

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

CASCADE NATURAL GAS
CORPORATION,

Respondent.

DOCKETS UG-240008

ORDER 06

APPROVING PAYMENTS

BACKGROUND

- 1 On March 29, 2024, in Docket UG-240008, Cascade Natural Gas Corporation (Cascade or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its tariff for natural gas service. In Cascade’s general rate filing, it proposed a two-year multiyear rate plan (MYRP) pursuant to Revised Code of Washington (RCW) 80.28.425, beginning March 1, 2025, with proposed increases for Rate Year 1 (RY1) of \$43.8 million, and \$11.7 million, beginning March 1, 2026, for Rate Year 2 (RY2).
- 2 By April 17, 2024, the Alliance of Western Energy Consumers (AWEC) and The Energy Project (TEP) each filed with the Commission a petition for intervention, a request for case certification, and a notice of intent to request a grant fund.
- 3 On June 7, 2024, the Commission entered Order 03, Prehearing Conference Order and Notice of Hearing, adopted the parties’ agreed procedural schedule,¹ and granted AWEC and TEP’s petitions to intervene and for case certification status.
- 4 By June 14, 2024, AWEC and TEP filed Proposed Budgets and Requests for Fund Grants with AWEC requesting \$75,000 and TEP requesting \$70,000 from Cascade’s Customer Representation Sub-Fund to partially offset costs for participating in the proceedings.

¹ *Washington Utilities and Transportation Commission (W.U.T.C.) v. Cascade Natural Gas Corporation*, Docket UG-240008, Order 03, and procedural schedule attached as Appendix B (June 7, 2024).

- 5 Between August and October 2024, the parties in this proceeding convened three settlement conferences and on November 5, 2024, filed a formal letter in the docket informing the Commission that all parties except Public Counsel reached a settlement in principle on all issues in the general rate case.
- 6 On November 8, 2024, the Commission issued a Notice Suspending Procedural Schedule and Notice Requiring Filing of Settlement Documents and Testimony by December 11, 2024, and preserved the January 7-8, 2025, evidentiary hearing dates for a possible settlement hearing.
- 7 On November 15, 2024, the Commission entered Order 04, Approving Proposed Budgets and Fund Grants for AWEC and TEP,² and approved proposed Budgets and Fund Grants in the amounts of \$75,000 for AWEC and \$70,000 for TEP.
- 8 On February 24, 2025, the Commission entered Final Order 05 in Docket UG-240008 rejecting Cascade’s tariff sheets and approving and adopting settlement with conditions, resolving all contested issues in the multiyear rate plan.
- 9 On March 14, 2025, and March 24, 2025, TEP and AWEC filed Requests for Payment of Fund Grant together with Confidential Exhibits, wherein TEP requested eligible expenses totaling \$54,261 and AWEC requested payment totaling \$75,000.

DISCUSSION

- 10 Pursuant to RCW 80.28.430, utilities must enter into funding agreements with organizations that represent “broad customer interests.” The Commission is directed to determine the amount of financial assistance, if any, that may be provided to any organization; the way the financial assistance is distributed; the way the financial assistance is recovered in a utility’s rates; and other matters necessary to administer the agreement.³
- 11 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement) in Docket U-210595.⁴ The Commission provided “high-level guidance regarding the amount of financial assistance that may be provided to organizations, the manner in which it is distributed to participants

² *W.U.T.C. v. Cascade Natural Gas Corporation*, Docket UG-240008, Order 04, Approving Proposed Budgets and Fund Grants at 6 ¶¶ 22-23 (November 15, 2024).

³ RCW 80.28.430(2).

⁴ *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements.”⁵

12 On February 24, 2022, in Docket U-210595, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁶ The Commission approved the Interim Agreement filed by the parties on February 23, 2022, subject to certain modifications, and adopted the Interim Agreement as Appendix A to the Order. Among other points, the Commission clarified that it is not bound by the timeframes set forth in the Interim Agreement.⁷ The Commission also determined that of the amount authorized for funding, fully one third would be dedicated to organizations representing highly impacted communities and vulnerable populations.⁸

13 Pursuant to the Interim Agreement, participating organizations must submit to the Commission a Request for Payment. The Request for Payment must:

(a) Itemize the expenses, payees, and hourly rates for amounts to be reimbursed, including billing details, and including separately identified amounts for consultant or expert witness fees and travel expenses;

(b) Demonstrate that the expenses are reasonable and are directly attributable to issues and positions pursued on behalf of customers and consistent with the intervenor’s proposed budget;

(c) Provide information sufficient to show that the Participating Organization has complied with any condition or requirement of the Fund Grant; and

(d) Specify whether the request for payment is for interim funding, in the case of Prioritized Organizations only, or final payment in full, and indicate whether any approved budget amount may be released back to the applicable Sub-Fund because the Participating Organization does not intend to request payment for the full approved budget amount.⁹

⁵ *Id.* ¶ 3.

⁶ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

⁷ *Id.* ¶ 17.

⁸ *Id.* ¶ 4.

⁹ Interim Agreement § 7.1.

- 14 The Commission may disallow, in whole or in part, a Request for Payment if it determines that the request seeks reimbursement for (a) expenses that are not Eligible Expenses,¹⁰ or (b) expenses that are inconsistent with the Participating Organization’s Consumer Access Fund Grant or any conditions placed on the Consumer Access Fund Grant.¹¹ Upon authorization of payment, the Commission will make a determination on how to recover the Fund Grants from the various customer classes of the affected Participating Public Utility.¹² Additionally, the Commission may determine whether Fund Grants that were used to advocate positions on behalf of a broad cross-section of customers should be assessed against all customers or multiple classes of customers, to fairly align the costs of the advocacy with the intended potential beneficiaries of the advocacy.
- 15 On February 9, 2023, in Docket U-210595, the Commission entered Order 02, Approving Agreement Subject to Condition, Requiring Refiling of Modified Agreement (Order 02).¹³ The Commission approved the Revised Agreement submitted by the parties, subject to the removal of paragraph 7.9, which authorized deferred accounting treatment.¹⁴ The Commission also clarified that it was not bound by the timelines set forth in the Revised Agreement.¹⁵
- 16 As relevant here, the Revised Agreement carried forward the same requirements for requests for payments of fund grants.¹⁶ It also makes clear that “[e]ligible expenses” may include costs for eligible proceedings incurred prior to the approval of the Revised Agreement.¹⁷
- 17 In this case, AWEC and TEP each filed a Request for Payment of Fund Grant between March 14, 2025, and March 24, 2025, with TEP requesting payment totaling \$54,261 and AWEC requesting a total payment of \$75,000 allocated from Cascade’s Customer Representation Sub-Fund for covered expenses. The specific expenses for TEP included

¹⁰ Interim Agreement § 7.3.

¹¹ Interim Agreement § 7.6.

¹² Interim Agreement § 7.7.

¹³ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 02 (February 9, 2023).

¹⁴ *Id.* ¶ 20.

¹⁵ *Id.* ¶ 21.

¹⁶ Revised Agreement § 7.1.

¹⁷ Revised Agreement § 7.3. *See also* Interim Agreement § 9.3 (providing that the Commission will require a participating utility to pay eligible expenses incurred under an approved fund grant that was awarded before the date of the termination of the Interim Agreement).

responding to Cascade's proposed tariff revisions, the impact of rate increases on low-income energy customers, credit and collection issues, performance-based regulation, language access, energy burden assessments, COVID-19 fees, and other issues related to Cascade's revenue requirement. Similarly, AWEC's expenses included responding to Cascade's proposed tariff revision and conducting an analysis of the requested revenue requirement increase, return on equity, capital structure, cost of debt, jurisdictional allocations, and other issues related to rate spread and design.

- 18 After considering the requirements set forth in Sections 4.2.4, 7.1, 7.3, and 7.7 of the Revised Agreement, we determine that TEP's request for payment of \$54,261 and AWEC's request for payment of \$75,000 should be approved and assessed against Cascade's Customer Representation Sub-Fund. Accordingly, considering the breadth and complexity of issues in this case, AWEC and TEP's history before the Commission and expertise, we find that both AWEC and TEP's costs appear reasonable and are directly attributable to their participation.
- 19 Cascade must pay the above Requests for Payment from its Customer Representation Sub-Fund as directed within 30 days of the entry of this Order.¹⁸

ORDER

THE COMMISSION ORDERS:

- 20 (1) The Energy Project's Request for Payment from the 2024 Cascade Natural Gas Customer Representation Sub-Fund is APPROVED in the amount of \$54,261.
- 21 (2) The Alliance of Western Energy Consumer's Request for Payment from the 2024 Cascade Natural Gas Customer Representation Sub-Fund is APPROVED in the amount of \$75,000.

Dated at Lacey, Washington, and effective April 23, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Amy Bonfrisco
AMY BONFRISCO
Administrative Law Judge

¹⁸ Revised Agreement § 7.8.

**NOTICE TO PARTIES: This is an Interlocutory Order of the Commission.
Administrative review may be available through a petition for review, filed within
10 days of the service of this Order pursuant to WAC 480-07-810.**