

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY

Respondent.

DOCKET NOS. UE-220066 and UG-220067

SETTLEMENT TESTIMONY OF

ALEX J. KRONAUER

ON BEHALF OF

WALMART INC.

AUGUST 26, 2022

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

2 A. My name is Alex J. Kronauer. My business address is 2608 SE J St., Bentonville, AR
3 72716-0550. I am employed by Walmart Inc. ("Walmart") as a Senior Manager, Energy
4 Services.

5 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS DOCKET?**

6 A. I am testifying on behalf of Walmart.

7 **Q. ARE YOU THE SAME ALEX J. KRONAUER WHO TESTIFIED EARLIER IN THIS DOCKET?**

8 A. Yes.

9 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

10 A. The purpose of my testimony is to support (1) the Settlement Stipulation and
11 Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and
12 PSE's Green Direct Program ("Stipulation") and (2) the Settlement Stipulation and
13 Agreement on Tacoma LNG ("Tacoma LNG").

14 **Q. WHAT IS WALMART'S RECOMMENDATION TO THE COMMISSION?**

15 A. Walmart recommends that the Commission approve both the Stipulation and the
16 Tacoma LNG. Walmart believes that the settlements are the result of arm's length
17 negotiations between the parties and are in the public interest.

18 **Q. WHAT ISSUES DID WALMART ADDRESS IN DIRECT TESTIMONY?**

19 A. Walmart, through the testimonies of Alex J. Kronauer and Steve W. Chriss, addressed
20 cost of capital, return on equity, cost of service, revenue allocation, Large Demand
21 General Service Schedule 26 ("Schedule 26") rate design, and the Company's
 proposed 141C, 141N, and 141R rate classes.

1 **Q. ARE WALMART’S ISSUES ADDRESSED BY THE STIPULATION AND THE TACOMA LNG?**

2 A. Generally, yes. For example:

- 3 • The 9.4 percent ROE is consistent Walmart’s testimony and industry trends.
- 4 • The Colstrip Rider (Schedule 141-C) will be recovered 80 percent through demand
- 5 charges and 20 percent through energy charges, consistent with recommendations
- 6 from Walmart’s testimony.
- 7 • Schedules 141-R and 141-N will include both a demand and an energy component
- 8 proportional with each rate schedule’s rate design, which is also consistent with
- 9 Walmart’s testimony.

10 **Q. ARE THERE OTHER AREAS OF THE STIPULATION THAT APPEAL TO WALMART?**

11 A. Yes. The Stipulation also increases the account limit for the conjunctive demand

12 service option from 5 to 15 accounts per customer and increases the customer’s

13 participating load limit to 6 MW of winter demand.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.