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VIA E-FILE and
OVERNIGHT MAIL

September 18, 2017

Mr. Steven V. King, Executive Director
Washington Utilities and Transportation Commission,
1300 S. Evergreen Park Drive, S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attn: Filing Center

Re: Docket No. UE-170033/UG-170034 (Consolidated)

Dear Mr. King:

Enclosed please find the original and twelve (12) copies of the PREFILED TESTIMONY OF NEAL TOWNSEND ON BEHALF OF THE KROGER CO. IN SUPPORT OF THE MULTIPARTY SETTLEMENT AGREEMENT STIPULATION AND AGREEMENT for filing in the above-referenced dockets. Please note that we also filed the above via electronic mail on same date.

By copy of this letter, all parties listed on the Certificate of Service have been electronically served. Please place this document of file.

Very Truly Yours,



Kurt J. Boehm, Esq.
Jody Kyler Cohn, Esq.

BOEHM, KURTZ & LOWRY

MLKkew
Enclosures
cc: Certificate of Service

**EXHIBIT NO. ____ (NT-1T)
DOCKET NOS. UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: NEAL TOWNSEND**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-170033
Docket No. UG-170034**

**PREFILED TESTIMONY
OF
NEAL TOWNSEND**

ON BEHALF OF THE KROGER CO.

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

September 18, 2017

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1 Rate Analyst from 1998 to 2001. I have also worked in the aerospace, oil and
2 natural gas industries.

3 **Q. Have you previously appeared as an expert witness?**

4 A. Yes. I have testified in utility regulatory proceedings before the Arkansas Public
5 Service Commission, the Illinois Commerce Commission, the Indiana Utility
6 Regulatory Commission, the Kentucky Public Service Commission, the Michigan
7 Public Service Commission, the New Mexico Public Regulation Commission, the
8 Public Utilities Commission of Ohio, the Public Utility Commission of Oregon,
9 the Public Utility Commission of Texas, the Public Service Commission of Utah,
10 the Virginia Corporation Commission, and the Public Service Commission of
11 West Virginia.

12 **Q. Have you reviewed the Response Testimony and Cross-Answering Testimony
13 of Kroger witness Kevin C. Higgins in this case as well as the Settlement that
14 was filed with the Commission to which Kroger is a party?**

15 A. Yes, I have.

16

17 **II. RECOMMENDATION**

18 **Q. Please explain why Kroger supports the Settlement.**

19 A. Kroger believes the overall electric revenue requirement negotiated by the parties
20 to the Settlement produces a just and reasonable result that is in the public
21 interest. In addition, the Settlement results in a spread of rates across customer
22 classes that is closer to cost of service, which modestly reduces inter-class
23 subsidies, and is also in the public interest. The Settlement also provides for a

1 reasonable transition period for customers taking service under Schedule 40,
2 which is being phased out. And it improves the rate design for Schedule 25, by
3 better aligning demand-related charges with demand-related costs.

4 **Q. Do you recommend that the Commission approve the Settlement?**


5 A. Yes, I do.

6 **Q. Does this conclude your Testimony in Support of the Settlement?**

7 A. Yes, it does.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the parties listed on the attached Certificate of Service by regular U.S. mail and electronic mail (when available) this 19th day of September, 2017.



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