

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	
)	
Complainant,)	
)	
v.)	DOCKETS UE-170033 and UG-170034 (Consolidated)
)	
PUGET SOUND ENERGY,)	
)	
Respondent.)	
_____)	

**TESTIMONY OF ALI AL-JABIR
IN SUPPORT OF THE SETTLEMENT AGREEMENT
ON BEHALF OF
THE FEDERAL EXECUTIVE AGENCIES**

September 18, 2017

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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 AND CROSS-ANSWERING**
5 **TESTIMONY IN THIS 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
9 under contract with The United States Department of the Navy (“Navy”) to perform
10 cost of service, rate design and related studies. The Navy represents the Department
11 of Defense and all other Federal Executive Agencies in this proceeding. The FEA is
12 one of the largest consumers of electricity in the service territory of Puget Sound
13 Energy (“PSE” or “the Company”) and takes electric service from the Company
14 primarily on Schedule 49.

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

17 **A.** My testimony sets forth the reasons that the FEA supports the Multi-Party Partial
18 Settlement (“Settlement”) in this proceeding that has been executed by the Staff of the
19 Washington Utilities and Transportation Commission (“Staff”), Puget Sound Energy
20 (“PSE”), Industrial Customers of Northwest Utilities (“ICNU”), the Kroger Company
21 (“Kroger”), Sierra Club, Northwest Energy Coalition/Renewable Northwest/Natural
22 Resources Defense Council (“NWEK/RNW/NRDC”), State of Montana (“Montana”),
23 Northwest Industrial Gas Users (“NWIGU”), The Energy Project (“TEP”), and The
24 Federal Executive Agencies (“FEA”) (collectively “Settling Parties”).

25

1 **Support for the Settlement**

2 **Q. WHY DOES THE SUBSTANCE OF THE SETTLEMENT SATISFY THE**
3 **INTERESTS OF FEA?**

4 A. The Settlement is acceptable to FEA because it reduces the overall net electric revenue
5 requirement increase from approximately \$68 million (3.2 percent) under PSE's
6 supplemental filing in this proceeding to approximately \$20 million (0.9 percent)
7 under the Settlement. The Settlement is also acceptable to FEA because it results in a
8 movement in the direction of more cost-based rates for Schedule 49 in two respects.
9 First, the Settlement moves Schedule 49 closer to parity by allocating 65 percent,
10 rather than 75 percent, of the average percentage electric rate increase to this rate
11 schedule. Second, the Settlement adopts Staff's proposal to set the demand charges
12 for Schedule 49 at a level that reflects the full amount of the demand-related costs that
13 are associated with providing service to this rate schedule.

14 **Q. DOES THE FEA'S ACCEPTANCE OF THE SETTLEMENT SUGGEST THAT**
15 **YOU OR THE FEA APPROVE OF ANY RATEMAKING PRINCIPLES,**
16 **THEORIES OR CONCEPTS THAT UNDERLIE THE SETTLEMENT?**

17 A. No. The FEA supports the Settlement as a reasonable compromise of the competing
18 interests of the Settling Parties with respect to the matters addressed in the Settlement.
19 The FEA's acceptance of the Settlement should not be interpreted as agreement with
20 any specific ratemaking principle, theory or concept that may be reflected therein,
21 either on my part or on the part of the FEA. While the Settlement, as a whole,
22 constitutes a reasonable compromise among the Settling Parties, the FEA's acceptance

1 of the Settlement should not suggest that I, or the FEA, consider any individual
2 element of the Settlement to be reasonable on a stand-alone basis.

3 **Q. DOES THIS CONCLUDE YOUR TESTIMONY IN SUPPORT OF THE**
4 **SETTLEMENT?**

5 **A.** Yes, it does.