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February 17, 2023

***Via Electronic Filing***

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 Executive Director and Secretary  
 Washington Utilities and Transportation Commission  
 621 Woodland Sq. Loop SE  
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**Re: AWEC Comments on CCA Deferred Accounting Petitions  
 Docket Nos. UG-220975, UG-220926, UG-220803, and UG-220759.**

Dear Director Maxwell:

1. The Alliance of Western Energy Consumers (“AWEC”) hereby submits the following comments regarding the petitions for deferred accounting filed in Docket Nos. UG-220975, UG-220926, UG-220803, and UG-220759 (collectively “Petitions”). As set forth in the Petitions, Puget Sound Energy (“PSE”),<sup>1</sup> Northwest Natural Gas Company (“NWN”),<sup>2</sup> Avista Utilities (“Avista”),<sup>3</sup> and Cascade Natural Gas Corporation (“Cascade”)<sup>4</sup> request that the Washington Utilities and Transportation Commission (“Commission”) approve deferred accounting treatment for costs related to the implementation of the Climate Commitment Act (“CCA”).
2. AWEC generally does not oppose each of the gas utilities tracking, for potential future ratemaking, costs that it considers to be necessary for CCA compliance. AWEC also supports deferral of customer benefits, including proceeds from CCA related auctions of no-cost allowances. AWEC, however, urges the Commission to make clear in its order that approval of a deferral is not akin to approval for later rate recovery of the specific types of costs that each gas utility may track in its deferral. Whether deferred costs are appropriately amortized at a later date, and how those costs may be recovered by customers, should be determined after review of the specific costs, including whether they are CCA-related, prudently or reasonably incurred and incremental to costs recovered elsewhere. The Commission should also make clear that the deferral

<sup>1</sup> Docket No. UG-220975, For an Order Authorizing Deferred Accounting Treatment for Puget Sound Energy’s Natural Gas Costs and Proceeds Associated With the Climate Commitment Act in RCW 70A.65 (Dec. 29, 2022) (“PSE Petition”).

<sup>2</sup> Docket No. UG-220926, For an Accounting Order Authorizing Deferred Accounting Treatment Related to the Climate Commitment Act (Dec. 14, 2022) (“NWN Petition”).

<sup>3</sup> Docket No. UG- 220803, For an Accounting Order Authorizing Deferral of Natural Gas Costs and Revenues Related to Compliance with the Climate Commitment Act (Nov. 1, 2022) (“Avista Petition”).

<sup>4</sup> Docket No. UG-220759, For an Accounting Order Authorizing Deferred Accounting Treatment of Expenses Relating to the Implementation of the Climate Commitment Act (Oct. 14, 2022) (“Cascade Petition”).

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of these costs should be non-precedential in nature, meaning that any party is free to argue in a future proceeding that the costs were not CCA-related, or that costs previously tracked via a deferral should be embedded in base rates, or that the costs should be allocated to customers in a different manner than that proposed by the utilities. Further, since many larger customers already have their own CCA compliance obligations, more process and transparency is necessary to determine how CCA compliance costs should be allocated to prevent potential double counting.

3. Finally, Avista noted in its Petition that it anticipates proposing a separate tariff rider for cost recovery at a future time with annual adjustments going forward.<sup>5</sup> Cascade's Petition contains a similar proposal, requesting annual cost recovery effective November 1<sup>st</sup> of each year until appropriate to embed costs in rates.<sup>6</sup> AWEC opposes these requests and recommends that the Commission refrain from making a determination regarding the timing or process for amortization of appropriately deferred amounts at this time. While it is possible that annual rate filings may be appropriate, it is premature to make such a determination now. The Commission and stakeholders should have the benefit of understanding the types and scale of costs prior to determining how those costs are ultimately recovered by customers.
4. AWEC appreciates the opportunity to provide comments on the Petitions and looks forward to working with the Commission, the utilities, and stakeholders on these matters.

Sincerely,



Chad Stokes

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<sup>5</sup> Avista Petition at ¶ 10.

<sup>6</sup> Cascade Petition at ¶ 8.