

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

NWEC DATA REQUEST NO. 031:

On page 22 of Witness Rabago's testimony he provides information about the NY REV initiative. He states: "Critical to the NY PSC's structure for earnings adjustments was a shift toward an outcome orientation that would reflect performance objectives and encourage utility innovation and an enterprise-wide approach to achieving results." Does the attrition adjustment proposed by the Company reflect performance objectives? If so, please explain how this linkage to performance objectives occurs in the implementation of the proposed mechanism?

Response:

Puget Sound Energy's attrition adjustment proposal is not tied to or conditioned on the achievement of specific performance mechanisms. Of course, each project for which spending and/or investment will be required will have a project plan and performance criteria of some kind associated with project management and execution. As discussed on page 29 of the Prefiled Rebuttal Testimony of Karl R. Rábago, Exh. KRR-1T, Mr. Rábago's experience has shown that performance-based ratemaking ("PBR"), like that in the NY REV proceeding, is complicated and time consuming. Mr. Rábago views PSE's attrition adjustment as a good first step that can be integrated easily into any subsequent PBR agenda.