

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-240004 and UG-240005  
(*Consolidated*)

ORDER 06

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In the Matter of the Petition of

PUGET SOUND ENERGY

Petitioner,

For an Accounting Order Authorizing  
deferred accounting treatment of  
purchased power agreement expenses  
pursuant to RCW 80.28.410

DOCKET UE-230810

ORDER 04

APPROVING PROPOSED BUDGETS  
AND FUND GRANTS

- 1 On February 15, 2024, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service, and its currently effective Tariff WN U-2, Natural Gas.
- 2 On February 26, 2024, the Alliance of Western Energy Customers (AWEC) filed a Petition for Case Certification and a Notice of Intent to Request a Fund Grant.
- 3 On March 15, 2024, The Energy Project (TEP) filed a Petition for Case Certification and a Notice of Intent to Request a Fund Grant.
- 4 On March 27, 2024, Front and Centered and NW Energy Coalition, referred to collectively as the Joint Environmental Advocates (JEA), filed Petitions for Case Certification and Notices of Intent to Request a Fund Grant.

- 5 The Commission convened a virtual prehearing conference on April 2, 2024, before Administrative Law Judges Michael Howard and Bijan Hughes. During the prehearing conference, the Commission granted AWEC, TEP, and JEA’s request for case certification.<sup>1</sup> The Commission also found that each of these organizations had filed a notice of intent to seek funding.<sup>2</sup>
- 6 On April 18, 2024, the Commission entered Order 04/02, Prehearing Conference Order and Notice of Hearing (Order 04/02), scheduling an evidentiary hearing for November 4-5, 2024, at 9:30 a.m. The Commission required that any proposed budgets be filed by May 2, 2024.
- 7 On May 2, 2024, AWEC, TEP, and JEA each filed a Proposed Budget. That same day, TEP filed a Revised Proposed Budget. The details of the parties’ requests are discussed in detail in the following discussion section.

### DISCUSSION

- 8 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.<sup>3</sup>
- 9 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).<sup>4</sup> 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 and recovered in the rates of gas or electrical companies, and other matters necessary to administer agreements.”<sup>5</sup> The Commission indicated that the Policy Statement was an evolving document, saying “as we implement the first round of funding arrangements, we look forward to what we expect will be many lessons learned. These lessons will inform future

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<sup>1</sup> Howard, Tr. 32-33 (April 2, 2024).

<sup>2</sup> Howard, Tr. 32:9-11 (April 2, 2024).

<sup>3</sup> RCW 80.28.430(2).

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

<sup>5</sup> *Id.* ¶ 3.

iterations of Washington’s participatory funding program, including the possibility of a rulemaking to codify best practices into Commission rules.”<sup>6</sup>

10 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).<sup>7</sup> The Commission approved the Interim Agreement filed by the parties on February 14, 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.<sup>8</sup>

11 In relevant part, Interim Agreement requires that Proposed Budgets include a statement of the work to be performed, a description of the general areas to be investigated, an identification of the specific sub-fund at issue, and a budget showing any estimated attorney fees or consultant fees.<sup>9</sup> If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available . . .”<sup>10</sup> The Commission may make this determination based on the following factors:

- (a) the breadth and complexity of the issues;
- (b) the significance of any policy issues;
- (c) the procedural schedule;
- (d) the dollar magnitude of the issues at stake;
- (e) the participation of other parties that adequately represent the interests of customers;
- (f) the amount of funds being provided by the applicant intervenor, if any;
- (g) the qualifications of the party and experience before the Commission;
- (h) the level of available funds in the Fund account or accounts involved;

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<sup>6</sup> *Id.* ¶ 17.

<sup>7</sup> *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595 Order 01 (February 24, 2022).

<sup>8</sup> *Id.*

<sup>9</sup> Interim Agreement § 6.5.

<sup>10</sup> *Id.*

(i) other Eligible Proceedings for Funds in which stakeholders may seek additional Fund Grants from the same Sub-Fund; or

(j) any other factors the Commission deems relevant.”<sup>11</sup>

12 The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.<sup>12</sup> The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.<sup>13</sup>

13 In this case, each of the three case-certified parties filed Proposed Budgets. AWEC, TEP, and NVEC (through JEA) request a total of \$200,000 from the \$200,000 remaining in PSE’s Customer Representation Sub-Fund. Additionally, JEA requests, for Front and Centered, \$47,516 from the \$200,000 remaining in PSE’s Prioritized Organizations Sub-fund. We address each Proposed Budget in turn, considering them in light of the content requirements set forth in Section 6.3 and the various factors set forth in Section 6.5 of the Interim Agreement.

14 **AWEC.** On May 2, 2024, AWEC filed a Proposed Budget. AWEC requested a Fund Grant of \$68,897 from the Customer Representation Sub-Fund to partially offset the costs of a proprietary software license, staff and operational support, and expert witness fees required in this proceeding.<sup>14</sup> AWEC estimates to incur a total cost of \$250,000. AWEC plans to investigate PSE’s request for approval of a proposed Two-Year Rate Plan, performance-based ratemaking, revenue requirement items such as cost of capital, capital additions, net power costs, operating expenses and revenues, as well as rate spread and rate design.

15 Several factors weigh in favor of the reasonableness of AWEC’s Proposed Budget. AWEC only requests a portion of its costs for participating in this proceeding. AWEC also has a history of appearing before the Commission. The Commission also recognizes AWEC as an “incumbent” organization with a history of representing industrial customers before the Commission. The Commission also observes that the total requests presented to

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<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> We note that AWEC’s proposed budget indicates that it plans to spend five-thousand dollars on an Aurora license and as a result that it intends to submit a request for additional funds, should they become available.

the Commission in this proceeding would not exceed the remaining funds available in PSE's Consumer Access Fund.

- 16 The Commission therefore approves a Fund Grant for AWEC in the amount of \$68,897 for this proceeding.
- 17 **TEP.** On May 2, 2024, TEP filed a Proposed Budget. TEP requested a Fund Grant pursuant to the Interim Agreement to partially offset the costs of its participation. TEP noted that it may investigate all matters which have an impact on PSE's low-income and vulnerable customers, including but not limited to the multiyear rate plan, low-income energy assistance funding and design, low-income weatherization, low-income electrification, billing, credit and collection issues, arrearage management, performance based regulation and performance measures, cost of service, rate spread, rate design, decoupling, renewables, electric vehicles, and distributed generation, and power costs. TEP requests a total award of \$68,897 from PSE's Customer Representation Sub-Fund. This is less than TEP's total estimated costs, which include consultant/expert witness fees of \$12,230 and attorney fees of \$65,000.
- 18 Much like AWEC, Several Section 6.5 factors weigh in favor of TEP's request. We observe that TEP is contributing from its own funds in order to participate, and TEP's Fund Grant only seeks to partially offset these costs. TEP is an "incumbent" organization with a history of appearing before the Commission,<sup>15</sup> and it seeks to investigate important issues in this proceeding. We also observe that the total requests presented to the Commission in this proceeding would not exceed the remaining funds available in PSE's Consumer Access Fund.
- 19 The Commission therefore approves a total Fund Grant of \$68,897 for TEP in this proceeding.
- 20 **JEA.** On May 2, 2024, JEA filed a Proposed Budget. JEA requested a Fund Grant pursuant to the Interim Agreement to partially offset the costs of its participation. JEA noted that it may investigate matters related to an equitable transition away from reliance on fossil fuels and toward a clean energy system.
- 21 JEA requests an award of \$62,206 from PSE's Customer Representation Sub-Fund for NWEA, and \$47,516 from PSE's Prioritized Organizations Sub-Fund for Front and Centered. This was based on estimated shared consultant witness fees of \$49,998 and staff

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<sup>15</sup> Policy Statement ¶ 18.

costs of \$76,390. JEA does not request any funds for Sierra Club's participation in this proceeding.

- 22 Several Section 6.5 factors weigh in favor of JEA's request. We observe that JEA is contributing from its own funds in order to participate, and JEA's Fund Grant only seeks to partially offset these costs. JEA is comprised of "incumbent" organizations with a history of appearing before the Commission,<sup>16</sup> and it seeks to investigate the equitable transition towards a clean energy system. We also observe that the total requests presented to the Commission in this proceeding would not exceed the remaining funds available in either PSE's Consumer Access Fund or Prioritized Organizations Sub-Fund.
- 23 The Commission therefore approves a total Fund Grant of \$109,772 for JEA in this proceeding. Of this total, \$62,206 will be for NWECC, from PSE's Customer Representation Sub-Fund; the remaining \$47,516 will be for Front and Centered, from PSE's Prioritized Organizations Sub-Fund
- 24 Finally, we remind all parties that neither case-certification nor approval of a Proposed Budget for a Fund Grant is a guarantee of reimbursement. We may determine that a party's request for reimbursement should be denied in part or in whole. The amount of funding in each Consumer Access Fund is limited, and it may be required for more than one Eligible Proceeding. These funds are also sourced from ratepayers, many of whom are faced with their own economic challenges. Thus, we expect all requests for reimbursement to contain great detail, including receipts, invoices, and any other documentation of costs for which recovery is requested. All requests must also include references to eligibility for expenses and any relevant portions of the Interim Agreement. To incentivize appropriate use and equitable distribution of Fund Grants, we will also carefully evaluate how recovered costs should be allocated to customers. For example, we will consider whether each case-certified party's recovered costs should be allocated towards a specific customer class, a select group of classes, or across the entirety of customers.

## ORDER

### THE COMMISSION ORDERS:

- 25 (1) The Alliance Western Energy Consumer's Proposed Budget and Fund Grant is APPROVED in the amount of \$68,897.

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<sup>16</sup> Policy Statement ¶ 18.

- 26 (2) The Energy Projects' Proposed Budget and Fund Grant is APPROVED in the amount of \$68,897.
- 27 (3) The Joint Environmental Advocates' Proposed Budget and Fund Grant for NW Energy Coalition is APPROVED in the amount of \$62,206, from PSE's Customer Representation Sub-Fund.
- 28 (4) The Joint Environmental Advocates' Proposed Budget and Fund Grant for Front and Centered is APPROVED in the amount of \$47,516 from PSE's Prioritized Organizations Sub-Fund.

Dated at Lacey, Washington, and effective May 15, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

*/s/ Bijan Hughes*

BIJAN HUGHES

Administrative Law Judge

**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.**