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and OVERNIGHT MAIL

February 18, 2010

Commission Secretary
Washington Utilities and Transportation Commission,
P.O. Box 47250
1300 S. Evergreen Park Drive, S.W.
Olympia, Washington 98504-7250

Re: Docket No. UE-090704 & UG-090705

Dear Commission Secretary:

Please find enclosed the original and twenty-one (21) copies of the BRIEF OF THE KROGER CO. filed in the above-referenced matter. Please note that we also filed the above via electronic mail.

By copy of this letter, all parties listed on the Certificate of Service have been electronically served. Please place this document of file.

Very Truly Yours,



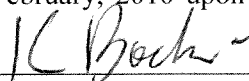
Michael L. Kurtz, Esq.
Kurt J. Boehm, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Enclosures
cc: Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing on all parties by regular U.S. mail and electronic mail (when available) this 18th day of February, 2010 upon the parties listed on the attached Certificate of Service.



Kurt J. Boehm, Esq.

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-090704

Docket No. UG-090705

BRIEF OF KROGER CO.

Comes now, Kroger Co. and submits this Brief in support of its recommendation that the Commission approve the Electric Rate Spread and Design Settlement filed on January 15, 2010.

1. Kroger Recommends That The Commission Approve The Electric Rate Spread And Design Settlement.

On January 15, 2010 PSE, Staff, Public Counsel, ICNU, and Kroger (hereinafter collectively referred to as “Settling Parties”) filed a Multiparty Settlement Agreement concerning Electric Rate Spread and Electric Rate Design (the “Multiparty Settlement”).

Kroger believes that the rate spread set forth in the Multiparty Settlement represents a reasonable balancing of the factors used by the Commission to set rates, including cost-of-service, fairness, perceptions of equity, economic conditions in the service territory, gradualism, and rate stability. Kroger believes the rate spread approach in the Multiparty Settlement is equitable because it

appropriately balances considerations of cost causation and gradualism, as evidenced by the adoption of a below-average percentage increase for Schedule 25.

The rate design component of the Multiparty Settlement is also reasonable. Rates should be designed to correctly reflect costs and to provide for revenue collection within customer classes that is fair and reasonable. Kroger believes the rate design in the Multiparty Settlement reasonably aligns rate components with customer-related, demand-related, and energy-related costs for the rate schedules under which Kroger takes service. Taken together, the Multiparty Settlement produces a rate spread and rate design that is in the public interest.

For these reasons, and the reasons set forth in the Joint Testimony of the Settling Parties filed contemporaneously with the Multiparty Settlement, Kroger recommends that the Commission approve the Settlement in its entirety.

DATED this 18th day of February, 2010.



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MASTER SERVICE LIST

As of: 11/16/09 Docket: UE-090704 Page: 1
 Name: Puget Sound Energy (E012)
 Comments: General rate increase to recover increased electric cost. Annual
 revenue impact is approximately \$148,148,000 Million (7.4 percent).
 Original MSL Date:

| Status | Name and Address..... | Phone & Fax..... | Added.... | By. |
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Status Name and Address..... Phone & Fax..... Added.... By.

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