

**BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Washington Utilities and Transportation Commission	:	DOCKET NO. UE-040641
	:	DOCKET NO. UG-040640
	:	
Complainant,	:	
v.	:	PETITION TO INTERVENE OF
	:	OF THE KROGER CO. ON
Puget Sound Energy, Inc.	:	BEHALF OF THE FRED MEYER
	:	STORES AND QUALITY FOOD
Respondent.	:	CENTERS
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PETITION TO INTERVENE

Pursuant to WAC 480-09-430, the Kroger Co., on behalf of its Fred Meyer Stores (“Fred Meyer”) and Quality Food Centers (“QFC”) divisions, petitions to intervene in these proceedings and states in support as follows:

1. Name and Addresses of Petitioner:

Quality Food Centers, Inc.
10116 N.E. 8th Street
Bellevue, WA 98004

Fred Meyer Stores, Inc.
3800 Southeast 2nd Street
Portland, OR 99202

The Kroger Co.
1014 Vine Street, G-07
Cincinnati, Ohio 45202
Telephone: 513-762-4538 Facsimile: 513-762-4012
E-mail: dgeorge@kroger.com

2. Name and Address of Attorney Representing Petitioner:

Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.
BOEHM, KURTZ & LOWRY
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3. Identify the Petitioner:

Petitioner is a retail electric and natural gas customer of Puget Sound Electric, Inc. (“PSE”). Petitioner has approximately 66 grocery stores and other facilities that purchase their electric supply from PSE and approximately 112 facilities that purchase their natural gas supply from PSE. Several stores purchase both utility services from PSE.

4. Petitioner’s Interest in this Proceeding:

Kroger is a corporation engaged in the business of selling groceries at retail throughout the United States. One of the largest retail food companies in the United States, Kroger operates approximately 130 grocery stores in the state of Washington under the Fred Meyer and QFC banners. Of that total, 66 purchase their electric supply from PSE. These stores purchase more than 185 million kWh of electricity from PSE annually under various rate schedules and have a peak demand in excess of 27 MW. Petitioner is one of the largest commercial customers served by PSE. The grocery stores operated by Fred Meyer and QFC are high load factor facilities that use energy for food storage, lighting, heating, cooling and distribution, often on a 24 hour a day, 7 day a week basis. If PSE’s rate increase request is granted, then the cost for electric power service to Petitioner will substantially increase. Accordingly, Petitioner has a substantial and vital interest in the outcome of this electric rate case which cannot be adequately represented by any other party.

These Fred Meyer and QFC stores are also substantial natural gas customers of PSE. On an annual basis Petitioner purchases approximately 300,000 Mcf from PSE at 112 locations. If PSE’s request to increase its natural gas base rates is approved, then Petitioner’s cost will be substantially affected. Accordingly, Petitioner has a substantial and direct interest in the outcome of the gas rate case which cannot be accurately represented by any other party.

5. Reason for Late Intervention:

Kroger operates approximately 3,400 grocery stores, convenience stores, distribution facilities and manufacturing plants in 34 states, including Washington. The energy supply function of Kroger is centrally managed by its corporate energy department in Cincinnati, Ohio. Petitioner's legal counsel and expert witness are experienced in all facets of electric utility and gas utility rate regulation, have extensive experience in many states, and will productively assist this Commission in its decision making process. Therefore, Petitioner's participation is in the public interest.

6. Issues To Be Raised:

Petitioner will examine whether the gas and electric rate increases sought by PSE are just and reasonable and whether the proposed rate spread and rate design is just and reasonable.

7. Testimony of Witnesses:

If Petitioner submits written direct testimony or exhibits, it will be prepared by Mr. Kevin C. Higgins, a principal in the firm Energy Strategies, LLC of Salt Lake City, Utah. Petitioner also intends to cross examine the witnesses called by the other parties to this proceeding and to submit written briefs as appropriate.

WHEREFORE, for the reasons set forth above, Petitioner requests that this Petition to Intervene be granted.

DATED this 16th day of April, 2004

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CERTIFICATE OF SERVICE

I certify that I have this 16th day of April, 2004, served the foregoing Petition to Intervene of the Kroger Co. on behalf of the Fred Meyer Stores and Quality Food Centers by overnight mail to the Washington Utilities And Transportation Commission; and depositing same, postage prepaid, in the United States Mail to all parties of record at their addresses shown below:

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