huddle rooms and focus rooms.



36 SF



24 SF

KIT OF PARTS

OFFICES

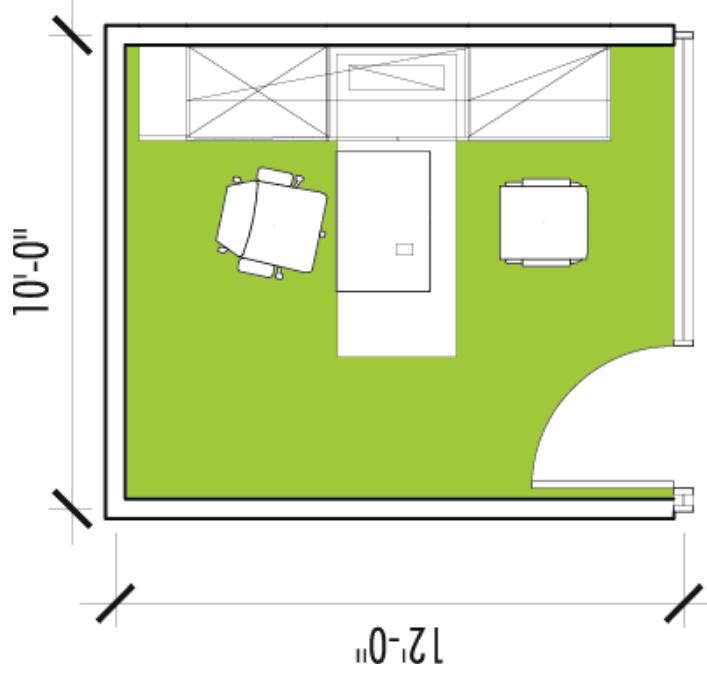
Enclosed, private offices offer space for concentration and collaboration, as well as a place to meet with visitors.

SIZE

Establish one consistent standard of office size at 120 square feet for all offices.

LOCATION

To ensure natural light reaches the interior of the floor, avoid placing offices around the floor perimeter.



KIT OF PARTS

FOCUS ROOM

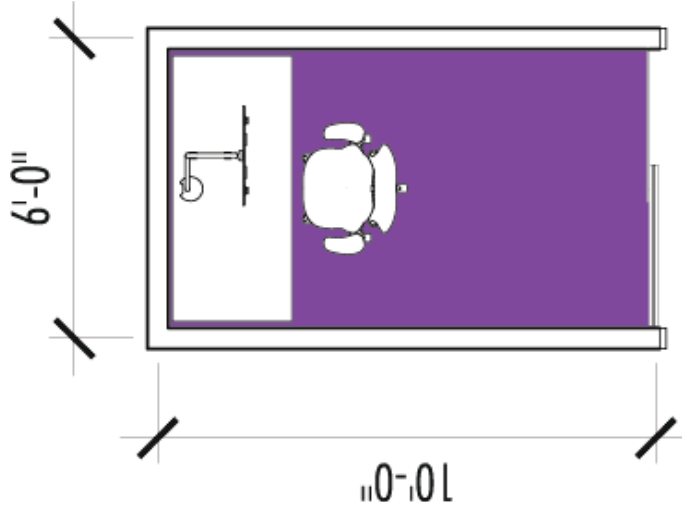
Enclosed spaces intended to support focused and/or confidential work. Acoustic privacy is paramount in these spaces. They are generally intended for ad-hoc, temporary use.

SIZE

60 SF

LOCATION

Near workstations and spread throughout the floor for easy access when required.



KIT OF PARTS

MEETING ROOMS

Enclosed spaces intended to support focused and/or confidential work. Acoustic privacy is paramount in these spaces. They are generally intended for ad-hoc, temporary use.

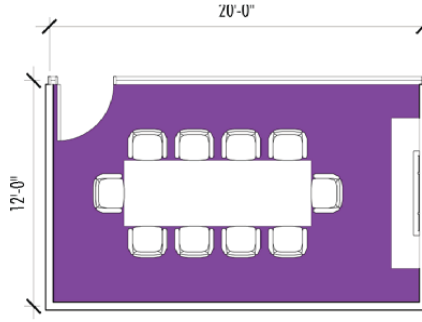
SIZE

- 4 seats: 120 SF
- 6 seats: 180 SF
- 10 seats: 240 SF

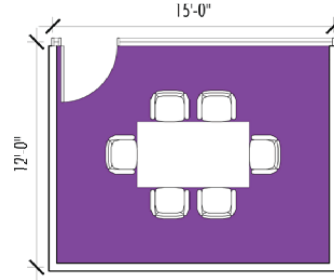
LOCATION

Ideally, meeting rooms should be located with access to natural light and should be distributed across the floor.

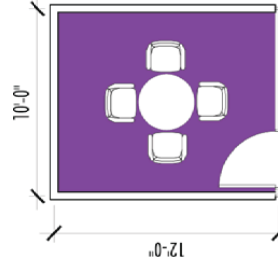
240 SF



180 SF



120 SF

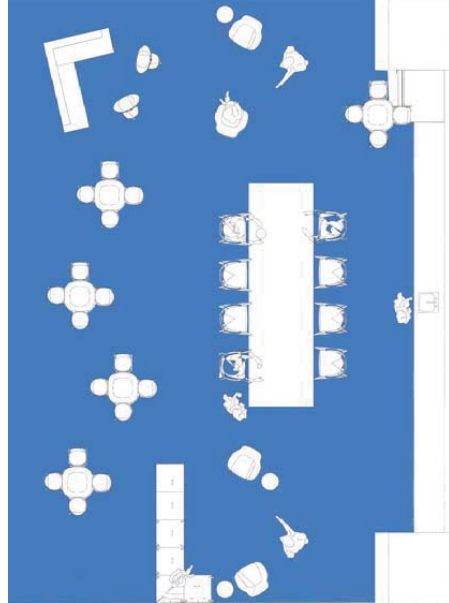
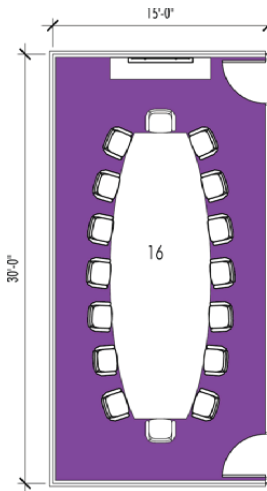


KIT OF PARTS EVENT SPACE

Board rooms seat 16-60 people depending on the program, however large all-hands meetings are best accommodated off-site or in the “heart” due to their intermittent nature.

SIZE

- 16 seats: 450 SF
- 18 seats: 525 SF
- 40 seats: 1,000 SF
- 60 seats: 2,400 SF



The “heart” is a combined café/reception/touchdown area meant to address multiple workplace requirements:

- Space for employees to “meet and eat” with colleagues
- A clearly defined entrance space to greet visitors and offer refreshment

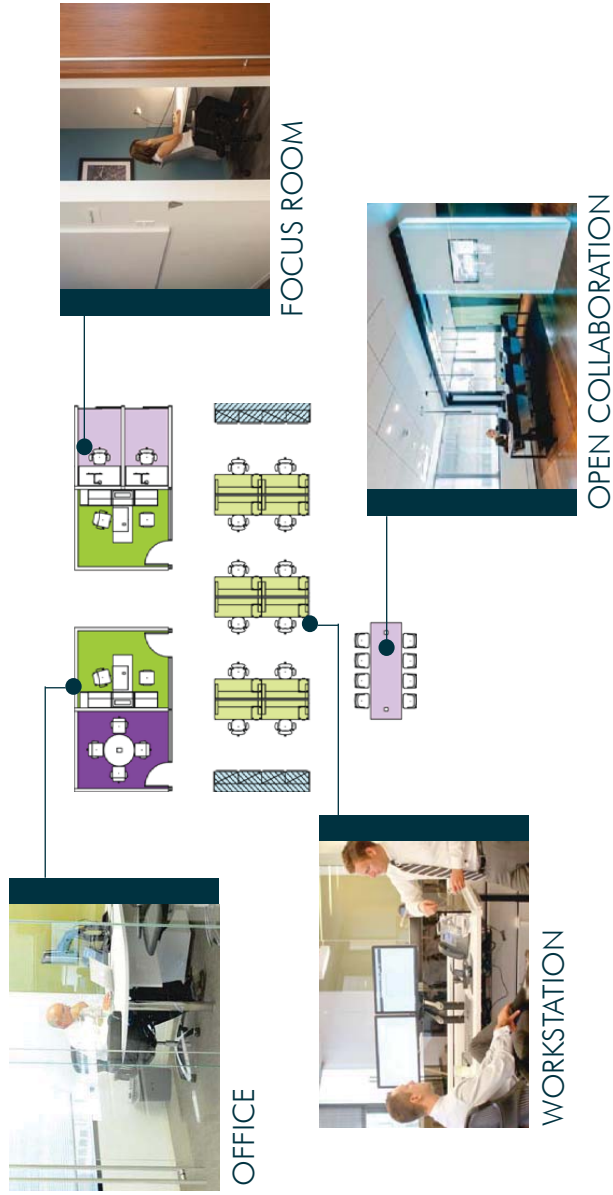
SIZE

2,800 SF

KIT OF PARTS

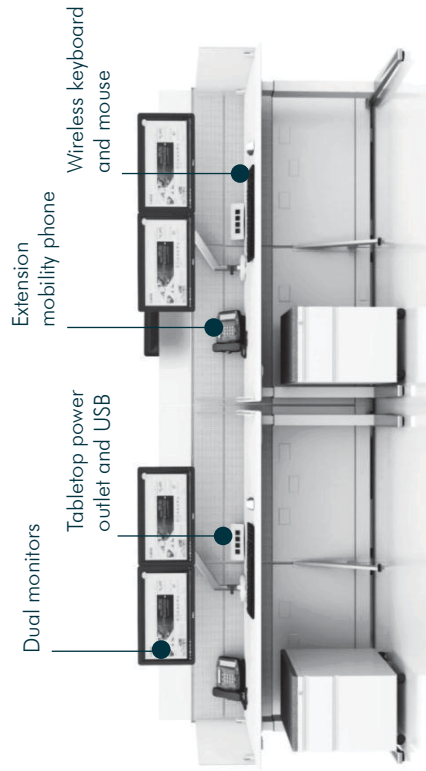
NEIGHBORHOODS

Neighborhoods provide a "home base" for each business unit, allowing them to develop their own personal identity, and giving them access to a variety of space types in close proximity for both focused and collaborative work.



TECHNOLOGY & TOOLS IMPLICATIONS

INDIVIDUAL SPACES



PLUG -N- PLAY: Make all workstations, meeting rooms and focus rooms 'plug-n-play' with consistent technology provisioning.

MOBILITY: Enable mobility with Wi-Fi and power access in all working spaces (informal and formal collaborative space, focus rooms, workstations, work-lounge, etc.).

COLLABORATION TOOLS: Support effective collaboration with video conferencing, screen sharing and IM software (ex: Microsoft Lync).

ADDITIONAL COMPONENTS:



Docking Station



Laptop



Headset

TECHNOLOGY & TOOLS IMPLICATIONS

SHARED SPACES



PLUG -N- PLAY: Make all workstations, meeting rooms and focus rooms 'plug-n-play' with consistent technology provisioning.

MOBILITY: Enable mobility with Wi-Fi and power access in all working spaces (informal and formal collaborative space, focus rooms, workstations, work-lounge, etc.).

COLLABORATION TOOLS: Support effective collaboration with video conferencing, screen sharing and IM software (ex: Microsoft Lync).

ADDITIONAL COMPONENTS:



Puck Connectors



Reservation Display

EFFICIENCY & MOBILITY

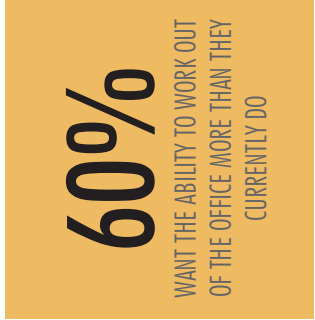
To achieve a more efficient and effective use of the portfolio we are proposing to better align the size of spaces to the work required and reallocate space to better support the mix of activities that employees are already performing today.

1. Should mobility be supported as part of a workplace strategy?

- Badge analysis suggests that moving past 1:1 assignment of desks is feasible and supported.
- Will you support this distributed workplace model, including the IT and training expenses necessary to ensure its success?
- Page references: Research: 22, 29, 33; Scenarios: 37, 40, 41, 42, 43, Scenario 2: 48-52, Scenario 3: 53-57, 67-70, 71, 72

2. If so, should engineers be exempt from desk sharing?

- Page references: Research: 22, 29, 33; Scenarios: 37, 40, 41, 42, 43, Scenario 2: 48-52, Scenario 3: 53-57, 67-70, 71, 72



EFFICIENCY & MOBILITY CONSIDERTIONS

EFFICIENCY

CURRENT SPACE ANALYSIS (BELLEVUE)

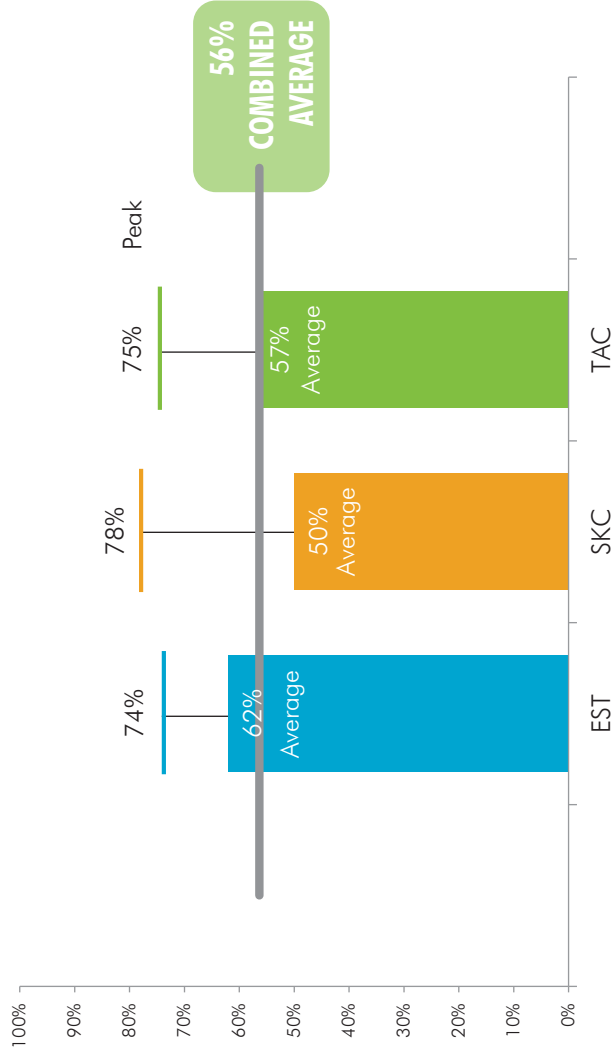
314
RSF
RSF PER OCCUPANT

226
RSF
RSF PER SEAT
*the large number of vacant seats is what is driving this large of a discrepancy between per occupant and per seat

9' x 7'
WORKSTATION
STANDARD

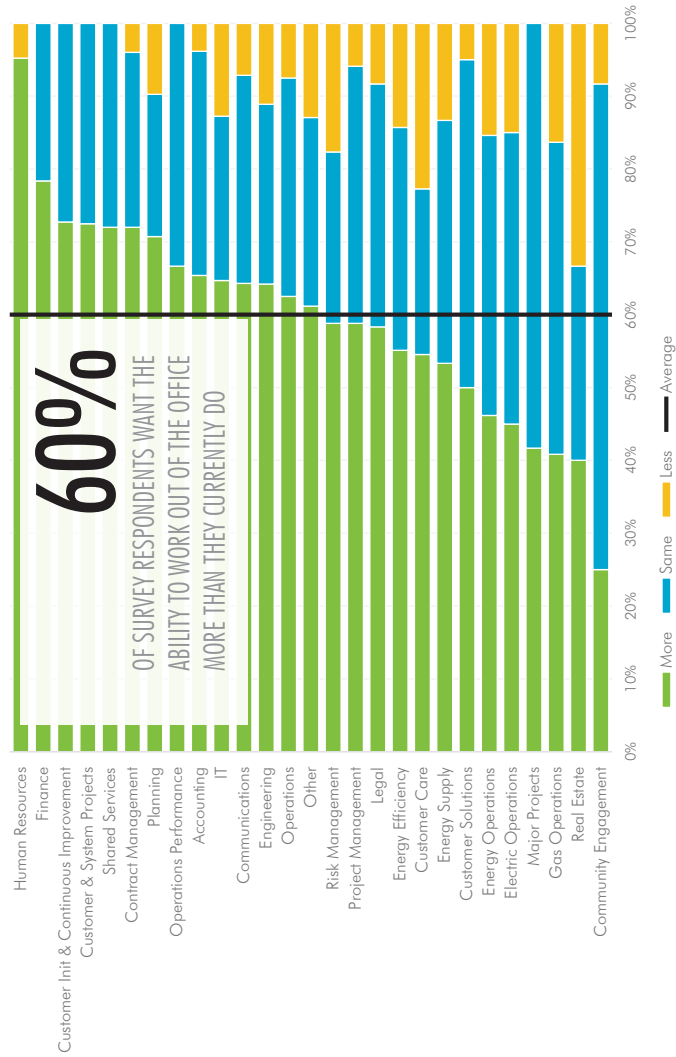
92% : 8%
WORKSTATION :
OFFICE

Average and Peak Badge-In Rate By Location

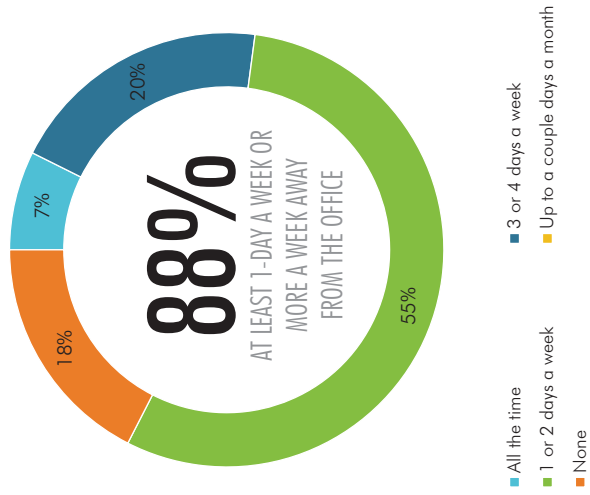


EFFICIENCY & MOBILITY

Desire to work out of the office more than you currently do:



If better enabled, how many days would you like to work out of the office?



EFFICIENCY & MOBILITY

MOBILITY: DEPARTMENTS

DEPARTMENTS READY FOR MOBILITY		DEPARTMENTS ON THE FENCE ABOUT MOBILITY		DEPARTMENTS NOT READY FOR MOBILITY	
Budget & Financial Perf - Corp	Financial Reporting	AA Asphalt	General Accounting	Community Engagement - King	Legal & Environmental Svcs
Budget & Financial Perf - Ops	Financial Systems	Accounting	Government Affairs & Public Policy	Community Engagement - Snoho/Wireby	Legal and Environmental & Prog Svcs Mgt
Budget & Financial Perf - Other	FP & SI Analysis	Accounts Payable	Hydroelectric Resources	Community Engagement - South	Legal Dept
Budget Planning & Fin Performance	FP & SI Development & Strat Init	Application Solutions	IT Application Solutions	Region	Load Forecast
(1)	HR Operations	Application/Web Services	IT Business Analysts	Construction Management	Major Projects
Budgeting	HR Workforce Planning	Applications	IT Infrastructure	Continuity Planning	Major Projects Const Mgmt
Business Services	Human Capital Services	Asset Management	IT Planning & Architecture	Customer Engagement	Major Projects Electric
Business Services & Economic Development	Human Resources	BW/DBA	IT Portfolio & Res Mgt Team	Customer Renewable Energy Programs	Major Projects Gas
Communication Engagement	Internal Audit	Chief Financial Officer	IT Project Management	Customer Safety Communications	Meter/Billing
Communication Techs - Client Svc	Internal Audit Operations	Claims	IT Project Management Office	Customer Solutions	Natural Gas & Electric Development
Communications Initiatives	Leaves	Compliance & Reg Audit Gas	IT Security & Risk	EES Customer Experience	Outreach Implementation
Communications Strategy	Market Research	CS - CAC 5	IT Security & Risk - Compliance	EES Green Power	Outreach Team 2
Compensation & Benefits	Media & Reputation	Customer Information System	IT Security & Risk - Security	Electric Operations	Power & Gas Supply Ops
Contract Management	Operational Training	Customer Init & Continuous Improvement	Land Planning & Sciences	Emerging Energy Markets	Power Costs
Contract Services	Operations	Customer Initiatives	Liquid Natural Gas Initiative	Energy Accounting	Project Controls
Contractor Management 2	Operations Performance	Data and Application Services	Local Gov Affairs & Pub Policy - King	Energy Management Systems	Project Delivery
Corporate Affairs	Operations Systems	Disbursements	Natural Gas Resources	Energy Risk Control	Project Management
Corporate Communications	Ops Trng - Cent Support	Escalade 230 KW	New Products & Services	Energy Supply Merchant	Project Management - Gas
Corporate Plane	Ops Trng - Cust Facing	Enterprise Data	Office of Controller	Enterprise Customer Engagement	Project Management Energy Resources
Corporate Security	Ops Trng - Electric	Enterprise SAP	ONS/GIS Energy Trading Applications	Facilities & Mail	Real Estate
Corporate Shared Services	Organizational Effectiveness	Environmental & Program Svcs 1	Planning	Gas Operations	Real Estate - Central
Corporate Spending Initiatives	Payroll	Environmental & Program Svcs 2	Planning/Forecasting	Gas Supply Ops	Real Estate - Projects
Customer & System Projects	Performance Excellence	Environmental & Program Svcs 3	Property Accounting	Leasing Team	Smart Grid Technology Planning & Analysis
Customer and System Projects North	Portfolio Hedging	Environmental & Program Svcs 4	Procurement Accounting 2	Legal	
Customer and System Projects South	President & Chief Executive Officer	Executive Support	Rates & Regulatory		
Customer Energy Management	Procurement & Contract Services				
Energy & Derivative Accounting	Purchasing				
		AA Asphalt	Reg Compliance		
		Accounting	Reg Initiatives & Tariffs		
		Accounts Payable	Resource Planning & Analysis		
		Application Solutions	Safety		
		Application/Web Services	Safety & Business Continuity		
		Applications	Safety Department		
		Asset Management	SAP		
		BW/DBA	SAP 2		
		Chief Financial Officer	SAP Enterprise Central		
		Claims	Component		
		Compliance & Reg Audit Gas	SAP Technical		
		CS - CAC 5	SOX		
		Customer Information System	State Regulatory Affairs		
		Customer Init & Continuous Improvement	Strategic Business Intelligence		
		Customer Initiatives	Strategic Customer Insights		
		Data and Application Services	Strategic Initiatives		
		Disbursements	Tariffs		
		Escalade 230 KW	Technical Communication		
		Enterprise Data	Thermal Resources		
		Enterprise SAP	Vegetation Management		
		Environmental & Program Svcs 1	Vendor Collections		
		Environmental & Program Svcs 2	VP & Chief Information Officer		
		Environmental & Program Svcs 3	Web Development		
		Environmental & Program Svcs 4	Web/Portal		
		Executive Support	Wind Resources & Asset Mgmt		
			Workstation Support		

SPACE IMPLICATIONS

DAY IN THE LIFE: I NEED TO FOCUS

Today, you need to focus. Your day begins by fetching your laptop and charger from your **locker**, and finding the nearest **touchdown space**. It's early, so still quiet, and you don't mind working out in the open and basking in the morning sun. You plug in and get to work.

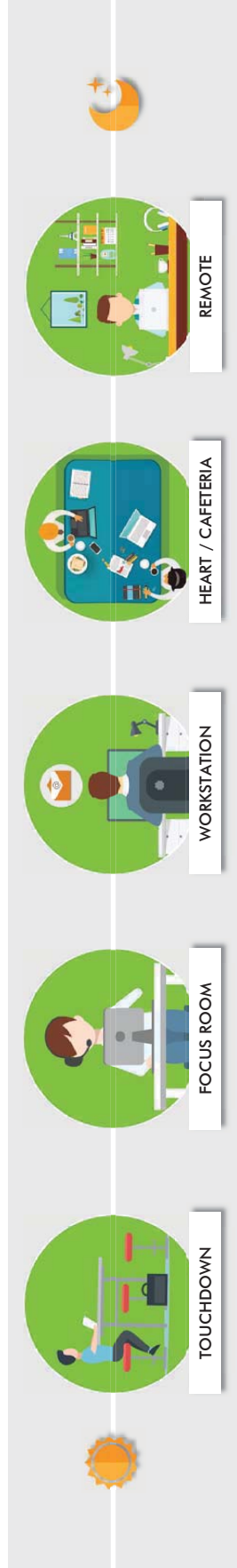
Now you need some more screen space, so you

move to a **focus room** or a **workstation**, which both offer dual monitors – that's three screens if you include your laptop! Perfect for referencing multiple spreadsheets at the same time.

After a hyper-productive morning you are craving a change of pace and a sandwich. It's a little later than most people eat lunch so the **cafeteria** isn't

too crowded. You're able to spread out your work, concentrate with minimal distractions, and enjoy the comfy chairs and beautiful mountain views.

At the end of your day, you might be at home and realize that a doc edit needs to be made before tomorrow's 8am meeting. You access the files you need from the cloud and the day is saved!



- Day-to-day work
- Answering emails
- Brainstorming
- Coffee break

- Quiet, heads-down work
- Private phone calls
- Teleconferencing

- Day-to-day work
- Answering emails

- Casual discussions
- Lunch breaks
- Day-to-day work
- Answering emails

- Digital files
- VPN access

SPACE IMPLICATIONS

DAY IN THE LIFE: I NEED TO COLLABORATE

Today, you need to collaborate. Your day begins by locking up your 11-speed in the **bike room**, prepping your presentation materials in the **print room**, and then arriving at a **meeting room** for the first of many meetings on your calendar. Maybe it's a new employee orientation, or maybe you're conducting a training – no matter the need you have options to suit. These rooms come in a

variety of sizes built for 4 to 60 people, and each is outfitted with the technology you need to share your screen, project a slide deck, and/or video conference with remote participants.

Next you need a quick break, so you bring your coffee and your laptop to a **touchdown space** and answer some emails while remaining accessible to

anyone with questions or problems to solve. You can even take a phone call because you have a Bluetooth headset, and can seamlessly pop into a **focus room** if the conversation turns sensitive.

You might need to spend the second half of your day off-site, but never fear, you have the tools to stay connected to your team anywhere, any time.



SPACE IMPLICATIONS

DAY IN THE LIFE: I'M AN ENGINEER

You are an engineer. Your day begins by grabbing a cup of liquid energy at the **coffee bar**, locating your team's neighborhood, and settling into an available **workstation**. Your laptop snaps into the docking station and quickly connects you to dual monitors. After catching up on emails, you get to work on the day's tasks and can easily ping colleagues with questions via instant messaging.

If you are a manager, you may head into an **OFAD** for a 1-on-1 meeting with a direct report. Or maybe you just need a private space to have a confidential discussion with a teammate.

Next, it's lunch in the **cafeteria** for some bonding over sushi. After you're finished eating, you may continue a casual discussion by moving to the soft

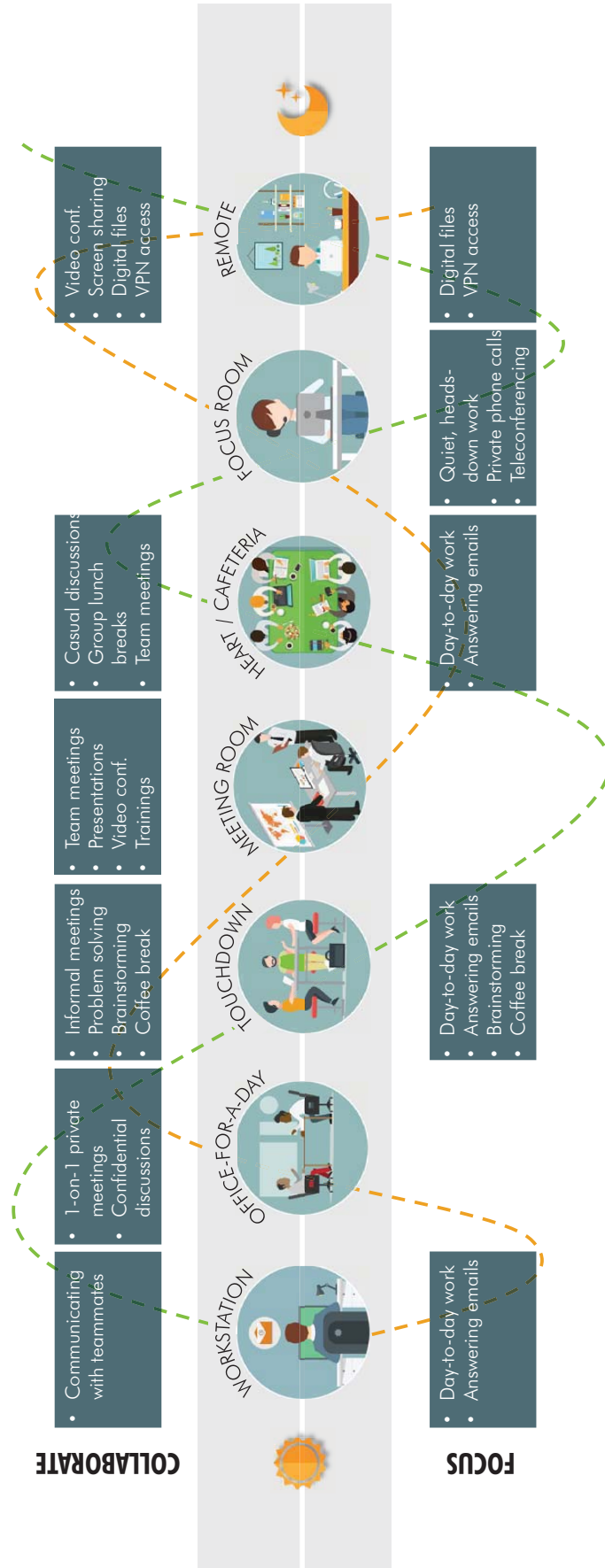
seating in the **heart**.

The rest of your day might be spent collaborating. In the mood for some impromptu brainstorming? Head to a **touchdown** space! You can also choose to gather in a **meeting room** for design/doc reviews, and leverage the room's technology to share your screen or video conference.



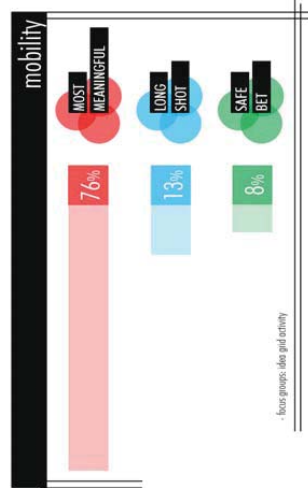
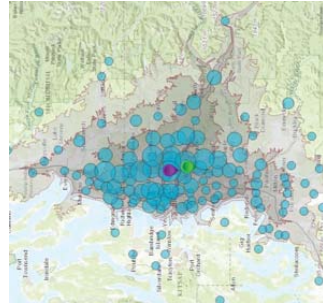
SPACE IMPLICATIONS

DAY IN THE LIFE: MIX AND MATCH



LOCATION

1. Will you support the evaluation of your organization and its potential distribution throughout the portfolio footprint?
 - Page references: Research: 21, 22, 29; Scenarios: 37, 43, 48, 52, 53, 57
2. Are there specific departments or core elements within your organization that must be centrally located to the Bellevue HQ and why?
3. Do your teams need to be located together for daily work or only come together at certain times? That is, if they're distributed do they still require adjacency within the distributed footprint?



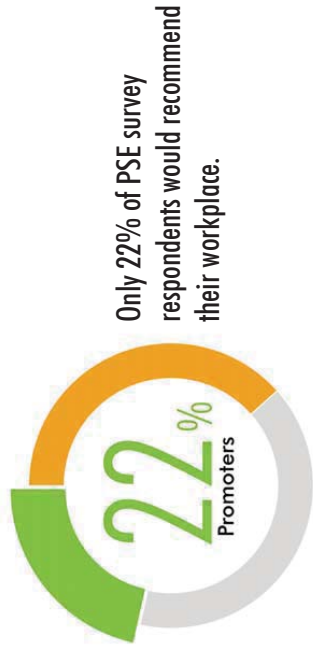
I WOULD PREFER TO HAVE A WORK ENVIRONMENT THAT IS MORE COLLABORATIVE AND PEOPLE COULD COME AND GO AS NECESSARY -- EITHER WORKING FROM HOME OR FROM DIFFERENT SITES AS THEY PLEASE.

- survey comment

EMPLOYEE EXPERIENCE

1. What story do you want your workplace to tell to your employees, recruits, and community?

- Page references: Research: 18-20, 26, 28
- You workplace has the ability to be an additional tool in the attraction and retention of employees.
- The workplace has an opportunity to further build culture, define the brand, and invigorate employees.



2. How can you build a workplace that better supports the PSE employee of the future?

- Page references: Research: 23-25, 27, 67-69, 72-73
- Creating a more functional space that helps employees better accomplish their work
- Employees increasingly want more flexibility and more meaningful connections, creating a space that is both fluid and attractive can boost employee engagement

PSE'S WORKPLACE DOESN'T SHOWCASE THE COOL WORK THAT IS HAPPENING
Employees and leadership highlighted in advance to look and feel more forward-thinking, but not equivalent. While there is currently some brand identity, there is an opportunity for an overall brand identity that is more forward-thinking and better aligns with PSE's priorities.

WOULD LIKE TO SEE MORE TECHNOLOGY AND SPACE TO DRIVE THE MESSAGE THAT WE'RE INNOVATIVE AND ENERGETIC

EMPLOYEES DO NOT FEEL PSE INVESTS IN THEM

Legend: Promoter (green), Neutral (grey), Defractor (orange)

Overall Employee Workplace Satisfaction Score

Legend: Promoter (green), Neutral (grey), Defractor (orange)

POLICY IMPLICATIONS

FREE ADDRESS REQUIREMENTS

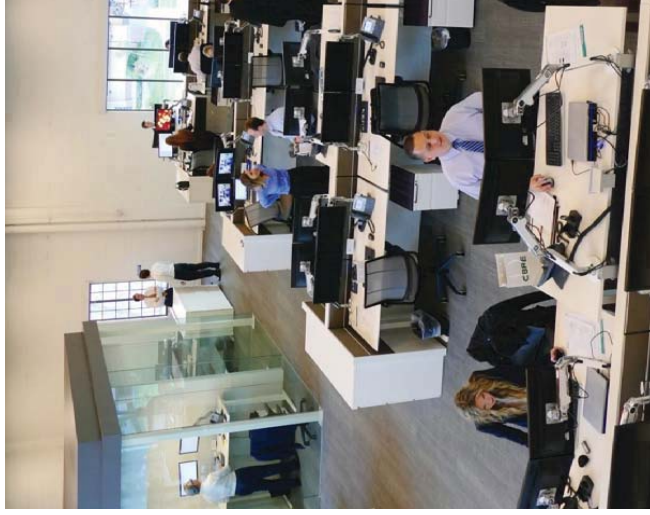
CLEAN DESKING: In an unassigned seating environment, clear all personal items from desk after using, leaving it ready to use for the next person. This protects confidential information, reduces clutter and allows the sharing of spaces. At the end of each day, concierges or facility support should remove all individual items from mobile workstations and offices to a lost and found.

DIGITIZATION: Digitize as many files as possible and move to a cloud file sharing system, minimizing your dependency on paper, enabling people to be more mobile and giving employees access to their files from anywhere. All mobile employees will need to reduce their file volume to a single file drawer.

LOCKERS/FILE DRAWERS: Mobile employees will have access to assigned lockers for personal storage, in addition to a single lateral file drawer.

ETIQUETTE AND PROTOCOLS FOR SPACES:

- Identify quiet/individual spaces vs. social/collaborative spaces
- Identify appropriate time use (ex: no more than 2 hours at a time for quiet rooms)
- Identify reservable vs. non-reservable spaces
- Identify # of participants required for meeting space use (ex: must have at least 4 people to book rooms with capacity for 6)





IMPLICATIONS



IMPLICATIONS

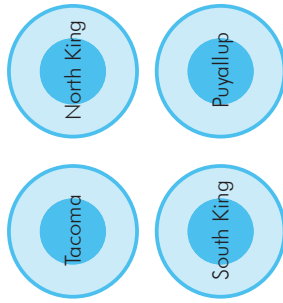
The CBRE and Real Estate team believes that all 3 scenarios can help PSE accomplish its goals, but that scenario two provides the best balance of meeting the desires of today's employees, preparing the workplace for the PSE employee of the future, and the efficient management of the portfolio.

IMPLICATIONS

If over the next 5-10 years external sites are updated to the new and evolving workplace strategy, there is an opportunity to further reduce the headcount in the Bellevue HQ.

IMPLICATIONS

For example:
Applying the scenario 2 to just:



at their existing footprint
creates potentially 177
additional HC.

Which can further reduce the Bellevue
requirement by 37,167 RSF

