

**EXHIBIT NO. \_\_\_\_ (JB-1T)**  
**DOCKET NOS. UE-220066/UG-220067**  
**2022 PSE GENERAL RATE CASE**  
**WITNESS: JUSTIN BIEBER**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-220066**  
**Docket No. UG-220067**

**PREFILED RESPONSE TESTIMONY OF  
JUSTIN BIEBER  
ON BEHALF OF THE KROGER CO.**

**July 28, 2022**

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24 I joined Energy Strategies in 2017, where I provide regulatory and  
25 technical support on a variety of energy issues, including regulatory services,  
26 transmission and renewable development, and financial and economic analyses. I  
27 have also filed and supported the development of testimony before various state  
28 utility regulatory commissions.

29 Prior to joining Energy Strategies, I held positions at Pacific Gas and  
30 Electric Company as Manager of Transmission Project Development, ISO  
31 Relations and FERC Policy Principal, and Supervisor of Electric Generator  
32 Interconnections. During my career at Pacific Gas and Electric Company, I  
33 supported multiple facets of utility operations, and led efforts in policy,  
34 regulatory, and strategic initiatives. Prior to my work at Pacific Gas & Electric, I  
35 was a project manager and engineer for heavy construction bridge and highway  
36 projects.

37 **Q. Have you testified previously before this Commission?**

38 A. No, this is my first opportunity to testify before this Commission.

39 **Q. Have you filed testimony previously before any other state utility regulatory**  
40 **commissions?**

41 A. Yes. I have testified in regulatory proceedings on the subjects of utility  
42 rates and regulatory policy before state utility regulators in Colorado, Indiana,  
43 Kentucky, Michigan, Montana, Nevada, New Mexico, North Carolina, Ohio,  
44 Oregon, Utah, Virginia, and Wisconsin.

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47 **II. RECOMMENDATIONS**

48 **Q. What is the purpose of your testimony?**

49 A. My testimony addresses PSE’s proposed rate design for Schedules 141C,  
50 141N, and 141R. I also address the Company’s Conjunctive Demand Service  
51 Option pilot program. Absence of comment on my part regarding a particular  
52 issue does not signify support (or opposition) toward PSE’s filing with respect to  
53 the non-discussed issue.

54 **Q. Please summarize your conclusions and recommendations.**

55 PSE’s proposed rate design for Schedules 141C, 141N, and 141R would  
56 recover the entire revenue requirement for these riders through an energy based  
57 \$/kWh charge. This rate design would not be aligned with cost causation because  
58 these riders are intended to recover both *demand* and energy related costs. I  
59 recommend that the rider rate design applicable customers taking service on  
60 Schedules 25, 26, and 31 be modified to include an energy and *demand* rate  
61 component. This will improve the alignment between the rider rate design and  
62 the underlying cost of service and provide more efficient price signals to  
63 customers.

64 I strongly support the Company’s current Conjunctive Demand Service  
65 Option pilot program and recommend that it be expanded. It is a well-designed  
66 program that places a customer with multiple locations on an equal footing with  
67 single-site customers, by charging participating multi-site customers for the  
68 amount of generation and transmission services that they actually use, thereby  
69 promoting equitable treatment of these customers. Specifically, I recommend that

70 the Commission approve an expansion of the current Conjunctive Demand  
71 Service Option pilot program to increase the account limit from 5 accounts to 15  
72 accounts per customer, increase the customer's participating load limit from 2  
73 MW to 6 MW of winter demand, and increase the total retail load served under  
74 this program from 20 average megawatts to 40 average megawatts. I also  
75 recommend that the sunset provision be eliminated, and that PSE should include a  
76 proposal in its next general rate case to make this program permanent.

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### 78 III. SCHEDULE 141C, 141N, 141R RATE DESIGN

79 **Q. Please explain PSE's proposal to implement multiyear rate plan riders in this**  
80 **docket?**

81 A. PSE witness Birud Jhaveri explains that PSE is proposing to remove costs  
82 associated with Colstrip from base rates and to recover those costs through a  
83 separate tracking and true-up mechanism in Schedule 141C (Colstrip  
84 Adjustment).<sup>1</sup> Additionally, PSE witness Susan Free explains that in concert with  
85 base rates, PSE is proposing two new rate schedules, Schedule 141N (Rates not  
86 Subject to Refund) and Schedule 141R (Rates Subject to Refund), to recover rates  
87 that are subject to and not subject to refund. Rates associated with the recovery of  
88 depreciation and rate base for utility plant estimated to close or retire after 2021  
89 are included in Schedule 141R. Schedule 141N includes the rates associated with  
90 the recovery of costs not subject to refund, which includes all other costs not  
91 included in schedule 141R.<sup>2</sup>

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<sup>1</sup> Prefiled Direct Testimony of Birud D. Jhaveri, p. 3.

<sup>2</sup> Prefiled Direct Testimony of Susan E. Free, pp. 46-47.

92                   According to Mr. Jhaveri, Schedule 141C is designed to recover costs in  
93                   2023, while Schedules 141N and 141R are designed to recover costs throughout  
94                   the multiyear rate plan in 2023, 2024, and 2025.<sup>3</sup>

95   **Q.    Please explain PSE’s proposed rate design for Schedule 141C.**

96   A.            According to Mr. Jhaveri, PSE used the renewable peak credit  
97                   methodology to allocate the revenue requirement for schedule 141C. PSE  
98                   developed the energy charges for schedule 141C on a \$/kWh basis using the  
99                   forecasted load for all customer rate schedules.<sup>4</sup>

100 **Q.    Please explain PSE’s proposed rate design for Schedules 141N and 141R.**

101 A.            Mr. Jhaveri explains that the rate base costs from the electric cost of  
102                   service study by rate class were used to allocate the multiyear rate plan revenue  
103                   requirement for Schedules 141N and 141R. He also explains that PSE's revenue  
104                   requirement for schedule 141N was adjusted for base rate revenue changes caused  
105                   by changes in the forecast billing determinants between the rate plan periods. PSE  
106                   developed the energy charges for schedules 141N and 141R on \$/kWh basis using  
107                   the forecasted load for all customer rate schedules.

108 **Q.    What is your assessment of PSE’s proposed rate design for Schedules 141C,  
109            141N, and 141R.**

110 A.            PSE’s proposal to recover the entire revenue requirement for Schedules  
111                   141C, 141N, and 141R through energy based \$/kWh charges is not aligned with  
112                   the underlying cost causation. A very significant portion of these costs are fixed  
113                   demand-related costs, yet PSE’s proposed rate design would recover all of the

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<sup>3</sup> Prefiled Direct Testimony of Birud D. Jhaveri, p. 3.

<sup>4</sup> *Id.* pp. 33-34.

114 costs from these rider rate schedules on a volumetric basis through energy \$/kWh  
115 charges for all customer classes.

116 **Q. From a customer's perspective, why should it matter if PSE proposes to**  
117 **recover all demand-related costs in Schedules 141C, 141N, and 141R through**  
118 **energy \$/kWh charges?**

119 A. If a utility proposes a demand charge that is below the cost of demand, or  
120 zero in the case for these rate riders, it must seek to recover its class revenue  
121 requirement by over-recovering its costs in another area, most typically through  
122 levying an energy charge that is above unit energy costs. When demand charges  
123 are set below cost, and energy charges are set above cost, those customers with  
124 relatively higher load factors are required to subsidize the lower load factor  
125 customers within the customer class.

126 **Q. How do you define higher load factor customers?**

127 A. For purposes of this discussion, I use this term to refer to customers whose  
128 load factors are greater than the average for the rate schedule.

129 **Q. Why is it important for rate design to be representative of underlying cost**  
130 **causation?**

131 A. Aligning rate design with underlying cost causation improves efficiency  
132 because it sends proper price signals. For example, setting a demand charge below  
133 the cost of demand understates the economic cost of demand-related assets, which  
134 in turn distorts consumption decisions, and calls forth a greater level of  
135 investment in fixed assets than is economically desirable.



136 At the same time, aligning rate design with cost causation is important for  
137 ensuring equity among customers, because properly aligning rate design with  
138 costs minimizes cross-subsidies among customers. As I stated above, if demand  
139 costs are understated in utility rates, the costs are made up elsewhere — typically  
140 in energy rates. When this happens, higher-load-factor customers (who use fixed  
141 assets relatively efficiently through relatively constant energy usage) are forced to  
142 pay the demand-related costs of lower-load-factor customers. This amounts to a  
143 cross-subsidy that is fundamentally inequitable.

144 **Q. Does the Company recognize the importance of aligning rate design with the**  
145 **underlying costs?**

146 A. Yes. According to Mr. Jhaveri, rates should provide for recovery of the  
147 Company's total revenue requirement, provide revenue stability and predictability  
148 to the utility and its customers, *reflect the cost of providing service, be fair, send*  
149 *proper price signals*, and be simple and understandable [*emphasis added*].<sup>5</sup>

150 **Q. What rate design do you recommend for Schedule 141C applicable to**  
151 **customers on base rate Schedules 26 and 31?**

152 A. I recommend that the rider rate design applicable to customers taking  
153 service on base rate Schedules 26 and 31 be modified to include an energy and  
154 demand rate component that is aligned with the underlying cost of service. As I  
155 explained above, PSE proposes to use the renewable peak credit methodology to  
156 allocate the revenue requirement for schedule 141C. As a result, PSE classified  
157 and allocated 20% of the costs on the basis of class energy usage and 80% of the

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<sup>5</sup> *Id.* p. 26.

158 costs on the basis of the class 12-coincident peak demand.<sup>6</sup> Therefore, I  
159 recommend that the rate design for Schedule 141C, as applicable to customer  
160 classes 26 and 31, should recover 20% of the Schedule 141C revenue requirement  
161 through energy \$/kWh charges and the remaining 80% of the costs should be  
162 recovered through demand \$/kW charges.

163 Specifically, my recommended rate design sets the energy \$/kWh charge  
164 at a level that will recover the 20% of Schedule 141C costs that PSE classified as  
165 energy related. The summer and winter \$/kW demand charges are set at a level  
166 that will recover the 80% of Schedule 141C costs that PSE classified as demand-  
167 related while also maintaining the same proportional rate design relationship  
168 between these two summer and winter rate components that is contained in PSE's  
169 proposed base rate design. My recommended rate design modifications are  
170 revenue-neutral to the Company.

171 **Q. What rate design do you recommend for Schedule 141C applicable to**  
172 **customers on base rate Schedule 25?**

173 A. The base rate design for customers on Schedule 25 secondary includes an  
174 energy charge applicable to the first 20,000 kWh of winter usage, an energy  
175 charge applicable to the first 20,000 kWh of summer usage, an energy charge  
176 applicable to all additional kWh, and summer and winter \$/kW demand charges  
177 that only apply to demands above 50 kW. The energy charges for usage below  
178 20,000 kWh are both higher than the base energy charge that is applicable to  
179 monthly usage above 20,000 kWh. This premium, or difference, between the  
180 energy charge applicable to the first 20,000 kWh of usage and the base energy

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<sup>6</sup> *Id.* Exhibit BDJ-5, Exhibit No. BDJ-141C.

181 charge applicable to all additional kWh effectively recovers demand-related costs  
182 associated with customer demands below 50 kW. The summer and winter \$/kW  
183 demand charges that apply to customer demands greater than 50 kW also recover  
184 demand-related costs, however, customers whose monthly peak demands never  
185 exceed 50 kW do not pay these \$/kW demand charges.

186 In order to be consistent with the PSE's existing base rate design structure  
187 for this customer class, I recommend that the Schedule 141C rider rate design  
188 include energy \$/kWh charges and demand \$/kW charges that are each set at an  
189 equal percentage of the corresponding base rate component. This rate design will  
190 not result in 100% alignment with PSE's proposed classification of energy and  
191 demand costs to be recovered through rider 141C as I have proposed above.  
192 However, it does *improve* the alignment by incorporating some demand-related  
193 revenue recovery without distorting the existing Schedule 25 rate design  
194 relationships or shielding customers with demands less than 50 kW from paying  
195 for a reasonable level of demand-related cost. Similarly, these recommended rate  
196 design modifications are revenue-neutral to the Company.

197 **Q. Please summarize your recommended rates for Schedule 141C applicable to**  
198 **customers on base rate Schedules 25, 26, and 31 at PSE's proposed revenue**  
199 **requirements?**

200 A. The revenue verification for my proposed rate design is presented in  
201 Exhibit JB-2 and my recommended rates are summarized in Table JB-1 below.

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**Table JB-1**

**Kroger Proposed 141C Rate Design  
Applicable to Customers on Base Rate Schedules 25, 26, and 31  
at PSE's Proposed Revenue Requirement**

Tariff	PSE Proposed		
	Base Rate	Sch 141C	Sch 141C
	(\$) (a)	(\$) (b)	% of Base Rate (c) = (b) / (a)
25	Energy Charges		
25	First 20,000 kWh (Oct to Mar)	0.092070	0.002547 2.77%
25	First 20,000 kWh (Apr to Sep)	0.082978	0.002296 2.77%
25	All additional kWh	0.065630	0.001816 2.77%
25	Demand Charges		
25	Winter Demand over 50 kW	10.12	0.28 2.77%
25	Summer Demand over 50 kW	6.75	0.19 2.77%
26	Energy Charge (All kWh)	0.058595	0.000460 0.78%
26	Demand Charges		
26	Winter Demand (Oct to Mar)	12.23	0.92 7.50%
26	Summer Demand (Apr to Sep)	8.15	0.61 7.50%
31	Energy Charge (All kWh)	0.056836	0.000441 0.78%
31	Demand Charges		
31	Winter Demand (Oct to Mar)	11.94	0.86 7.21%
31	Summer Demand (Apr to Sep)	7.96	0.57 7.21%

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208 **Q. What rate design do you recommend for Schedule 141N and 141R applicable**  
209 **to customers on base rate Schedules 25, 26, and 31?**

210 A. As I explained above, the rate base costs from the electric cost of service  
211 study by rate class were used to allocate the multiyear rate plan revenue  
212 requirement for Schedules 141N and 141R. The nature of the costs proposed to  
213 be recovered through these riders is similar to the costs that are recovered through  
214 base rates. Therefore, it is appropriate to utilize a rate design for Schedules 141N  
215 and 141R that is consistent with the base rate design. I recommend that the rate  
216 design for Schedule 141N and 141R should include energy \$/kWh charges and  
217 demand \$/kW charges that are each set at an equal percentage of the  
218 corresponding base rate component. This rate design for Schedules 141N and  
219 141R will maintain the existing rate design relationships contained in PSE's  
220 proposed base rates in this docket. And similar to my recommendations described  
221 above, these recommended rate design modifications are revenue-neutral to the  
222 Company.

223 **Q. Please summarize your recommended rates for Schedule 141N and 141R**  
224 **applicable to customers on base rate Schedules 25, 26, and 31 at PSE's**  
225 **proposed revenue requirements?**

226 A. The revenue verification for my proposed rate design is presented in  
227 Exhibit JB-2. The proposed rates are summarized in Tables JB-2 through JB-4  
228 below.

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**Table JB-2**  
**Kroger Proposed 141N and 141R Rate Design**  
**at PSE's Proposed Revenue Requirement - 2023**  
**Applicable to Customers on Base Rate Schedules**  
**25 and 26 Secondary and 31 Primary**

Tariff		PSE Proposed				
		Base Rate	Sch 141N	Sch 141N	Sch 141R	Sch 141R
		(\$)	(\$)	% of Base Rate	Rate (\$)	% of Base Rate
		(a)	(b)	(c) = (b) / (a)	(d)	(e) = (d) / (a)
25	Energy Charges					
25	First 20,000 kWh (Oct to Mar)	0.092070	0.010640	11.56%	0.004525	4.91%
25	First 20,000 kWh (Apr to Sep)	0.082978	0.009590	11.56%	0.004078	4.91%
25	All additional kWh	0.065630	0.007585	11.56%	0.003225	4.91%
25	Demand Charges					
25	Winter Demand over 50 kW	10.12	1.17	11.56%	0.50	4.91%
25	Summer Demand over 50 kW	6.75	0.78	11.56%	0.33	4.91%
26	Energy Charge (All kWh)	0.058595	0.006424	10.96%	0.002732	4.66%
26	Demand Charges					
26	Winter Demand (Oct to Mar)	12.23	1.34	10.96%	0.57	4.66%
26	Summer Demand (Apr to Sep)	8.15	0.89	10.96%	0.38	4.66%
31	Energy Charge (All kWh)	0.056836	0.006307	11.10%	0.002682	4.72%
31	Demand Charges					
31	Winter Demand (Oct to Mar)	11.94	1.32	11.10%	0.56	4.72%
31	Summer Demand (Apr to Sep)	7.96	0.88	11.10%	0.38	4.72%

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**Table JB-3**  
**Kroger Proposed 141N and 141R Rate Design**  
**at PSE’s Proposed Revenue Requirement - 2024**  
**Applicable to Customers on Base Rate Schedules**  
**25 and 26 Secondary and 31 Primary**

Tariff	PSE Proposed						
	Base Rate	Sch 141N	Sch 141N	Sch 141R	Sch 141R		
	(\$)	(\$)	% of Base Rate	Rate (\$)	% of Base Rate		
	(a)	(b)	(c) = (b) / (a)	(d)	(e) = (d) / (a)		
25	Energy Charges						
25	First 20,000 kWh (Oct to Mar)	0.092070	0.008083	8.78%	0.009640	10.47%	
25	First 20,000 kWh (Apr to Sep)	0.082978	0.007284	8.78%	0.008688	10.47%	
25	All additional kWh	0.065630	0.005761	8.78%	0.006872	10.47%	
25	Demand Charges						
25	Winter Demand over 50 kW	10.12	0.89	8.78%	1.06	10.47%	
25	Summer Demand over 50 kW	6.75	0.59	8.78%	0.71	10.47%	
26	Energy Charge (All kWh)	0.058595	0.004896	8.36%	0.005839	9.97%	
26	Demand Charges						
26	Winter Demand (Oct to Mar)	12.23	1.02	8.36%	1.22	9.97%	
26	Summer Demand (Apr to Sep)	8.15	0.68	8.36%	0.81	9.97%	
31	Energy Charge (All kWh)	0.056836	0.004851	8.53%	0.005785	10.18%	
31	Demand Charges						
31	Winter Demand (Oct to Mar)	11.94	1.02	8.53%	1.22	10.18%	
241	31	Summer Demand (Apr to Sep)	7.96	0.68	8.53%	0.81	10.18%
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**Table JB-4**  
**Kroger Proposed 141N and 141R Rate Design**  
**at PSE’s Proposed Revenue Requirement - 2025**  
**Applicable to Customers on Base Rate Schedules**  
**25 and 26 Secondary and 31 Primary**

Tariff		PSE Proposed					
		Base Rate	Sch 141N	Sch 141N	Sch 141R	Sch 141R	
		(\$)	(\$)	% of Base Rate	Rate (\$)	% of Base Rate	
		(a)	(b)	(c) = (b) / (a)	(d)	(e) = (d) / (a)	
25	Energy Charges						
25	First 20,000 kWh (Oct to Mar)	0.092070	0.003523	3.83%	0.014643	15.90%	
25	First 20,000 kWh (Apr to Sep)	0.082978	0.003175	3.83%	0.013197	15.90%	
25	All additional kWh	0.065630	0.002511	3.83%	0.010438	15.90%	
25	Demand Charges						
25	Winter Demand over 50 kW	10.12	0.39	3.83%	1.61	15.90%	
25	Summer Demand over 50 kW	6.75	0.26	3.83%	1.07	15.90%	
26	Energy Charge (All kWh)	0.058595	0.002130	3.63%	0.008852	15.11%	
26	Demand Charges						
26	Winter Demand (Oct to Mar)	12.23	0.44	3.63%	1.85	15.11%	
26	Summer Demand (Apr to Sep)	8.15	0.30	3.63%	1.23	15.11%	
31	Energy Charge (All kWh)	0.056836	0.002131	3.75%	0.008860	15.59%	
31	Demand Charges						
31	Winter Demand (Oct to Mar)	11.94	0.45	3.75%	1.86	15.59%	
248	31	Summer Demand (Apr to Sep)	7.96	0.30	3.75%	1.24	15.59%

249 **Q. Have you prepared a rate impact analysis that incorporates your**  
250 **recommended changes to the Schedule 141C, 141N, and 141R rate designs?**

251 **A.** Yes. My rate impact analysis is presented in Exhibit JB-3 and illustrates  
252 the total bill impacts to customers that would result from my recommended rate  
253 design modifications at the Company’s proposed revenue requirement. As can be  
254 seen in Exhibit JB-3, the variance between the monthly bill impacts for customers  
255 with different load profiles is roughly the same magnitude as would result from  
256 PSE’s proposed rate designs. However, where PSE’s proposed rider rate designs  
257 would have resulted in slightly lower rate impacts for customers with lower load  
258 factors, my recommended rate design would result in slightly lower rate impacts



259 for customers with higher load factors. This is a reasonable result that better  
260 reflects the actual cost of service to serve customers on base rate Schedules 25,  
261 26, and 31.

262 **Q. Your proposed rate design was calculated using PSE's proposed revenue**  
263 **requirement. How should your proposed rate design be implemented if the**  
264 **Commission adopts different rider revenue requirements?**

265 A. To the extent that the Commission approves different revenue targets for  
266 riders 141C, 141N, and 141R, I recommend that each rate element in my  
267 proposed rate designs contained in Exhibit JB-2 be reduced by an equal  
268 percentage in order to recover the approved revenue requirement. Adjusting the  
269 rate design in this manner will maintain the approximate rate design relationships  
270 contained in my recommended rate designs.

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#### 272 **IV. CONJUNCTIVE DEMAND SERVICE OPTION PILOT**

273 **Q. Please describe PSE's Conjunctive Demand Service Option.**

274 A. PSE's Conjunctive Demand Service Option is a pilot program that allows  
275 eligible customers with multiple service locations to aggregate their demands for  
276 purposes of power and transmission billing. The Company measures the highest  
277 hourly demand occurring simultaneously across each of a customer's participating  
278 locations, thereby measuring billing demand for the totality of the customer's  
279 participating sites as if it were a single load for billing purposes. This is described  
280 as conjunctive demand billing and only applies to the customer's generation and

281 transmission service. The distribution portion of the bill is calculated using  
282 demand billing determinants established separately at each location.<sup>7</sup>

283 **Q. What are the customer eligibility criteria for the Conjunctive Demand**  
284 **Service Option pilot program?**

285 A. The pilot program is currently only available to customers taking service  
286 under electric Schedules 26 or 31. These customers are required to install  
287 advanced metering infrastructure for accurate demand measurements and agree to  
288 have all of the participating facilities on the same billing cycle. Also, with the  
289 exception of customers involved in the electric vehicle industry, the pilot program  
290 is limited to no more than five locations and 2 MW per eligible customer. The  
291 total program size for customers on Schedules 26 and 31 is limited to 20 average  
292 megawatts. The current pilot program will terminate with the last billing cycle in  
293 December 2026.<sup>8</sup>

294 **Q. What is your assessment of the Company's conjunctive demand pilot**  
295 **program?**

296 A. I strongly support the Company's conjunctive demand pilot program.  
297 This type of aggregation properly allows a multi-site customer to capture the  
298 diversity within its loads for billing purposes, specifically in the determination of  
299 billing demand. By treating the multiple loads of a single customer as a single  
300 entity for the purpose of measuring the amount of power and transmission service  
301 provided to the customer, the customer's load is treated in a manner that is  
302 comparable to the treatment of a single-site customer with the same aggregate

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<sup>7</sup> *Id.* Exhibit BDJ-19, p. 13.

<sup>8</sup> *Id.*

303 load shape. It is also comparable to the way the customer's load would be viewed  
304 in a competitive market.

305 **Q. Why is it appropriate to apply a conjunctive demand rate to fixed generation**  
306 **and transmission costs as distinct from distribution costs?**

307 A. Each facility owned by a multi-site customer causes unique distribution  
308 costs and therefore it is appropriate to recover those costs based on the peak  
309 demand of each individual facility. But that is not the case for fixed production  
310 and transmission costs. At the power supply and transmission level, it does not  
311 make a difference whether 5 MW in a given hour is going to a single-site  
312 customer with a 5 MW load or to a multi-site customer with five facilities taking  
313 1 MW each. The cost to produce and transmit the 5 MW in that hour is the same  
314 in both cases. In PSE's last general rate case, Mr. Piliaris correctly recognized this  
315 neutrality with respect to cost causation when he stated that "customers served by  
316 PSE through multiple locations look no different (i.e., have no materially different  
317 cost of service) than a single customer with similar load characteristics."<sup>9</sup>

318 For a multi-site customer, it would not be unusual for each of its sites to be  
319 peaking at a different hour in each month. Under the current rate structure, this  
320 means that the customer's cumulative billing demand for fixed production costs  
321 would exceed the customer's actual aggregated peak demand measured on an  
322 hour-by-hour basis (as if it were a single-site customer). In other words, under the  
323 current rate structure, the multi-site customer might be billed for 5.5 MW of fixed  
324 production demand based on the sum of the individual peaks of each of its sites

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<sup>9</sup> 2019 PSE General Rate Case, Docket UE-190529 (June 20, 2019), Prefiled Direct Testimony of Jon. A. Piliaris (Exhibit JAP-1T), p. 31.

325 (occurring at different hours), whereas in fact, the customer's actual aggregate  
326 demand for fixed production demand in any hour might be no greater than 5 MW.  
327 A conjunctive demand can correct for this upward bias in the billing demand that  
328 would otherwise be charged to a multi-site customer by aggregating the  
329 customer's billing demands for peak demand measurement purposes. With the  
330 proper metering in place, this correction simply charges multi-site customers for  
331 the fixed production service that they actually use and places them on an equal  
332 footing with single-site customers. Under a well-designed conjunctive demand  
333 rate, such as PSE's current pilot program, a multi-site customer that has the same  
334 aggregate demand for power supply as a single-site customer pays exactly the  
335 same rate and dollar amount for power supply as that single-site customer.

336 **Q. What is your recommendation regarding PSE's conjunctive demand billing**  
337 **proposal?**

338 A. I recommend that the Commission approve an expansion of the current  
339 Conjunctive Demand Service Option pilot program to increase the account limit  
340 from 5 accounts to 15 accounts per customer, increase the customer's  
341 participating load limit to 6 MW of winter demand, and increase the limit for the  
342 total retail load served under this program from 20 average megawatts to 40  
343 average megawatts. I also recommend that the sunset provision be eliminated, and  
344 that PSE should include a proposal in its next general rate case to make this  
345 program permanent.

346 Kroger is currently participating in this pilot program and Kroger's  
347 experience with the program to date has been very positive. It is a well-designed

348 demand aggregation program that places a customer with multiple locations on an  
349 equal footing with single-site customers, by charging participating multi-site  
350 customers for the amount of generation and transmission services that they  
351 actually use, thereby promoting equitable treatment of these customers. It is also  
352 comparable to the way the customer's load would be viewed in a competitive  
353 market.

354 **Q. Does this conclude your response testimony?**

355 A. Yes, it does.

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-220066**

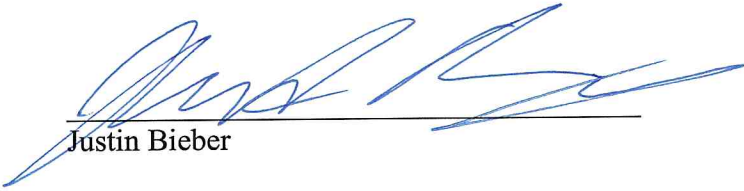
**Docket No. UG-220067**

**AFFIDAVIT OF JUSTIN BIEBER**

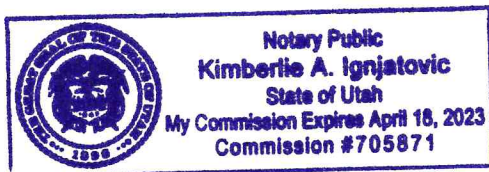
STATE OF UTAH                    )  
  )  
COUNTY OF SALT LAKE        )

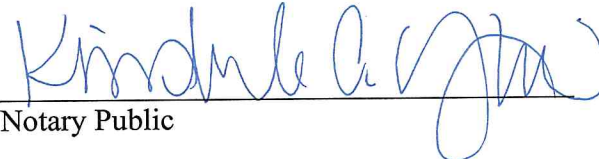
Justin Bieber, being first duly sworn, deposes and states that:

1. He is an Associate Principal with Energy Strategies. L.L.C., in Salt Lake City, Utah;
2. He is the witness who sponsors the accompanying testimony entitled "Prefiled Response Testimony of Justin Bieber;"
3. Said testimony was prepared by him and under his direction and supervision;
4. If inquiries were made as to the facts and schedules in said testimony he would respond as therein set forth; and
5. The aforesaid testimony and schedules are true and correct to the best of his knowledge, information and belief.

  
\_\_\_\_\_  
Justin Bieber

Subscribed and sworn to or affirmed before me this 26<sup>th</sup> day of July, 2022, by Justin Bieber.



  
\_\_\_\_\_  
Notary Public