

**EXHIBIT NO. \_\_\_\_\_ (KJH-1T)  
DOCKET NO. UE-011570 and UG-011571  
WITNESS: KIMBERLY J. HARRIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.**

**Respondent.**

**DIRECT TESTIMONY OF KIMBERLY J. HARRIS  
ON BEHALF OF PUGET SOUND ENERGY, INC.  
REGARDING SETTLEMENT STIPULATION**

**JUNE 7, 2002**

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2 **PUGET SOUND ENERGY, INC.**

3 **DIRECT TESTIMONY OF KIMBERLY J. HARRIS**

4 **SETTLEMENT STIPULATION**

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6 **Q: Please state your name, business address and present position with**  
7 **Puget Sound Energy, Inc.**

8 A: My name is Kimberly Harris. My business address is One Bellevue Center,  
9 Suite 1500, 411 – 108th Ave. N.E., Bellevue, Washington 98004. I am the  
10 Vice President of Regulatory Affairs for Puget Sound Energy, Inc. ("PSE" or  
11 "the Company").

12 **Q: What do your responsibilities as Vice President of Regulatory Affairs**  
13 **include?**

14 A: I am responsible for the Company's federal and state regulatory activities  
15 and relationships. My job duties currently include oversight of PSE's pending  
16 General Rate Case, including the collaborative process that the parties have  
17 recently concluded and the settlement that is pending before the  
18 Commission for review and approval. I have participated in and/or overseen  
19 collaboratives for and will testify about the settlement with respect to overall  
20 policy matters and relocation and underground conversion issues. In the  
21 past, I have served as PSE's Director of Power Planning and as Associate  
22 General Counsel.

23 **Q: Why does PSE support the proposed Settlement Stipulation for**  
24 **Electric and Common Issues?**

25 A: PSE is separately submitting testimony regarding each Issue Agreement  
26 contained in the Settlement Stipulation to address specific issues involved in  
each Issue Agreement. In general, PSE believes that the Settlement

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Stipulation will result in rates, terms, and conditions of service that are fair, just, reasonable, and sufficient, and that the Settlement Stipulation is good for the Company, its customers, and its shareholders. The settlement will assist the Company in restoring its financial health, providing an overall 4.6 percent electric rate increase, about \$59 million annually for PSE. It also provides for a power cost adjustment mechanism, which should enhance the Company's financial stability and address investor concerns associated with volatility in wholesale power markets. The Settlement Stipulation also provides a number of other benefits to the Company and its customers, as described in greater detail in the other testimony submitted herewith.

**Q: How was this settlement achieved?**

A: The Settlement Stipulation was developed through the collaborative process that has been underway in the above-referenced dockets since late March, 2002. The parties' ability to reach agreement is a significant accomplishment that required an extraordinary commitment on behalf of the parties and their representatives, that in many respects required more effort than would be required for resolution of a rate case through litigation. I believe that the process will have lasting benefits to the Company and its customers because of the quality of the settlement achieved, the extensive communication that occurred regarding various interests and concerns, and the working relationships that have developed through this process. The Company looks forward to continuing to work collaboratively with its customers on many more issues into the future.

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