

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES

Consolidated Electric and Natural Gas
General Rate Case Certification

DOCKETS UE-240006 and
UG-240007 (*Consolidated*)

ORDER 05

GRANTING REQUESTS FOR CASE
CERTIFICATION

BACKGROUND

- 1 On January 18, 2024, Avista Corporation d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its electric service tariff, Tariff WN U-28, and its natural gas service tariff, Tariff WN U-29, in Dockets UE-240006 and UG-240007, respectively. The purpose of these filings is to increase rates and charges for the electric and natural gas services provided to customers in the state of Washington.
- 2 Avista's filing proposed rate increases to its electric and natural gas rates based on a proposed rate of return of 7.61 percent (with 48.5 percent equity and 10.40 percent return on equity). The Company also proposes a Two-Year Rate Plan, which would begin with new base rates effective in December 2024 (Rate Year 1) and December 2025 (Rate Year 2).
- 3 For Rate Year 1, Avista proposes an overall increase to its electric base revenue to \$77.1 million (13.0 percent) and to its natural gas base revenue to \$17.3 million (13.6 percent). For Rate Year 2, the Company proposes overall increases to its electric base revenue to \$53.7 million (11.7 percent) and to its natural base revenue to \$4.6 million (3.2 percent).
- 4 On January 19, 2024, Avista filed a Motion for Partial Waiver of WAC-07-510, which requires the filing of paper copies within one business day of the electronic filing made by a party in a proceeding. The Commission granted Avista's Motion for Partial Waiver of WAC-7-510.

- 5 On January 31, 2024, the Commission entered Order 01 consolidating dockets UE-240006 and UG-240007, suspending the tariffs, and setting the matters for adjudication.
- 6 On February 20, 2024, the Commission convened a virtual prehearing conference before Administrative Law Judges James E. Brown II and Paige Doyle.
- 7 On February 27, 2024, the Commission entered Order 02, Prehearing Conference Order and Notice of Hearing. The Commission granted petitions to intervene from the Alliance of Western Energy Consumer (AWEC), Walmart, Inc. (Walmart), Seirra Club, NW Energy Coalition, and The Energy Project (TEP) and noticed an evidentiary hearing for September 30, 2024, at 9:00 a.m., continuing if needed to October 1, 2024.
- 8 Pursuant to Washington Administrative Code (WAC) 480-07-370(3), Order 02 issued by the Commission in Docket No. U-210595, and Articles 5.2.1 and 6.2 of the Washington Extended Interim Participatory Funding Agreement (Extended Interim Agreement), AWEC and NWEC filed a Petition for Case Certification (Petition), and along with TEP, also filed a Notice of Intent to Request Fund Grant (Notice).
- 9 On February 14, 2024, AWEC filed a Petition for Case Certification and Notice of Intent to Request a Fund Grant. AWEC provided that its request for fund grant be collected from Avista Customer Representation Sub-fund. AWEC submits that this proceeding, Avista's 2024 General Rate Case, is an "eligible proceeding" under the Extended Interim Agreement.
- 10 Citing Sections 5.2.1 and 6.2 of the Extended Interim Agreement, AWEC requests case-certification. AWEC submits that it is a non-profit organization; that it represents "broad customer interests," specifically the class of industrial customers that obtain electric and gas service from Avista;¹ and that AWEC has a history of effective representation in regulatory proceedings over the past two decades. AWEC submits that it is the only party that can sufficiently represent the interests of industrial customers. Lastly, AWEC submits that its participation will benefit the public interest and will not unduly delay the proceeding.
- 11 On February 15, 2024, NWEC filed a Request for Case Certification and Notice of Intent to Request Funding Grant. NWEC intends to request a fund grant from Avista's Customer Representation Sub-Fund. NWEC submits that it is a non-profit organization and that it is an alliance of more than 100 organizations, including more than 40 organizations in

¹ The Extended Interim Agreement is authorized by RCW 80-28-430(1) which provides that "broad customer interests" also includes industrial customers.

Washington state, and individual members. NWEC focuses on energy efficiency, renewable energy, low-income and consumer protections, and informed public involvement in renewable energy. NWEC also focuses on issues that have a material impact on vulnerable populations and highly impacted communities. NWEC routinely participates in Commission proceedings involving Avista, participating in advisory groups, submitting informal input and formal comments on Avista's various programs, and intervening in previous Avista general rate case proceedings.

- 12* On February 16, 2024, TEP also filed a Request for Case Certification and Notice of Intent to Request a Fund Grant. TEP intends to request a fund grant from Avista's Customer Representation Sub-Fund. TEP submits that it meets the criteria for case certification. TEP submits that it is a non-profit organization; that it represents "broad customer interests," including thousands of low-income customers in Washington, and that TEP has a history of effective representation in regulatory proceedings over the last two decades. TEP provides that it is the only party focusing solely on the interests of low-income customers and that its participation will not unduly delay the proceeding.

DISCUSSION

- 13* Pursuant to Revised Code of Washington (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.²
- 14* On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).³ 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."⁴

² RCW 80.28.430(2).

³ *In the Matter of the Commission's Examination of Participatory Funding Provisions for Regulatory Proceedings*, Docket U-210595 (November 19, 2021).

⁴ *Id.* ¶ 3.

- 15 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).⁵ The Commission approved the Extended 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 Extended Interim Agreement.⁶
- 16 In relevant part, Section 5.2 of the Extended Interim Agreement provides that the Commission will case-certify an organization that is not a for-profit or governmental entity; represents “broad customer interests;” demonstrates it is able to “effectively represent the particular customers it seeks to represent;” demonstrates that no other case-certified stakeholder adequately represents these interests or that the proceeding will benefit from the organization’s participation; and establishes that it will not unduly delay the proceeding.⁷
- 17 In this proceeding, the Commission is reviewing Avista’s 2024 General Rate Case for its electric and natural gas services. The Commission determines that Avista’s 2024 General Rate Case is considered an “eligible proceeding” within the meaning of the Extended Interim Agreement, because Avista is a Participating Public Utility under the Extended Interim Agreement,⁸ thus appropriate for participatory funding.⁹ We continue on to address each Request for Case Certification and Notice of Intent to Seek Funding.
- 18 **AWEC.** AWEC is a non-profit organization that represents broad customer interests. RCW 80-28-430(1) provides that “broad customer interests” also includes industrial customers. The Commission also acknowledges that in other Avista proceedings, AWEC was found to represent broad industrial customers. We therefore find that AWEC represents broad customer interests.
- 19 AWEC demonstrates that it can effectively represent Avista’s industrial customers. This is evidenced through AWEC’s granted intervention and full participation in all of Avista’s prior general rate cases over the past two decades. AWEC has also successfully advocated to lower energy costs for Avista’s customers, including industrial consumers.

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

⁶ *E.g., Id.*

⁷ Extended Interim Agreement § 5.2.

⁸ Extended Interim Agreement, Article 1(g).

⁹ See Extended Interim Agreement § 1(c) (defining “Eligible Proceeding”).

- 20 The Commission agrees that the public interest is served by AWEC’s participation and that no other party can adequately represent the interests of industrial customers. We therefore grant AWEC’s Request for Case Certification.
- 21 **NWEC.** NWEC is also a non-profit organization that represents broad customer interests. In its Policy Statement, the Commission found that the term “broad customer interests” should not be limited to organizations representing larger groups of customers.¹⁰ The Commission specifically agreed with NWEC’s comments that an organization representing specific customers may implicate broader public interests.¹¹ We find that NWEC meets this standard. NWEC has appeared before the Commission on numerous occasions.¹²
- 22 NWEC demonstrates that it can effectively represent the particular customers it seeks to represent. NWEC routinely appears before the Commission without causing undue delays.¹³ We agree that the public interest is served by NWEC’s participation. We therefore grant NWEC’s Request for Case Certification.
- 23 **TEP.** TEP is a non-profit organization that represents broad customer interests. RCW 80.28.430(1) provides that organizations representing “broad customer interests” includes organizations representing “low-income” customers. TEP also demonstrates that it can effectively represent the particular customers it seeks to represent, which are low-income customers and vulnerable populations. TEP provides that it is the only party focusing solely on the interests of low-income customers. TEP routinely appears before the Commission and participates in Commission rate proceedings and rulemakings over the past two decades.¹⁴ We agree that the public interest is served by TEP’s participation and that TEP establishes it will not unduly delay the proceeding. We therefore grant TEP’s Request for Case Certification.

¹⁰ Policy Statement ¶ 28.

¹¹ *Id.*

¹² NWEC’s Request for Certification at 2.

¹³ See NWEC’s Request for Case Certification at 3.

¹⁴ TEP’s Request for Case Certification ¶ 4(c).

ORDER

THE COMMISSION ORDERS:

- 24 (1) The Alliance of Western Energy Consumers' Request for Case Certification is GRANTED.
- 25 (2) The NW Energy Coalition's Request for Case Certification is GRANTED.
- 26 (3) The Energy Project's Request for Case Certification is GRANTED.

Dated at Lacey, Washington, and effective April 3, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ *James E. Brown II*
JAMES E. BROWN II
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.