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**VIA ELECTRONIC MAIL - [records@utc.wa.gov](mailto:records@utc.wa.gov)**  
**AND OVERNIGHT MAIL**

June 7, 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-161123**

Dear Mr. King:

Enclosed please find the original and six (6) copies of THE KROGER CO. ON BEHALF FRED MEYER STORES AND QUALITY FOOD CENTERS' BRIEF IN SUPPORT OF THE SETTLEMENT STIPULATION AND AGREEMENT filed in the above-referenced docket. 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

**BEFORE THE WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION</p> <p style="text-align: right;">Complainant</p> <p>vs.</p> <p>PUGET SOUND ENERGY, INC.</p> <p style="text-align: right;">Respondent</p>	<p>: : : : : : : : : : :</p>	<p style="text-align: center;"><b>DOCKET NO. UE-161123</b></p> <p style="text-align: center;"><b>BRIEF IN SUPPORT OF THE SETTLEMENT STIPULATION AND AGREEMENT OF THE KROGER CO. ON BEHALF OF THE FRED MEYER STORES AND QUALITY FOOD CENTERS</b></p>
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Comes now, The Kroger Co., on behalf of the Fred Meyer Stores and Quality Food Centers (“Kroger”) submits this Brief in Support of the Settlement Stipulation and Agreement and states as follows:

Kroger supports the Settlement Stipulation and Agreement filed on April 11, 2017 (“Settlement”). The Settlement provides an equitable means for Microsoft to migrate to retail wheeling service, while producing net benefits for the remaining customers. The net benefits include the payment of a stranded cost charge that is significantly greater than the long-term net increase in revenue requirement that remaining customers are likely to experience from Microsoft’s departure from fully bundled service.<sup>1</sup>

Kroger commends PSE for its demonstrated willingness to work with customers to establish its current successful retail-wheeling program and for its willingness to expand access to retail wheeling by means of the Settlement. Kroger hopes that the Settlement is only the first part of a broader discussion concerning customer access to the competitive market. PSE’s existing retail wheeling service, Schedules 448/449, allows Washington businesses access to competitive power markets, enhancing their competitiveness for the betterment of the Washington economy. However, participation in that program was limited to customers taking service under special contract or under Schedules 48 or 49 at the time Schedules 448/448 were created. This restriction blocked the ability of Kroger to participate, despite Kroger’s significant aggregate load and active energy management activities. It is eminently reasonable for the Commission to conduct a broader discussion of retail wheeling and

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<sup>1</sup> Prefiled Supporting Testimony of Kevin C. Higgins, p. 3.

direct access to determine which customers going forward may be allowed to purchase electricity from the competitive market and under what terms and conditions. As discussed in the Joint Memorandum in Support of the Full Settlement Agreement, Staff has committed to initiate a broader discussion of retail wheeling and direct access. Kroger is fully supportive of having this discussion.

The timing of this proposed investigation is especially important, given the upcoming retirement of PSE's Colstrip 1 and 2 units, which is scheduled to occur no later than July 2022. If an additional portion of PSE's load is permitted to migrate to retail wheeling service, it is likely to reduce the generation capacity the Company would need to replace the Colstrip units, potentially providing net benefits for PSE's remaining customers, as is occurring with the Settlement. It is in the public interest for a retail wheeling investigation to be conducted and completed with enough time to allow PSE to take the findings of the investigation into account in the Company's planning for replacing its Colstrip generation.<sup>2</sup>

DATED this 7<sup>TH</sup> day of June, 2017.

Respectfully submitted,



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Kurt J. Boehm, Esq.

Jody Kyler Cohn, Esq.

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**COUNSEL FOR THE KROGER CO.**

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<sup>2</sup> Prefiled Supporting Testimony of Kevin C. Higgins, p. 4.

**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 7<sup>th</sup> day of June, 2017.



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

MASTER SERVICE LIST

Docket: 161123

Status	Name and Address	Phone & Fax	Added	By
Petitioner	NW Energy Coalition NW Energy Coalition 811 1st Ave Seattle, WA 98104		10/28/2016	Daniel, Jessica
Petitioner's Counsel or Representative Representing: Microsoft Corporation	Thomas, Liz Partner K&L Gates LLP 925 Fourth Avenue Seattle, WA 98104 liz.thomas@klgates.com	Tel: (206) 370-7631 Fax: (206) 370-6190	10/20/2016	Daniel, Jessica
Petitioner's Counsel or Representative Representing: Microsoft Corporation	Mayer, Benjamin K & L Gates LLP 925 Fourth Avenue Seattle, WA 98104 ben.mayer@klgates.com	Tel: 206-370-7631	11/1/2016	Daniel, Jessica
Petitioner's Counsel or Representative Representing: Northwest and Intermountain Power Producers Coalition	Villanueva, Sidney Sanger Law PC 1117 SE 53rd Ave. Portland, OR 97215 sidney@sanger-law.com	Tel: (503)515-1981	11/3/2016	Daniel, Jessica
Petitioner	NW and Intermountain Power Producers Coalition P.O. Box 504 Mercer Island, WA 98040		11/3/2016	Daniel, Jessica
Assistant Attorney General	Casey, Christopher M. Assistant Attorney General WUTC 1400 S. Evergreen Park Drive SW, PO Box 40128 Olympia, WA 98504-7250 ccasey@utc.wa.gov	Tel: (360)664-1189	10/24/2016	Kredel, Ashley

Petitioner	Microsoft Corporation Microsoft Corporation One Microsoft Way Redmond, WA 98052		10/20/2016 Daniel, Jessica
Petitioner's Counsel or Representative Representing: The Energy Project	ffitch, Simon Simon ffitch Attorney at Law 321 High School Rd. NE Bainbridge Island, WA 98110 simon@ffitchlaw.com	Tel: (206)669-8197	10/28/2016 Kredel, Ashley
Applicant	Johnson, Ken Director - Rates & Regulatory Affairs Puget Sound Energy PO BOX 97034, PSE-08N Bellevue, WA 98009-9734 ken.s.johnson@pse.com	Tel: (425) 456-2110 Fax: (425) 462-3414	10/18/2016 Kredel, Ashley
Protestant's Counsel or Representative Representing: Industrial Customers of Northwest Utilities	Pepple, Tyler Davison Van Cleve, PC 333 SW Taylor Portland, OR 97204 tcp@dvclaw.com	Tel: (503) 241-7242 Fax: (503) 241-1242	10/18/2016 Daniel, Jessica
Public Counsel	Gafken, Lisa W Office of the Attorney General 800 Fifth Avenue Seattle, WA 98104-3188 Lisaw4@atg.wa.gov	Tel: (206) 464-6595 Fax: (206) 464-6451	10/18/2016 Kredel, Ashley
Petitioner's Counsel or Representative Representing: Northwest Energy Coalition	Bosh, Joni Senior Policy Analyst NORTHWEST ENERGY COALITION 811 1st Avenue Seattle, WA 98104 joni@nwenergy.org	Tel: 206-621-0094	10/28/2016 Daniel, Jessica
Respondent's Counsel or Representative Representing: Puget Sound Energy	Kuzma, Jason Perkins Coie, LLP 10885 N.E. Fourth St. Bellevue, WA 98004-5579 JKuzma@perkinscoie.com	Tel: (425) 635-1400 Fax: (425) 635-2400	10/24/2016 Daniel, Jessica

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Assistant Attorney General	Roberson, Jeff Assistant Attorney General WUTC P.O. Box 40128 Olympia, WA 98504-0128 jroberso@utc.wa.gov	Tel: (360) 664-1188 Fax: (360) 586-5522	10/31/2016 Daniel, Jessica
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Petitioner	Industrial Customers of Northwest Utilities Industrial Customers of Northwest Utilities 818 SW 3rd Avenue Portland, OR 97204		10/19/2016 Kredel, Ashley
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Petitioner's Counsel or Representative Representing: Northwest and Intermountain Power Producers Coalition	Sanger, Irion A Sanger Law PC 1117 SE 53rd Ave Portland, OR 97215 irion@sanger-law.com	Tel: (503) 756-7533 Fax: (503) 334-2235	11/3/2016 Daniel, Jessica
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