

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-220066 and  
UG-220067

*(consolidated)*

In the Matter of the Petition of

PUGET SOUND ENERGY

DOCKET UG-210918

For an Order Authorizing Deferred  
Accounting Treatment for Puget Sound  
Energy's Share of Costs Associated with the  
Tacoma LNG Facility

**TESTIMONY OF ALI AL-JABIR**

**IN SUPPORT OF THE PARTIAL MULTI-PARTY SETTLEMENT AGREEMENT**

**ON BEHALF OF**

**THE FEDERAL EXECUTIVE AGENCIES**

**August 26, 2022**

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1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 **A.** Ali Al-Jabir. My business address is 5151 Flynn Parkway, Suite 412 C/D, Corpus  
3 Christi, Texas, 78411.

4 **Q. DID YOU PREVIOUSLY FILE RESPONSE TESTIMONY IN THIS**  
5 **PROCEEDING?**

6 **A.** Yes.

7 **Q. ON WHOSE BEHALF ARE YOU APPEARING IN THIS PROCEEDING?**

8 **A.** I am appearing on behalf of the Federal Executive Agencies (“FEA”). Our firm is under  
9 contract with The United States Department of the Navy (“Navy”) to perform cost of  
10 service, rate design and related studies. The Navy represents the Department of Defense  
11 and all other Federal Executive Agencies in this proceeding. The FEA is one of the  
12 largest consumers of electricity in the service territory of Puget Sound Energy (“PSE”  
13 or “the Company”) and takes electric service from the Company primarily on  
14 Schedule 49.

15 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN SUPPORT OF THE**  
16 **SETTLEMENT AGREEMENT?**

17 **A.** My testimony sets forth the reasons that the FEA supports the Partial Multi-Party  
18 Settlement (“Settlement”) in this proceeding. The Settlement has been executed by the  
19 following parties in this case: (i) PSE; (ii) the regulatory staff of the Washington  
20 Utilities and Transportation Commission (“Commission Staff”); (iii) Alliance of  
21 Western Energy Consumers (“AWEC”); (iv) the FEA; (v) Walmart, Inc. (“Walmart”);  
22 (vi) The Energy Project; (vii) Kroger, Co. (“Kroger”); (viii) NW Energy Coalition; (ix)  
23 Sierra Club; (x) Front and Centered; (xi) Microsoft and (xii) Nucor Steel Seattle, Inc.  
24 (“Nucor”). The Settlement addresses all issues in PSE’s general rate case proceeding

1 except those issues relating to the Tacoma Liquefied Natural Gas (“LNG”) Facility and  
2 PSE’s Green Direct Program.

3 PSE, Commission Staff, AWEC, Walmart, Kroger, and Nucor have also entered  
4 into an accompanying agreement to resolve issues regarding the Tacoma LNG facility.  
5 On August 5, 2022, a partial multi-party settlement on the Green Direct program was  
6 filed with the Commission, along with supporting testimony. The parties to the Green  
7 Direct settlement are PSE, Commission Staff, Public Counsel, King County, and  
8 Walmart.

9 **Support for the Settlement**

10 **Q. WHY DOES THE SUBSTANCE OF THE SETTLEMENT SATISFY THE**  
11 **INTERESTS OF THE FEA?**

12 A. The Settlement is acceptable to the FEA because it reduces the Rate Year 1 electric  
13 revenue requirement increase from approximately \$311 million under PSE’s original  
14 filing in this proceeding to approximately \$223 million under the Settlement. For Rate  
15 Year 2, the Settlement reduces the incremental revenue requirement increase from \$63  
16 million under the Company’s original filing to \$38 million under the Settlement.

17 The Settlement is also acceptable to the FEA for three other reasons. First, it  
18 results in a movement in the direction of more cost-based rates for Schedule 49.  
19 Specifically, the Settlement moves Schedule 49 closer to parity by allocating 150% of  
20 the adjusted average percentage electric base rate decrease to this rate schedule.

21 Second, the Settlement adopts the FEA’s proposal to incorporate both demand  
22 and energy charges into the design of the Colstrip rider (Schedule 141-C) and the  
23 multi-year rate plan riders (Schedules 141-R and 141-N) for all rate schedules with

1 demand-based charges. This provision of the Settlement makes the rate design of these  
2 riders more consistent with cost-causation.

3 Finally, the Settlement ensures that the cost of the Targeted Electrification Pilot  
4 and the Targeted Electrification Strategy, as described in the Settlement, will be  
5 allocated in a manner that is consistent with cost-causation principles. Specifically, the  
6 pilot program costs will be spread to each electric rate schedule based on the schedule's  
7 share of total Electrification Pilot program funding expended for that schedule. Costs  
8 that the Company incurs to develop the Targeted Electrification Strategy will be  
9 recovered from the class benefiting from the program.

10 **Q. DOES THE FEA'S ACCEPTANCE OF THE SETTLEMENT SUGGEST THAT**  
11 **THE FEA APPROVES OF ANY RATEMAKING PRINCIPLES, THEORIES OR**  
12 **CONCEPTS THAT UNDERLIE THE SETTLEMENT?**

13 A. No. The FEA supports the Settlement as a reasonable compromise of the competing  
14 interests of the parties who have executed the Settlement with respect to the matters  
15 addressed therein. The FEA's acceptance of the Settlement should not be interpreted as  
16 agreement with any specific ratemaking principle, theory or concept that may be  
17 reflected therein. While the Settlement, as a whole, constitutes a reasonable  
18 compromise among the parties who have executed the Settlement, the FEA's acceptance  
19 of the Settlement should not suggest that it considers any individual element of the  
20 Settlement to be reasonable on a stand-alone basis.

21 **Q. DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE**  
22 **SETTLEMENT?**

23 A. Yes, it does.