

**AVISTA UTILITIES
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION: Washington
CASE NO: UE-991606
 UG-991607

DATE PREPARED: 3/1/00

WITNESS: Tom Matthews
 Kathy Mitchell

REQUESTER: Staff
TYPE: Data Request
DUE DATE: 2/21/00
REQUEST NO.: 176

RESPONDER: Kathy Mitchell
DEPT: Rates
TELEPHONE: (509) 495-4407
FIELD AUDIT: ___ Yes X No

REQUEST:

Please provide all statistical research or studies that support the providing of signing bonuses to officers in the utilities industry from 1995 to 1999.

RESPONSE:

Please note that per Table 16 page 3 of Attachment E in the Company's response to WUTC Request No. 171, the signing bonuses for Mr. Matthews, Mr. Meyer and Mr. Turner pro formed in the test period are \$74,913 and \$18,761 for Washington Electric and Gas jurisdictions, respectively.

Signing bonuses are prevalent among executive and professional employees. These awards serve as an additional incentive to the recruit, drawing the executive to the new organization. Stock-based signing bonuses serve additional purposes - they provide the new hire with an immediate carried interest in the company, closely aligning the executive's financial wellbeing with the company's and, as they generally vest over a multi-year period, act as a retention incentive.

Please see the Company's response to WUTC Request No 177 for further discussion of executive compensation philosophy.

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| WUTC | | |
| DOCKET NO. <u>UE-991606</u> | | |
| EXHIBIT # <u>386</u> | | |
| ADMIT | W/D | REJECT |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |