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Via UTC Web Portal

Amanda Maxwell
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Sq. Loop SE
P. O. Box 47250
Lacey, Washington 98503

Re: The Energy Project Reply to Other Parties' Proposed Metrics,
Docket U-210590

Dear Director Maxwell:

On August 5, 2022, the Washington Utilities and Transportation Commission (Commission) issued a Notice of Opportunity to File Written Comments to propose metrics by September 6, 2022, and then subsequently, to respond to other parties' proposed metrics by September 26, 2022. The Energy Project (TEP) timely submitted proposed metrics to the Commission on September 6, and then filed a revised spreadsheet of proposed metrics on September 16. In this filing, TEP is submitting comments replying to other parties' proposed metrics. These comments first address the Commission's general approach for adopting performance metrics and then respond to specific metrics proposed by other parties.

1. The Commission should adopt a robust set of performance metrics.

In general, TEP supports the Commission adopting a robust set of performance metrics for each identified goal and outcome. The primary purpose of reported metrics is to determine if the utility is making progress towards an outcome. However, a single metric cannot determine if a utility is meeting any outcome. For example, when examining the "lowest reasonable cost compliance with public policy goals and environmental requirements," there are multiple public policy goals for which the utility must comply, and numerous cost drivers that need to be examined.

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Moreover, the Commission should not feel the need to attach a performance target, or benchmark, to each metric. And there is certainly no need to attach a performance incentive mechanism to each metric. The mere act of reporting and publishing a metric can incent utility performance. At this time, the Commission should adopt a broad array of metrics to gather baseline information on the utility's current performance levels. Through this docket, and later in other proceedings, the Commission can layer on targets and benchmarks for a select group of metrics, and eventually identify a handful of the most important metrics for incentives. The Commission may also remove metrics in the future if it determines that the metrics are redundant or unnecessary.

2. Response to specific metrics proposed by other parties.

TEP reviewed the metrics proposed by parties in response to the Commission's Notice of Opportunity to Comments. The parties largely identified metrics that conform to the Commission's draft design principles and will assist the Commission in measuring the utility's performance with the identified regulatory goals and outcomes.

However, TEP is concerned that too many of the proposed metrics measure inputs rather than outcomes. Table 1 below identifies other parties' proposed metrics that measure inputs.

Table 1: Other Parties' Metrics that Measure Inputs

Party	Metric	TEP's Concern
PacifiCorp	Establish and actively engage with an Equity Advisory Group as a vehicle for direct feedback from named communities on utility planning processes	The proposed metric measures the Company's effort to meet with an advisory group rather than the outcomes of its actions. Engagement with advisory groups is important because it can improve outcomes. But engagement with an advisory group that does not lead to positive impacts for customers is not helpful to customers. If the Commission intends to adopt a metric on this topic, we encourage them to adopt the metric proposed by Public Counsel, identified on page 5 below.

Puget Sound Energy	Number of Customers Participating in Energy Efficiency Programs (Including Low-Income Programs) Who are from Highly Impacted Communities and Vulnerable Populations (Gas and Electric)	This is an important metric, but it could be improved by measuring the percentage of customers who participate in energy efficiency programs. Raw numbers do not provide context if the Company's level of outreach is keeping pace with its customer growth. We are also not clear if PSE is proposing to measure named community members separately or as part of the overall number of customers. We believe it is important to have a separate measurement for named communities as a measurement for Goal 3, Outcome 3.
Puget Sound Energy	Total Residential Arrearages (Gas and Electric)	PSE's proposed calculation is the sum of all residential arrearages. TEP has a preference for measuring arrearages on a monthly basis, as the seasonality of the level of arrearages is important context. We also recommend measuring arrearages by zip code or census tract to better measure areas with the highest need of assistance.
Northwest Natural	Low-income adoption	Northwest Natural's proposed calculation is "percentage of identified low-income customers included in Company programs." The proposed metric may be appropriate, depending on which programs are included in the metric. This metric would need more specificity to be adopted.
Northwest Natural	Pilot Projects	Northwest Natural is proposing a metric that counts the number of pilots proposed. This is a measurement of a Company's effort (input) rather than the outcome of the efforts. Simply proposing a pilot is not necessarily in the public interest.

Overall, there was considerable overlap of parties' proposed metrics for Goal 2, customer affordability, and Goal 3, advancing equity in utility operations. TEP is pleased to see similar concepts being proposed by multiple parties.

Next, Table 2 below identifies metrics proposed by Public Counsel that TEP strongly supports.

Table 2: Public Counsel's Metrics that TEP Supports

Party	Metric	Reason for TEP support
Public Counsel	Percentage of customers in arrears with arrearage management plan (AMP)	Arrearage management plans can help customers pay off their balances without being disconnected. This benefits all customers. Measuring the percentage of customers enrolled in AMPs measures the Company's success in enrolling customers into those plans.
Public Counsel	Hazardous Natural Gas Leaks in Named Communities	We agree that this metric is important to determine whether hazardous leaks are more likely to occur in named communities vs. non-named communities, and track how this changes over time. Tracking this metric is important to ensure that named communities do not disproportionately bear the burden of gas leaks.

Public Counsel	Active and Meaningful Engagement in Meetings	We agree with Public Counsel that it is important to measure the extent to which communities feel that they have an opportunity to provide meaningful input to the utility. This metric measures community opinions about engagement, which is a measurement of the utility's effectiveness.
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TEP looks forward to continuing to engage with the Commission and other stakeholders, as the Commission refines its list of metrics in this proceeding. TEP thanks the Commission for the opportunity to submit these comments. If you have any questions, please contact Brad Cebulko at bcebulko@strategen.com or (510) 296-8481.

Very truly yours,

/s/Yochanan Zakai
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