

**EXH. BDJ-1T
DOCKET UE-240087
WITNESS: BIRUD D. JHAVERI**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

Docket UE-240087

PUGET SOUND ENERGY,

Respondent.

PREFILED DIRECT TESTIMONY (NONCONFIDENTIAL) OF

BIRUD D. JHAVERI

**IN SUPPORT OF THE MULTIPARTY SETTLEMENT STIPULATION AND
AGREEMENT**

APRIL 19, 2024

PUGET SOUND ENERGY

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LIST OF EXHIBITS

Exh. BDJ-2	Professional Qualifications of Birud D. Jhaveri
Exh. BDJ-3	Electric Schedule 52, Sheet 52-A and Sheet 52-B, as filed in PSE's 2022 General Rate Case

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5 **AGREEMENT**

6 **I. INTRODUCTION**

7 **Q. Please state your name, business address, and position with Puget Sound**
8 **Energy.**

9 A. My name is Birud D. Jhaveri, and my business address is 355 110th Avenue NE,
10 Bellevue, Washington 98004. I serve as the Director of Regulatory Affairs for
11 Puget Sound Energy (“PSE” or the “Company”).

12 **Q. Have you prepared an exhibit describing your education, relevant**
13 **employment experience, and other professional qualifications?**

14 A. Yes, I have. Please see Exh. BDJ-2.

15 **Q. What are your duties as Director of Regulatory Affairs for PSE?**

16 A. I am responsible for cost of service, tariffs, and overall regulatory affairs at PSE.

17 **Q. What is the purpose of this prefiled direct testimony?**

18 A. My testimony addresses PSE’s support for the multiparty Settlement Stipulation
19 and Agreement (“Settlement”) that is being filed with the Commission on April

1 19, 2024. PSE reached a settlement in this matter with the Commission’s
2 regulatory staff (“Commission Staff”). The other party participating in this case,
3 the Public Counsel Unit for the Washington Office of the Attorney General, takes
4 no position on the settlement.

5 My testimony describes the compliance filing at issue in this case, why PSE
6 supports the Settlement, and why the Settlement is in the public interest and
7 should be approved by the Commission.

8 **II. THE INCIDENT IN THIS CASE WAS AN INADVERTENT CLERICAL**
9 **ERROR RESULTING IN A SINGLE ELECTRIC TARIFF SHEET NOT BEING**
10 **FILED FOR A RATE THAT HAD BEEN APPROVED BY THE PARTIES AND**
11 **THE COMMISSION**

12 **Q. Please describe the compliance filing at issue in this case.**

13 A. PSE’s 2022 General Rate Case, Dockets UE-220066/UG-220067, was resolved
14 by three multiparty settlements that were approved by the Commission, with
15 conditions, on December 22, 2022, in Order 24/10. On December 27, 2022, PSE
16 filed a compliance filing implementing Order 24/10. The compliance filing
17 included modest tariff revisions for Electric Tariff G, Schedule 52, Custom
18 Lighting Service Company Owned (“Schedule 52”). Electric Schedule 52 had two
19 tariff sheets subject to revision in the 2022 General Rate Case, as shown below:

Tariff Sheet	Revision
Sheet No. 52-A	27th Revision (canceling 26th Revision)
Sheet No. 52-B	12th Revision (cancelling 11th Revision)

1 **Q. Please describe the proposed changes to electric Schedule 52.**

2 A. Electric Schedule 52 provides street lighting service for municipal customers and
3 other jurisdictions. The proposed revisions to electric Schedule 52 reduced rates
4 per month for lighting service lamps and provided updated rates for the “Facilities
5 Charge” customer options. For Option A, where the customer makes no up-front
6 payment, the revised tariff proposed a slight decrease in the Estimated System
7 Cost per month. For Option B, where the customer makes an up-front payment,
8 the proposed revision slightly increased the Estimated System Cost per month.
9 These proposed changes were reflected on Sheet 52-A and Sheet 52-B, with most
10 of the changes being on Sheet 52-A. Sheet 52-A had 16 proposed changes and
11 Sheet 52-B had one. Attached as Exh. BDJ-3 are the proposed electric Schedule
12 52 tariff sheets at the time of case filing.

13 **Q. Were the changes to electric Schedule 52 agreed to by the case parties in**
14 **settlement?**

15 A. Yes. Most of the case parties in PSE’s 2022 General Rate Case joined the
16 multiparty settlement that included the changes to electric Schedule 52.¹ No party
17 challenged or took issue with PSE’s proposed revisions to electric Schedule 52 at
18 any point during the case. Electric Schedule 52 was not the subject of any

¹ PSE’s 2022 General Rate Case was resolved by three separate settlements, with various parties joining different settlements on case issues.

1 discovery, response testimony filed by any intervenor, questioning at the
2 settlement hearing, or post-hearing briefing.

3 **Q. Were updated tariff sheets for the electric Schedule 52 revisions included in**
4 **the December 27 compliance filing?**

5 A. Yes, they were.²

6 **Q. Did the Commission approve the December 27 compliance filing?**

7 A. In Order 26/12, the Commission rejected part of the December 27 compliance
8 filing for reasons unrelated to electric Schedule 52. The Commission rejected the
9 portion of PSE's compliance filing related to the recovery of projected costs for
10 the Climate Commitment Act's impacts on PSE's use of natural gas and coal-fired
11 resources. Electric Schedule 52 was not rejected by the Commission in Order
12 26/12 and no changes were required to be made to electric Schedule 52 following
13 PSE's December 27 compliance filing, or at any point during the proceeding. As
14 noted above, at no point did any party express concern or object to the proposed
15 revisions to electric Schedule 52.

16 **Q. Did PSE file an updated compliance filing following Order 26/12?**

17 A. Yes, on January 9, 2023, PSE filed an updated compliance filing addressing the
18 concerns identified by the Commission in Order 26/12 unrelated to electric

² PSE also made minor supplemental compliance filings on December 30, 2022 and January 3, 2023, unrelated to electric Schedule 52.

1 Schedule 52. In addition to the tariff sheets subject to revision to comply with
2 Order 26/12, PSE refiled the unchanged proposed tariff sheets. However, while it
3 was included on the list of filed tariff sheets, due to a clerical error at filing,
4 electric Schedule 52, Sheet 52-B, was inadvertently not included in the January 9
5 filing.

6 **Q. Did any party notice that electric Schedule 52, Sheet 52-B, was missing upon**
7 **review of PSE's January 9 compliance filing?**

8 A. Unfortunately, no. On January 10, 2023, Commission Staff filed a letter stating
9 that PSE's January 9 compliance filing complied with Order 26/12 and later that
10 day, the Commission filed a letter accepting the revised electric tariff sheets in
11 PSE's January 9 compliance filing and authorizing the proposed tariff sheets to go
12 into effect on January 11, 2023.

13 **Q. Did PSE implement the revised electric tariff sheets per the Commission's**
14 **letter?**

15 A. Yes. PSE posted the newly approved tariff sheets to its website, including electric
16 Schedule 52, Sheet 52-B, and began charging electric customers the updated rates.

17 **Q. Were electric customers harmed because of the missing electric tariff sheet in**
18 **the January 9 filing?**

19 A. No. Electric Schedule 52 customers were notified of the proposed revisions to
20 Schedule 52 prior to PSE's 2022 General Rate Case being filed. The proposed

1 revisions were filed at case inception, were agreed to in settlement and approved
2 by the Commission in Order 24/10, the approved revisions were included in
3 PSE's December 27 compliance filing, and after the Commission approved the
4 January 9 compliance filing, the electric Schedule 52 tariff sheets were posted on
5 PSE's website. PSE appropriately charged electric customers the updated rate that
6 had been agreed to by case parties in settlement and approved by the Commission
7 (as noted above, most of the electric Schedule 52 changes were a reduction in
8 rates). There is only one rate on Sheet 52-B.

9 **Q. How did PSE learn that electric Schedule 52, Sheet 52-B, had not been**
10 **included in the January 9 compliance filing?**

11 A. In early 2024, in preparation for filing PSE's 2024 General Rate Case, PSE
12 learned that the Commission Records Center did not have a copy of the 12th
13 Revision to Sheet 52-B. PSE discovered that the sheet had inadvertently not been
14 included in PSE's January 9, 2023 compliance filing.

15 **Q. Did the Company raise the issue with Commission Staff?**

16 A. Yes. After discovering the issue, PSE contacted Commission Staff to seek Staff's
17 guidance and recommendation for how to proceed with reconciling the missing
18 electric tariff sheet. After several email communications and calls with Staff
19 responding to Staff's questions, Staff did not provide direction to PSE, but instead
20 filed the Complaint in this matter.

1 **Q. What actions did PSE take after the Complaint was filed?**

2 A. After Staff filed the Complaint, in an abundance of caution, PSE reverted to
3 charging electric customers the 11th Revision version of electric Schedule 52,
4 Sheet 52-B. PSE then refunded to electric customers the difference between the
5 11th Revision and the 12th Revision of Sheet 52-B, which was approximately
6 \$41,000, plus interest.

7 **III. THE SETTLEMENT IS IN THE PUBLIC INTEREST**

8 **Q. What are the key elements of the Settlement?**

9 A. The Settlement is comprised of three elements:

- 10 1. PSE will refund to all electric customers subject to electric Schedule 52,
11 Sheet-B, between January 11, 2023 and March 7, 2024, the difference
12 between the 11th Revision and the 12th Revision of Schedule 52, Sheet
13 52-B, plus interest calculated in accordance with PSE's Interest Credit
14 Policy. The total refund that PSE will issue amounts to \$41,156.51, plus
15 interest.
- 16 2. PSE will implement a mitigation strategy on all future general rate case
17 compliance filings. This strategy will consist of adding additional review
18 steps before the compliance filing is filed and after the compliance filing is
19 approved. Before the compliance filing is filed, PSE will conduct an
20 additional review to ensure all sheets are included. After the compliance
21 filing is approved, PSE will request from the Commission's Records
22 Center a copy of the approved compliance filing electric sheets. After
23 receiving the approved copy, PSE will use the approved version obtained
24 from the Records Center on its website.
- 25 3. PSE agrees to a suspended penalty of \$106,182. This penalty will be
26 suspended until after the tariff compliance filing in the current PSE GRC
27 (Dockets UE-240004/UG-240005). If there are no missing tariff sheets in
28 PSE's initial compliance filing after a final order is issued, and all the
29 tariff sheets on PSE's website are those approved in the compliance filing

1 for Dockets UE-240004/UG-240005, the suspended penalty will be
2 eliminated.

3 **Q. Why is PSE supporting the Settlement?**

4 A. While PSE denies any wrongdoing in this matter that would warrant the charges
5 and penalties sought by Staff in the Complaint, the Settlement is a reasonable
6 compromise of the parties' positions:

- 7 • PSE maintains its position that it appropriately charged electric customers
8 the 12th Revision of Sheet 52-B rate because that rate was approved by
9 the Commission in Docket UE-220066. There is only one rate on Sheet
10 52-B. However, the agreement that PSE refund to electric customers the
11 difference between the 11th Revision and the 12th Revision of Sheet 52-B
12 is a reasonable compromise of the parties' positions. PSE acknowledged it
13 failed to file Sheet 52-B due to an inadvertent clerical error and voluntarily
14 refunded the funds before settlement was reached in this case.
- 15 • The agreement that PSE verify with the Records Center post-compliance
16 filing is a good solution to help mitigate a future occurrence. Tariff filings
17 can be voluminous and complex. Added steps to confirm filings are done
18 correctly should help all parties. PSE has also implemented additional
19 internal steps to further validate filings.
- 20 • PSE disagrees that penalties are warranted for inadvertent clerical errors,
21 nor does PSE need added motivation to correctly file materials before the
22 Commission. Making correct tariff filings has always been a Company
23 priority and it regrets that a clerical error occurred in this case. However,
24 the suspended penalty provides a reasonable compromise of the parties'
25 positions.

26 **Q. Is the Settlement consistent with the public interest?**

27 A. Yes. PSE is committed to making correct tariff filings and prides itself in
28 correctly filing many documents before the Commission each year. While PSE
29 regrets that the filing error occurred in this case, the Settlement will help improve

1 PSE’s filing process going forward, which benefits all parties, including electric
2 customers. In addition, settling this matter avoids a prolonged litigation which can
3 allow PSE and the other parties to focus their resources on addressing the many
4 other matters pending before the Commission at this time.

5 **Q. How does PSE plan to address the missing electric tariff sheet going**
6 **forward?**

7 A. Consistent with the settlement, PSE has already refunded electric customers the
8 difference between the rates of the 11th and 12th Revisions to Sheet 52-B, with
9 interest. In addition, PSE reverted its rates for Sheet 52-B to the 11th Revision
10 and this version is currently in effect. Upon approval of this settlement, PSE
11 intends to file a supplemental compliance filing in Docket UE-220066 to add in
12 the missing 12th Revision of Sheet 52-B and revert the rate to the 12th Revision
13 rate approved by the Commission in Docket UE-220066. PSE reverted Sheet 52-
14 B to the 11th Revision in preparation for filing its 2024 General Rate Case, which
15 included a proposed revision to Sheet 52-B. The 12th Revision then became the
16 proposed revision to Sheet 52-B that PSE included in its 2024 General Rate Case
17 filing. If PSE’s compliance filing to add in the missing electric tariff sheet
18 described above is approved, PSE will also make a substitute electric tariff filing
19 in the 2024 General Rate Case docket to replace the 12th Revision in the 2024
20 General Rate Case with the 13th Revision.

IV. CONCLUSION

1

2 **Q. Does that conclude your testimony?**

3 **A. Yes, it does.**