

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PACIFICORP d/b/a PACIFIC POWER AND LIGHT COMPANY, Respondent.	DOCKET UE-230172 <i>(Consolidated)</i> ORDER 05
In the Matter of ALLIANCE OF WESTERN ENERGY CONSUMERS' Petition for Order Approving Deferral of Increased Fly Ash Revenues	DOCKET UE-210852 <i>(Consolidated)</i> ORDER 03 APPROVING PROPOSED BUDGETS AND FUND GRANTS

BACKGROUND

- 1 On April 19, 2023, PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-76. The purpose of the filing is to increase rates and charges for electric service provided to customers in the state of Washington.
- 2 On May 17, 2023, the Commission convened a virtual prehearing conference, and on May 25, 2023, entered Order 03/01, Prehearing Conference Order; Order Consolidating Dockets; and Notice of Hearing.
- 3 On May 25, 2023, the Commission entered Order 04/02, which granted requests for case certification filed by The Energy Project (TEP) and the Alliance of Western Energy Consumers (AWEC) and the NW Energy Coalition (NVEC).

- 4 Earlier on May 17, 2023, TEP filed a Proposed Budget. TEP requests a total fund grant of \$50,000.
- 5 On May 26, 2023, AWEC filed a Proposed Budget. AWEC requests a total fund grant of \$66,000.
- 6 On June 16, 2023, NWEC filed a Proposed Budget. NWEC requests a total fund grant of \$48,200.

DISCUSSION

- 7 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.¹
- 8 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).² 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.”³ The Commission indicated that the Policy Statement was as 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 iterations of Washington’s participatory funding program, including the possibility of a rulemaking to codify best practices into Commission rules.”⁴
- 9 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁵ The Commission approved the Interim Agreement filed by the parties on February 14, 2022, subject to certain modifications, and adopted the Interim

¹ RCW 80.28.430(2).

² *In the Matter of the Commission’s Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

³ *Id.* ¶ 3.

⁴ *Id.* ¶ 17.

⁵ *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595, Order 01 (February 24, 2022).

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.⁶

- 10 In relevant part, the 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.⁷ If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available . . .”⁸
- 11 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; (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.”⁹ The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.¹⁰ The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.¹¹
- 12 On February 9, 2023, the Commission entered Order 02, Approving Agreement Subject to Condition, Requiring Refiling of Modified Agreement.¹² The Commission approved the Revised Agreement submitted by the parties (Revised Agreement), subject to the removal of paragraph 7.9, which authorized deferred accounting treatment.¹³ The

⁶ *Id.*

⁷ Interim Agreement § 6.5.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *In the Matter of the Petition of Puget Sound Energy, et al.*, Docket U-210595, Order 02 (February 9, 2023).

¹³ *Id.* ¶ 20.

Commission also clarified that it was not bound by the timelines set forth in the Revised Agreement.¹⁴

- 13 As relevant here, the Revised Agreement carried forward the same requirements for proposed budgets and the Commission’s evaluation of proposed budgets and fund grants.¹⁵
- 14 This proceeding is an adjudicated general rate case, and it is properly considered a “regulatory proceeding” within the meaning of the statute, which is appropriate for participatory funding.¹⁶ We next address each Proposed Budget and Fund Grant.
- 15 **TEP.** On May 17, 2023, TEP filed a Proposed Budget to partially offset the costs of its participation. TEP explained that it is investigating and may investigate all matters that impact PacifiCorp’s low-income and vulnerable customers, including but not limited to the multiyear rate plan, low-income assistance program funding and design, low-income weatherization, billing, credit and collection issues, arrearage management, COVID-19 impacts and costs, performance-based regulation and performance measures, cost of service, rate spread, rate design, decoupling, renewables, electric vehicles, distributed generation, and information technology programs. TEP requests a fund grant of \$50,000 for work performed in this matter from the Company’s Customer Representation Sub-Fund for both attorney fees and expert witness fees.
- 16 After considering the various factors set forth in Section 6.5 of the Interim Agreement, we approve TEP’s Proposed Budget and Fund Grant of \$50,000. TEP’s Fund Grant will only partially offset its costs of participation. TEP is an “incumbent” organization with a history of appearing before the Commission,¹⁷ and it seeks to investigate a number of issues in the Company’s general rate case that affect low-income customers.
- 17 The Commission should grant TEP’s request for a \$50,000 Fund Grant given the funds contributed by the organization itself, the breadth and complexity of the issues being investigated, the organization’s qualifications, its history before the Commission, and the organization’s unique expertise in low-income issues.
- 18 **AWEC.** On May 26, 2022, AWEC filed a Proposed Budget and requested a Fund Grant of \$66,000 from the Customer Representation Sub-Fund to partially offset the costs of its

¹⁴ *Id.* ¶ 21.

¹⁵ Revised Agreement §§ 6.3, 6.5.

¹⁶ *See* Policy Statement ¶ 33 (interpreting the term “regulatory proceeding” broadly). *See also* Interim Agreement § 1(c) (defining “Eligible Proceeding”).

¹⁷ Policy Statement ¶ 18.

participation. AWEC explains that it will investigate all economic and policy aspects of PacifiCorp's general rate case filing, including the 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; and rate spread and rate design. AWEC requests a fund grant of \$66,000 for work performed in this matter from the Company's Customer Representation Sub-Fund for both attorney fees and expert witness fees.

- 19 We approve AWEC's Proposed Budget and its request for a \$66,000 Fund Grant. We refer to the same factors set forth in Section 6.5 of the Interim Agreement. AWEC's Fund Grant will only partially offset its costs of participation. AWEC is an "incumbent" organization, with a history of appearing before the Commission,¹⁸ and it intends to investigate all aspects of the Company's filing. Finally, no other party focuses on the interests of industrial customers. AWEC's presentation is not merely cumulative of other parties.
- 20 The Commission should approve AWEC's request for a \$66,000 Fund Grant given the breadth and complexity of the issues being investigated, the funds contributed by the organization, the organization's history before the Commission, and its expertise in representing industrial customers.
- 21 **NWEC.** June 16, 2023, NWEC filed a Proposed Budget. NWEC requested a Fund Grant of \$48,200 from the Customer Representation Sub-Fund to partially offset the costs of its participation. NWEC plans to investigate PacifiCorp's performance related to the implementation of Washington climate and clean energy policies; PacifiCorp's performance metrics and other Senate Bill 5295 implementation issues; issues related to customer-side resources, distribution system investment, energy efficiency assistance, and other affordability issues for low- and moderate-income customers; and PacifiCorp's proposals to eliminate its decoupling mechanism, switch from net metering to net billing, eliminate the inclining tier block structure and replace it with seasonal charges, and to increase the basic charge for certain customers. NWEC requests \$48,200 for eligible expenses, which reflects \$10,000 in expert consultant/expert witness fees, \$25,200 in staff participation costs, and \$13,000 in attorney fees.
- 22 We grant NWEC's Proposed Budget and its request for a \$48,200 Fund Grant. Much like TEP and AWEC, NWEC only requests a portion of its costs for participating in this proceeding. NWEC has a history of appearing before the Commission, and it intends to

¹⁸ *Id.*

investigate a number of complex issues in this proceeding. Given all these factors, it is appropriate to grant NWEC's request.

ORDER

THE COMMISSION ORDERS:

- 23 (1) The Energy Project's Proposed Budget and Fund Grant is APPROVED in the amount of \$50,000.
- 24 (2) The Alliance of Western Energy Consumer's Proposed Budget and Fund Grant is APPROVED in the amount of \$66,000.
- 25 (3) NW Energy Coalition's Proposed Budget and Fund Grant is APPROVED in the amount of \$48,200.

Dated at Lacey, Washington, and effective June 30, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Rayne Pearson
RAYNE PEARSON
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.