

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKETS UE-220066 and
TRANSPORTATION COMMISSION,)	UG-220067
)	
Complainant,)	
)	PROPOSED BUDGET OF
v.)	THE ALLIANCE OF WESTERN
)	ENERGY CONSUMERS
PUGET SOUND ENERGY,)	
)	
Respondent.)	
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1 Pursuant to the Washington Interim Participatory Funding Agreement (“Funding Agreement”), approved by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in Order 01 in Docket No. U-210595 and Order 03 ¶ 47 in Docket Nos. UE-220066/UG-220067, the Alliance of Western Energy Consumers (“AWEC”) hereby submits its proposed budget in the above-captioned proceeding.

2 On January 31, 2022, Puget Sound Energy (“PSE” or the “Company”) filed its request for a general rate revision for both its gas and electric service. The Commission docketed these filings as UE-220066 and UG-220067 (consolidated).

3 Dockets UE-220066/UG-220067 are Eligible Proceedings for Fund Grants under Article 1(c) of the Funding Agreement. Accordingly, a Fund Grant may be made for this proceeding under the Funding Agreement.

4 On March 14, 2022, as required by Article 6.2 of the Funding Agreement, AWEC filed its Request for Case Certification and Notice of Intent to request a Fund Grant, which was also served on PSE and all parties of record in the proceeding. In that filing, AWEC identified

the PSE Customer Representation Sub-Fund as the account from which AWEC intends to request a Fund Grant.

5 On March 24, 2022, the Commission granted AWEC’s Request for Case Certification, finding that AWEC demonstrated it is a non-profit organization that represents broad customer interests,¹ that “it can effectively represent the particular customers it seeks to represent,”² and that “the public interest is served by AWEC’s participation and that no other party adequately represents the interests of industrial customers.”³

6 Pursuant to Article 6.3 of the Funding Agreement, AWEC files this Proposed Budget in this case for a PSE Customer Representation Sub-Fund grant in the amount of \$50,000. If additional PSE Customer Representation Sub-Fund amounts become available, AWEC reserves the right to file an amended proposed budget and request an additional Fund Grant. The following information is provided in accordance with Articles 6.3 and 6.6 of the Funding Agreement.

7 **Statement of work to be performed by AWEC for which AWEC is seeking a Fund Grant.** AWEC has retained Davison Van Cleve, P.C. to represent it in these Dockets. AWEC will attend all workshops, public meetings, oral presentations and hearings. AWEC has and will continue to conduct discovery in this proceeding. In addition, AWEC will submit expert witness testimony and briefs as called for by the procedural schedule in this case.

8 **Description of the general areas to be investigated by AWEC.** AWEC intends to investigate all aspects of PSE’s filing. General issues include PSE’s request for approval of a Multi-Year Rate Plan, performance-based ratemaking, revenue requirement items such as cost of

¹ Dockets UE-220066 and UG-220067, Order 08 at ¶ 24 (Mar. 24, 2022).

² *Id.* at ¶ 25.

³ *Id.*

capital, capital expenditures, expenses and revenues, as well as rate spread and rate design.
AWEC will also review issues raised by other parties.

9 **Identification of the specific Sub-Fund from which AWEC is seeking a Fund Grant and an estimate of the amount of available funds in that account, if known.** AWEC is seeking a Fund Grant from the 2022 PSE Customer Representation Sub-Fund, which currently has a balance of \$200,000.

10 **A budget showing estimated attorney fees, which may include the cost for appropriate support staff and operational support.** AWEC’s proposed budget, setting forth estimated attorney fees, support staff costs and operational support costs, appears in Exhibit A.

11 **A budget showing estimated consultant fees and expert witness fees, which may include the cost for appropriate support staff and operational support.** AWEC’s proposed budget, setting forth consultant fees and expert witness fees, is also included in Exhibit A.

12 **Cooperative Efforts.** In accordance with Article 6.6 of the Funding Agreement, AWEC reached out to the other organizations whose request for case certification were granted to coordinate on budget requests. As of the time of this filing, AWEC is not aware of any objection to its proposed budget.

13 **Additional Considerations.** Article 6.5 of the Funding Agreement sets forth several factors that the Commission may consider when making a determination on budget requests. In aid of the Commission’s decision, AWEC provides the following information:

- a. The breadth and complexity of issues in this proceeding are significant. General rate case proceedings implicate all aspects of a utility’s revenue requirement, including expenses, revenues, capital additions, cost of capital and rate spread/rate

design. Moreover, PSE's 2022 rate case is substantially more complex than the average rate case. It includes, among other things, a three-year rate plan and proposals for performance-based ratemaking, which are supported by 37 witnesses. Evaluation of this rate case to ensure just and reasonable rates for industrial customers will require substantial effort and expense by AWEC.

- b. As indicated above, this case includes PSE's initial request for a Multi-Year Rate Plan ("MYRP") pursuant to RCW 80.28.425. PSE's MYRP raises a number of policy considerations, including the valuation of property, the capital review process, and determination of offsetting factors and performance metrics and incentives. The Company's filing also raises policy considerations related to cost allocations under the Commission's recently adopted Cost of Service rules, and the implications on rate spread. This is particularly of concern for PSE's industrial gas customers, including AWEC's members, who are facing significant proposed rate increases relative to other customer classes.
- c. The procedural schedule in this case assumes a fully litigated case, which requires discovery, pre-filed written testimony, workshops and settlement conferences, as well as a hearing, briefing and any other events the Commission may deem appropriate. As such, AWEC's participation will be extensive.
- d. For rate year one, PSE's request in this case is to increase its electric revenue requirement by approximately \$310.5 million, or 13.59 percent across all customer classes, with additional rate increases in years two and three. For its natural gas customers, PSE proposes to increase its revenue requirement by approximately \$143 million, or 12.98 percent across all customer classes, with

additional rate increases in years two and three. For industrial gas users, the margin percentage increases are as high as 47%. These represent significant rate increases for PSE's industrial and large non-residential customers. Any change to PSE's rates could substantially impact the rates PSE charges to its customers, including AWEC's members, and therefore warrants considerable scrutiny.

- e. The Commission previously recognized AWEC as an "incumbent" organization with a history of representing industrial customers' interests before the Commission,⁴ and determined that "no other party adequately represents the interests of industrial customers."⁵
- f. AWEC anticipates that its costs will significantly exceed its budget request in this case, assuming a fully litigated proceeding. To the extent that AWEC's costs are greater than Fund Grant amounts, AWEC will bear the costs of its participation. AWEC notes that, as shown in Exhibit A, its proposed budget in this case is much less than the anticipated costs associated with its participation in a fully litigated proceeding.
- g. AWEC represents the interests of large energy consumers and has significant experience participating in Commission proceedings involving the Commission and PSE. In addition, AWEC has participated in numerous previous cases related to setting rates for PSE. Indeed, AWEC has been involved in every major PSE matter for over 20 years. Thus, AWEC possesses significant interest and

⁴ *Id.* at ¶ 24.

⁵ *Id.* at ¶ 25.

expertise with respect to this proceeding. AWEC's participation will benefit all PSE industrial and large non-residential customers.

- h. The level of available funds in the PSE Customer Representation Sub-Fund for 2022 is \$200,000, none of which has been utilized at this time. As such, AWEC's request is within the limits of available funding.
- i. Given the limited nature of the PSE Customer Representation Sub-Fund, the number of other parties eligible to seek a Fund Grant in this case, and the significance of both the number and substance of issues raised in this proceeding, AWEC anticipates utilizing available PSE grant funds in this proceeding and does not anticipate seeking additional Fund Grants from the PSE Customer Representation Sub-Fund in 2022, assuming a fully litigated proceeding.

14 Therefore, AWEC respectfully requests that the Commission issue an order granting a Fund Grant in the amount specified above.

Dated this 22nd day of April, 2022.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Sommer J. Moser

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Of Attorneys for the

Alliance of Western Energy Consumers

EXHIBIT A

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<hr/>			
<i>Attorney Fees</i>			
Of Counsel	380	\$295	\$112,100
Paralegal	39	\$180	\$7,020
<i>Expert Witness Fees</i>			
Experts	278	\$290	\$80,620
<i>Other Expenses</i>			
Travel			\$100
Printing and Postage			\$160
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Subtotal			\$200,000
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Total AWEC Request for PSE Customer Representation Sub-Fund Grant			\$50,000