

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

v.

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-220066**

**Docket No. UG-220067**

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**BRIEF OF FRED MEYER STORES AND QUALITY FOOD CENTERS,  
DIVISIONS OF THE KROGER CO. IN SUPPORT OF STIPULATIONS**

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Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. (“Kroger”) filed a petition to intervene in this proceeding on March 1, 2022. Kroger is one of the largest retail grocers in the United States and operates approximately 50 facilities that are served by Puget Sound Energy (“PSE” and “Company”). These facilities purchase approximately 130 million kWh annually from PSE, and are primarily served on Electric Rate Schedules 25, 26, and 31.

On July 28, 2022, Kroger filed the Response Testimony of Justin Bieber concerning PSE’s proposed rate design. Mr. Bieber testified that PSE’s proposed rate design for Schedules 141C, 141N, and 141R would recover the entire revenue requirement for these riders through an energy based \$/kWh charge which does not align with cost causation because these riders are intended to recover both demand and energy related costs. He recommended that the rider rate design applicable customers taking service on Schedules 25, 26, and 31 be modified to include an energy and *demand* rate component in order to improve the alignment between the rider rate design and the underlying cost-of-service and provide more efficient price signals to customers. Mr.

Bieber's testimony also supported the Company's current Conjunctive Demand Service Option pilot program and recommended that it be expanded.

The parties to this proceeding engaged in extensive settlement negotiations in an attempt to resolve the issues in this case. As a result, a majority of parties agreed to the terms described in the Revenue Requirement settlement, which was signed by the stipulating parties on August 26, 2022. Separately, UTC Staff, PSE, Walmart, Nucor Steel, the Alliance for Western Energy Consumers and Kroger agreed to the Tacoma LNG settlement, also on August 26, 2022 (collectively "the Settlements")

The Settlements resolve the issues in this proceeding in a balanced way that benefits both the Company and its customers. Such benefits include, but are not limited to: 1) a significantly reduced rate increase of \$223 million as compared to the approximately \$347 million requested by PSE, 2) a reduction in PSE's requested return on equity from 9.9% to 9.4.%, 3) numerous provisions intended to promote environmental improvement and equity; and 4) improvement to PSE's rate allocation and rate design. None of the individual provisions of the Settlement are inconsistent with or violates any important Commission principle or practice. Rather, the Settlements advance important policies and principles, including ensuring the availability to customers of adequate, reliable, and reasonably priced retail electric service.

**CONCLUSION**

**WHEREFORE**, for the foregoing reasons, the Commission should approve the Settlements.

DATED this 31<sup>st</sup> day of October, 2022.

Respectfully submitted,

/s/Kurt J. Boehm

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