

## Washington's Investor-Owned Utility Millionaire Executives

The five investor-owned utilities (IOUs) which provide gas and electric utilities to customers in Washington State paid their top executives a **combined \$51 million** in 2019. The average compensation for the top 3-4 executives of these utilities, according to filings with the Federal Security and Exchange Commission, was **\$2.7 million** – with the highest paid making **\$11.8 million**. The real amount is likely higher, as not all executive pay was publicly disclosed.

### Puget Sound Energy

Headquartered in Bellevue, WA, Puget Sound Energy (PSE) provides distribution of electricity and gas only in Washington State. PSE is a wholly owned subsidiary of Puget Holdings, which in turn, is entirely owned by five pension funds based in Canada and the Netherlands. PSE's operating revenues were \$3.4 billion in 2019.<sup>1</sup> All of the executives listed below were responsible in some way for PSE's utility operations.

Executives	Roles	Base Salary	Other Compensation	Total
Kimberly Harris <sup>2</sup>	Chief Executive Officer	989,799	10,784,569	11,774,368
Daniel Doyle	Chief Financial Officer	521,399	2,636,824	3,158,223
Steve Secrist	General Counsel	459,165	2,131,248	2,590,413
Marla Mellies	Chief Administrative Officer	382,671	1,979,232	2,361,903
<b>Total Top 4 Executives</b>		2,353,034	17,531,873	<b>19,884,907</b>

Source: PSE 2019 Form 10K, <https://www.pse.com/-/media/PDFs/PugetEnergy/PE12312019-10K-Final.pdf>, page 148.

### Avista Utilities

Headquartered in Spokane, WA, Avista Utilities provides distribution of electricity in Washington, Idaho and Oregon. The utility is a division of Avista Corporation, a publicly traded company on the stock market. Avista Utilities' operating revenues were \$1.3 billion in 2019, which comprises 99% of its parent company's income.<sup>3</sup> All of the executives listed below were in some way responsible for Avista's utility operations.

Executives	Roles	Base Salary	Other Compensation	Total
Scott Morris	Chairman & Former CEO	861,001	3,791,472	4,652,473
Dennis Vermillion	Chief Executive Officer	526,100	1,856,520	2,382,620
Mark Thies	Chief Financial Officer	443,154	1,274,414	1,717,568
Marian Durkin	Chief Legal Officer	378,462	1,023,048	1,401,510
<b>Total Top 4 Executives</b>		2,208,717	7,945,454	<b>10,154,171</b>

Source: Avista Corporation 2019 Proxy Statement, <https://investor.avistacorp.com/static-files/951165fe-1e18-4c12-9853-a1a4c8d96548>, page 48.

## Pacific Power

Pacific Power is part of the vast energy conglomeration of Berkshire Hathaway Energy (BHE), which includes eight large businesses operating across the United States and Great Britain which, in turn, are owned primarily by Berkshire Hathaway, Inc., a publicly traded company. Pacific Power is a direct subsidiary of PacifiCorp, which also owns Rocky Mountain Power, together providing utility services to six Northwestern States, including Washington. Revenues from PacifiCorp comprised 26% of Berkshire Hathaway Energy's \$19.8 billion in revenues for 2019.<sup>4</sup> All of the Berkshire Hathaway Energy executives listed below are in some way responsible for PacifiCorp's utility operations. Note, however, that Berkshire Hathaway Energy did not disclose the compensation of its CEO, William Fehrman, which would likely increase the total executive pay by a substantial amount.<sup>5</sup>

Executives	Roles	Base Salary	Other Compensation	Total
William Fehrman	Chair and CEO of BHE	unknown	unknown	unknown
Stefan Bird	Chair and CEO of PacifiCorp	365,000	1,137,550	1,502,550
Gary Hoogeveen	CEO of Rocky Mtn. Power	350,000	997,568	1,347,568
Nikki Kobliha	Chief Financial Officer of BHE	239,571	308,505	548,076
<b>Total Top 4 Executives</b>		954,571	2,443,623	<b>3,398,194</b>

Source: PacifiCorp/Berkshire Hathaway Energy 2019 Form 10k, [https://www.brkenenergy.com/assets/upload/financial-filing/BHE%2012.31.19%20Form%2010-K\\_FINAL.pdf](https://www.brkenenergy.com/assets/upload/financial-filing/BHE%2012.31.19%20Form%2010-K_FINAL.pdf), page 383.

## Cascade Natural Gas

Cascade Natural Gas is a wholly owned subsidiary of MDU Resources Group, which provides electricity and gas across eight north Midwestern and Western states through five different subsidiaries. MDU is headquartered in Bismarck, ND. Utility and energy transmission services made up 24% of MDU's \$5.3 billion in operating revenues in 2019.<sup>6</sup> All of the executives listed below are in some way responsible for MDU's utility operations.<sup>7</sup>

Executives	Roles	Base Salary	Other Compensation	Total
David Goodin	President and CEO	860,000	5,284,355	6,144,355
Nicole Kivisto	CEO - Utilities Division	455,000	1,517,052	1,972,052
Jason Vollmer	Chief Financial Officer	400,000	1,189,981	1,589,981
<b>Total Top 3 Executives</b>		\$1,819,083	7,991,388	<b>9,706,388</b>

Source: MDU Resources Group 2019 Proxy Statement: <http://d18rn0p25nwr6d.cloudfront.net/CIK-0000067716/e7e7485f-9cea-4dde-b978-0297278e6213.pdf>, page 50.

## Northwest Natural Gas

Headquartered in Portland, OR, Northwest Natural Gas Company provides natural gas in Washington, Oregon and Idaho. The utility is a wholly owned subsidiary of Northwest Natural Holdings, which is publicly traded on the stock market. Utility operations made up 99% of the holding company's \$740

million operating revenues in 2019.<sup>8</sup> All of the executives listed below are in some way responsible for Northwest Natural's utility operations.

Executives	Roles	Base	Other Compensation	Total
David Anderson	President and Chief Executive Officer	705,833	3,549,944	4,255,777
Frank Burkhartsmeier	Chief Financial Officer	425,917	720,942	1,146,859
MardiLyn Saathoff	General Counsel	379,000	647,496	1,026,496
Kimberly Heiting	Senior VP of Operations	308,333	993,676	1,302,009
<b>Total Top 4 Executives</b>		<b>1,819,083</b>	<b>5,912,058</b>	<b>7,731,141</b>

Source: NW Natural Holding Company 2019 Proxy Statement, <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001733998/325bf385-af99-43a6-9d1c-a363922b7cd8.pdf>, page 47.



Puget Sound Sage combines research, innovative public policy and organizing to ensure all people have an affordable place to live, a good job, a clean environment, and access to public transportation

<sup>1</sup> PSE 2019 Form 10K, <https://www.pse.com/-/media/PDFs/PugetEnergy/PE12312019-10K-Final.pdf>.

<sup>2</sup> Kimberly Harris was replaced as CEO by Mary Kipp at the beginning of 2020. Her annual compensation in this new role has not been disclosed.

<sup>3</sup> Avista Corporation 2019 Form 10k, <https://investor.avistacorp.com/node/23961/html>.

<sup>4</sup> PacifiCorp/Berkshire Hathaway Energy 2019 Form 10k, [https://www.brkenenergy.com/assets/upload/financial-filing/BHE%2012.31.19%20Form%2010-K\\_FINAL.pdf](https://www.brkenenergy.com/assets/upload/financial-filing/BHE%2012.31.19%20Form%2010-K_FINAL.pdf).

<sup>5</sup> However, parent company Berkshire Hathaway disclosed in its 2019 Proxy Statement that it paid its two Vice-Chairmen \$19 million each in 2020. William Fehrman reports directly to one of them. Source: <https://www.sec.gov/Archives/edgar/data/1067983/000119312520072952/d856491ddef14a.htm>.

<sup>6</sup> MDU Resources Group 2019 10k, <http://d18rn0p25nwr6d.cloudfront.net/CIK-0000067716/08b678f0-84cc-4017-b65c-c50363da5d6e.pdf>.

<sup>7</sup> For MDU Resources Group, executives of non-utility divisions were excluded from this list.

<sup>8</sup> Northwest Natural Holding Company 2019 Form 10k, <http://d18rn0p25nwr6d.cloudfront.net/CIK-0001733998/590b9f0b-b902-4eb7-bf56-8b6221d1382e.pdf>.