



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

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April 7, 2022

NOTICE OF VIRTUAL WORKSHOP
(Scheduled for Tuesday, April 19, 2022, at 9:30 a.m.)

Re: Commission proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking (Phase 1 – Performance Metrics),
Docket U-210590

TO ALL INTERESTED PERSONS:

Pursuant to Revised Code of Washington (RCW) 80.28.425, Legislative directive-2021 c 188, the Washington Utilities and Transportation Commission (Commission) is required to “conduct a proceeding to develop a policy statement addressing alternatives to traditional cost of service ratemaking, including performance measures or goals, targets, performance incentives, and penalty mechanisms.”

Phase 1 of this proceeding will establish design principles, regulatory goals, and outcomes related to performance-based regulation. A subsequent stage of Phase 1 will identify performance metrics. At the end of Phase 1, the Commission anticipates it will issue a policy statement by March 2023 that incorporates stakeholder feedback on these issues.

Subsequent phases (Phases 2-5) are described in the performance-based regulation [workplan](#).

WORKSHOP PARTICIPATION

The Commission will convene a virtual workshop on Tuesday, April 19, 2022, at 9:30 a.m. to discuss issues related to Phase 1 of this proceeding, specifically focused on the scope of, and expectations for, Phase 1. This workshop will be recorded and will be posted to the Commission website.

The Regulatory Assistance Project (RAP) has created a literature report for this proceeding and it can be found using this [link](#).¹ The document provides an overview of traditional cost of service, performance-based regulation, and an overview of RCW 80.28.425.

Workshop Agenda

Time	Agenda Item
9:30 – 9:35	Chair Dave Danner and Commissioner Ann Rendahl Opening Remarks
9:35 – 9:50	Phase 1 Scope and Expectations (Melissa Cheesman)
9:50 – 10:15	RAP: Performance Measure (Metric) Level-Setting Presentation
10:15 – 10:30	Break
Facilitated Discussion by Great Plains Institute	
10:30 – 12:00	Discussion Question #1
12:00 – 1:00	Lunch Break
1:00 – 2:30	Discussion Questions #2 and #3
2:30 – 2:45	Break
2:45 – 4:30	Discussion Questions #4 and #5

*Exact times may vary.

Discussion Questions

1. What goals and outcomes should be pursued through regulation in Washington?

Example for workshop discussion:

Regulatory Goal	Desired Outcome
Improve Utility Performance	Improved Reliability (<i>e.g.</i> , Reduced customer outages; Reduced disruption frequency and duration disruption in neighborhoods of color)

¹ <https://apiproxy.utc.wa.gov/cases/GetDocument?docID=35&year=2021&docketNumber=210590>

2. What are the current regulatory mechanisms, approaches, or processes that are currently influencing or incentivizing utility performance? What behaviors or achievements are currently incentivized?
3. In what ways does the Commission's current regulatory framework (*i.e.*, traditional cost of service regulation) measure utility performance? What additional performance measures should the Commission be tracking?
4. What metric design principles would need to be considered to develop metrics in order to determine which utility behaviors or achievements should be incentivized?
5. What questions should the Commission ask related to regulatory goals, desired outcomes, and metric design principles for the next comment period?

Stakeholders will have the opportunity to provide written comments in addition to providing oral responses to the above questions during the workshop. Written comments are due by 5 p.m. on Wednesday, April 27, 2022.

Due to the limitations on in-person gatherings during the ongoing COVID-19 pandemic, the Commission will be holding the workshop virtually. Commission headquarters will not be open to the public for in-person participation. Interested persons may listen to the meeting via Zoom by calling (253) 215-8782 and using Meeting ID 992 9579 7002# and Passcode: 402344#. To participate in the meeting using Zoom on a computer or mobile device, [click here to join the meeting](#). If you wish to be placed on the interested parties contact list, please submit your request to the Commission's Records Center at records@utc.wa.gov.

If you wish to participate and need an interpreter, one will be provided at no cost to you. If you need an interpreter, please contact the Commission at least one business day prior to the meeting by calling (360) 664-1140 or by sending an email to paige.doyle@utc.wa.gov.

The Commission is committed to providing reasonable accommodations to participants with disabilities. If you need a reasonable accommodation for the workshop, please contact the Commission at least one business day prior to the workshop by calling (360) 664-1132 or by sending an email to human_resources@utc.wa.gov. For TTY service, please call the Washington Relay Service at 1-800-833-6384 or 711.

If you have questions regarding this workshop, you may contact Senior Accounting and Policy Advisor, Melissa Cheesman, at melissa.cheesman@utc.wa.gov or (360) 489-5270.

AMANDA MAXWELL
Executive Director and Secretary