

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

PUBLIC COUNSEL DATA REQUEST NO. 279:

Re: Rebuttal Testimony of PSE Witness Mr. Thomas M. Hunt, Exhibit TMH-8T¹

If PSE achieves 10/10 Safety and SQI goals but only 89 percent of its EBITDA goal, what percentage payout of their annual incentives will employees receive?

Response:

As described in the Prefiled Direct Testimony of Thomas M. Hunt, Exh. TMH-1T at 27:13-19, Puget Sound Energy's ("PSE") Annual Goals & Incentive Plan has two thresholds that both must be met for the plan to fund. In the example of Company performance with 10/10 Safety and SQI measures achieved and EBITDA of 89% of target, only one of the two plan thresholds would be met, and the plan would likely not fund incentives. However, as provided in general rule number eight of PSE's Annual Goals and Incentive Plan, pasted below, performance of EBITDA below the funding threshold could still result in the plan funding if the low performance was caused by "one-time events or other extenuating circumstances that the CEO determines are unrelated to company performance during the plan year."²

General rules for all employees

8. The adjusted EBITDA results may be modified to eliminate the effects of one-time events or other extenuating circumstances that the CEO determines are unrelated to company performance during the plan year. These modifications could increase or decrease the incentive pool funding.

¹ Note that Public Counsel's data request directed the question to Thomas M. Hunt but identified Exhibit MRM-11T. The substance of Public Counsel's request is best answered by Mr. Hunt.

² Hunt, Exh. TMH-7 at 5.