

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKETS UE-240004 & UG-240005 (*Consolidated*)

**GREG R. MEYER
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT GRM-8

PSE's Response to Public Counsel Data Request No. 92

August 6, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 092:

RE: Direct Testimony of Thomas M. Hunt, Exh. TMH-1T

How many Full-Time Employees (or equivalents) are assumed in the Company's annualized payroll? Please indicate for each year of the multiyear rate period.

Response:

Puget Sound Energy ("PSE") uses a human resource information system to report headcount and current Full-Time Equivalents ("FTE"), but the application only provides a "live" look at FTEs – it does not provide dynamic forecasts. As such, PSE does not utilize FTE employees in its forecasting process. Instead, for operations and maintenance ("O&M") forecasting purposes, PSE estimates labor hours and/or outside service costs based on the work that is being forecasted. Average activity rates are applied to the forecasted labor hours to establish the amount of labor costs to include in the forecast for O&M. These labor costs are then escalated by 3.5 percent annually for the standard merit increase, and any additional inflation assumptions as necessary to arrive at the total forecasted O&M labor expense. This process can be used for O&M labor forecasting because the labor hours are generally consistent and stable from month to month. Therefore, labor hours can be planned with relative accuracy. PSE does not utilize labor hours to forecast capital labor as capital work is more inconsistent due to weather, permitting, outages, etc. In addition, the labor mix (internal versus external), especially in outer years, is highly variable and interchangeable, which results in total costs for the work being performed being forecasted rather than specific labor hours. Ultimately, cost center managers are expected to stay within the total dollar amount and, as the work is actually performed, are allowed to dynamically determine whether the work will be completed by internal or external resources.