

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

NWEC DATA REQUEST NO. 030:

On page 20 of his testimony, Witness Rabago references the utility transformation agendas of several leading states. Please answer the following questions about these states:

- a) Have any of these states implemented an attrition adjustment with the same or similar design to the one proposed by the Company in this case? If it is similar, please describe the differences in detail.
- b) Have any of these states begun their utility transformation agendas by implementing an attrition adjustment alone and without other associated reforms? If so, which states?

Response:

- a) Mr. Rábago is not aware of whether an attrition adjustment with the same or similar design to the one proposed by Puget Sound Energy (“PSE”) in this case has been implemented in any of the referenced leading states. As discussed on pages 20-22 of Prefiled Rebuttal Testimony of Karl R. Rábago, Exh. KRR-1T, there are a wide variety of flexible regulatory approaches to address earnings erosion in the face of sector transformation. The proposed attrition adjustment is a reasonable approach to promote earnings stability and risk reduction, which allows utilities and their financial stakeholders to embrace a transformation agenda.
- b) Mr. Rábago is not aware of any state that has begun a utility transformation agenda by implementing an attrition adjustment alone and without other associated reforms. As discussed above, there are many approaches to addressing utility transformation. PSE’s attrition adjustment, to support the spending it needs, is a good first step that can be implemented without further delay, as discussed on pages 28-30 of Exh. KRR-1T.