

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

Relating to the Commission's Proceeding to  
Develop a Policy Statement Addressing  
Alternatives to Traditional Cost of Service  
Ratemaking

DOCKET U-210590

**COMMENTS OF PUBLIC COUNSEL**

**May 17th, 2024**

## I. INTRODUCTION

1. The Public Counsel Unit of the Washington Attorney General’s Office (Public Counsel) files these comments in response to the Washington Utilities and Transportation Commission’s (Commission) Notice of Workshop and Opportunity to Comments dated April 18, 2024 (Notice). In the Notice, the Commission announced a workshop on May 28, 2024, to continue to discuss unresolved metrics, calculations, and definitions. The Commission is also seeking public comments on metrics in advance of the May 28, 2024, workshop.<sup>1</sup> Public Counsel offers the comments below regarding the questions shown in the Notice and looks forward to continued engagement with involved parties.

## II. RESPONSE TO QUESTIONS

### A. Question 1: Equity in Reliability- Length of Power Outages

2. Public Counsel confirms its agreement that the metric should not be applicable to gas utilities. Additionally, Public Counsel confirms that the metric should be provided with and without major event days.

### B. Question 2: Equity in Reliability- Historically Worst Performing Circuits

3. Public Counsel confirms its agreement that the metric should not be applicable to natural gas utilities.

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<sup>1</sup> Commission Notice of Workshop and Opportunity to Comment (April 18, 2024).

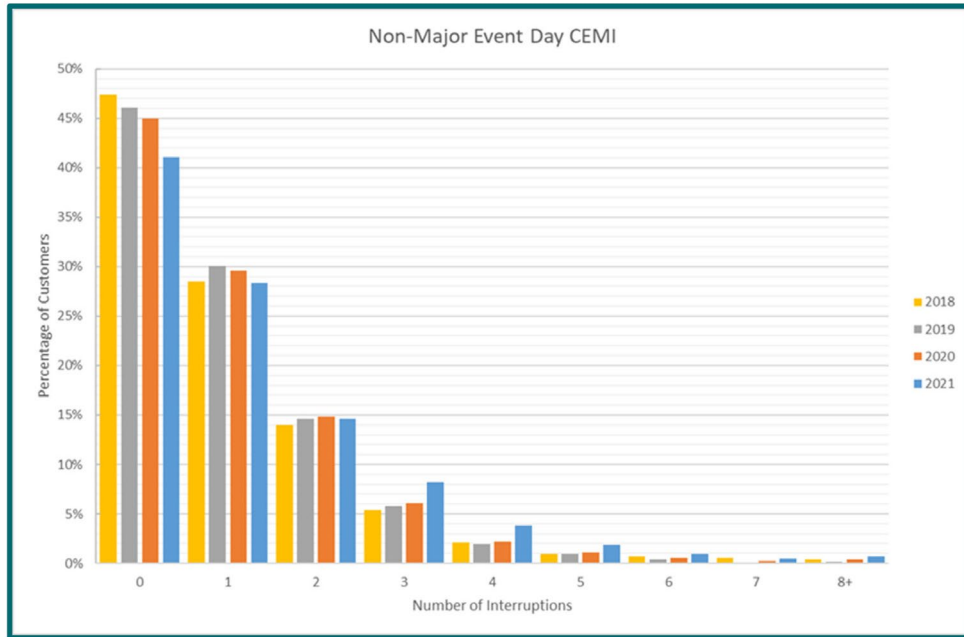
**C. Question 3: Equity in Reliability- Customers Experiencing Multiple Interruptions (CEMI) for Named and Non-named Communities**

4. Public Counsel proposes that utilities report  $n$  from 0 through 8, where  $n$  is the number of sustained interruptions. Setting  $n$  to equal values 0 through 8 is consistent with the reporting provided in the PSE’s electric service reliability report<sup>2</sup> (see figure below). Because the percentage of customers experiencing eight or more outages is non-trivial, Public Counsel finds that tracking the percentage of customers affected by such a high frequency of outages would provide useful information.
5. In terms of the definition of a “sustained interruption,” it is Public Counsel’s understanding that CEMI is currently measured by at least one utility (PSE) using the definition of any interruption longer than one minute. However, Public Counsel is also aware that IEEE defines a sustained outage to be longer than five minutes, and this definition is used by Avista Utilities for its reporting of sustained interruptions. For the purpose of consistency and comparability across peer utilities, Public Counsel proposes that all Washington utilities report CEMI using IEEE’s five-minute definition.
6. Public Counsel also proposes that “multiple” be defined as one through eight or more, as discussed above. Additionally, Public Counsel confirms that the metric is not applicable to natural gas utilities.

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<sup>2</sup> Puget Sound Energy Compliance Service Reliability Report, Attach. A at 50, *Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-170033 & UG-170034 (Mar. 29, 2022).

**Figure 1: Non-Major Event Day CEMI**



**D. Question 4: Customer Affordability – Arrearages by Month**

7. Public Counsel confirms that reporting by the total number of customers per period should be completed at the highest interval (e.g., the customer that is 61 days late is only reported in the 60 or more data) and total dollars in the arrears should be reported in the actual interval (e.g., a customer that is 80 days late may have associated dollars in the 30 or more and 60 or more data).

**E. Question 5: Customer Affordability – Percent of Customers in Arrears with Arrearage Management Plans**

8. Public Counsel submits that to determine what time periods should be reported, we will need to first understand what the threshold is for qualifying. In general, more granular data (e.g., the number of customers at least 30 days, 60 days, and 90 days in arrears) is more useful for understanding how Arrearage Management Plans are helping customers and whether customers

can complete them successfully. More detailed data are also useful for understanding what proportion of customers in arrears are facing long-term difficulties paying their bills versus short-term difficulties, as utility interventions may need to be modified according to the nature of customers' financial difficulties.

**F. Question 6: Customer Affordability – Average Energy Burden**

9. Public Counsel proposes that the energy burden be reported separately for each fuel because of the difficulties in calculating the total energy burden for single-fuel utilities. In addition, Public Counsel proposes that for dual-fuel utilities, the combined energy burden should be reported. For dual fuel utilities, it is beneficial to require reporting on a combined basis for customers, as well as separately for electricity and natural gas. The combined reporting is useful because electricity and natural gas are often substitutes, and thus a high energy burden for electricity may equate to a low energy burden for natural gas. Dual-fuel utilities are in a unique position to capture this nuance because they can report the combined gas and electricity burden for an individual customer.
10. Public Counsel recommends reporting energy burden on both a percentage basis (i.e., the percentage of customers with an energy burden of X or greater) and as number (i.e., the number of customers with an energy burden of X or greater) to provide context and transparency. The percentage value is useful for understanding what proportion of customers have high energy burdens within a utility's service territory. Reporting the number of customers with an energy burden of a certain amount is useful for summing across utilities and computing state-wide values.

11. Public Counsel recommends that the energy burden metric be calculated after all forms of energy assistance are applied to customer accounts, as the purpose of energy assistance is to reduce the energy burden. If customers are still heavily burdened after assistance, then the metric will reveal that available programs, existing program design, and/or enrollment rates are not adequate to address the need.

12. Public Counsel recommends avoiding reporting on excess energy burden at this time. Reporting on excess energy burden will require a definition of “excess” and this will result in subjective judgment regarding what is an “excessive” energy burden. An energy burden of 5.9 percent is not substantially better than 6.0 percent; denoting a specific percentage as excess energy burden will overlook those in close range. Further, adopting a specific energy burden does not account for other factors that mitigate or worsen a customer's financial situation. That said, Public Counsel recognizes the 6.0 percent threshold as a useful industry-standard benchmark at which a household is energy burdened. Our comments here reflect, however, that there may be shortcomings in establishing a singular threshold for excess energy burden.

**G. Question 7: Customer Affordability – Net Benefits of DERs and GETs**

13. Public Counsel agrees with removing the Grid Enhancing Technologies (GETs) portion of the metric, as GETs are not currently well-defined.

14. In terms of the definition of “benefits,” Public Counsel recommends that benefits be defined and consistent with the perspective and definition adopted by the Commission for use in cost-effectiveness tests. If the Commission adopts guidance stating that the utilities should measure cost-effectiveness using the Societal Cost Test, then the benefits should be consistent with those included in the test.

15. Until the Commission issues guidance in Docket UE-210804, Public Counsel proposes that the test be consistent with that currently used for utility conservation programs. Public Counsel’s understanding is that the Commission currently requires the use of the modified Total Resource Cost (TRC) test, including the social cost of greenhouse gases, and was modified to include quantifiable non-energy benefits and/or impacts, a risk adder, and a 10 percent conservation benefit adder, as discussed in Attachment A of the Commission’s January 18, 2022, order in Docket UG-210827.

16. Public Counsel recommends that the metric be reported by Distributed Energy Resource (DER) type.

17. Public Counsel does not confirm agreement with excluding natural gas utilities from reporting this metric. Natural gas utilities currently undertake conservation activities and could also implement demand response programs that can be classified as DERs. Reporting should include conservation and demand response activities for natural gas utilities. To avoid confusion regarding what constitutes a DER, Public Counsel recommends that the Commission establish a clear and consistent definition of DERs.

**H. Question 8: Customer Affordability – DER Utilization**

18. Public Counsel does not confirm agreement on the revised metric calculation (“Energy and capacity of all applicable distributed energy resources (DERs) and percentage of that energy and capacity utilized annually”). Instead, Public Counsel proposes the following revisions for clarity:

- Energy (MWh or MMBtu) and capacity (MW or MMcf/day) of each distributed energy resource (DER) type. For dispatchable DERs, utilities

should also provide the energy or demand reductions achieved through testing and dispatch annually.

19. Additionally, Public Counsel maintains that if the term “cost-effective” is included in the definition, it should be measured on a portfolio basis, rather than at the program or measure level. Public Counsel also proposes to measure MWh and MW for named vs. non-named communities for equity purposes.

20. Public Counsel agrees with Northwest Energy Coalition’s (NWECC) recommendation to revise the title to “DER Availability and Utilization” to better capture the intent of the metric design.

21. Public Counsel does not agree with excluding natural gas utilities from reporting this metric. Natural gas utilities may have conservation and demand response programs that should be reported in this metric.

**I. Question 9: Customer Affordability – Percent of Utility Assistance Funds Dispersed**

22. Public Counsel confirms agreement with removing the term “rate-based” from the metric calculation. However, there are multiple types of customer-funded forms of assistance, including programs funded through voluntary contributions from customers and programs funded through electric and gas utility rates. To avoid confusion, Public Counsel proposes that the term used in this metric be “rate-funded,” or, alternatively, that the metric definition include a clarification that “customer-funded” refers only to funds collected through rates.

23. Public Counsel also supports the recommendation to include a narrative discussing year-over-year variances, as the assistance funds dispersed may decrease for reasons such as a



reduction in qualified customers due to improved economic circumstances, for example. Year-over-year variances are important for understanding whether changes in the metric are due to utility performance or outside factors. Public Counsel does not believe that the establishment of a threshold variance for the required narrative is necessary at this time.

**J. Question 10: Customer Affordability – Customers Who Participate in One or More Bill Assistance Programs**

24. Public Counsel recommends that the metric be reported as an aggregate of all bill assistance programs, as well as broken down by program type (i.e., rate-funded programs versus voluntary contribution programs versus federally-funded programs). Reporting the number of customers who participate in any program will provide greater transparency on the number of qualifying customers who are not benefiting from any bill assistance programs.

25. Public Counsel supports the modification of the metric to better evaluate bill assistance program effectiveness. However, it is unclear whether the data on energy burden is available to calculate the effectiveness of programs in mitigating energy burden on a continuing basis. To address this issue, Public Counsel suggests that utilities could provide an estimate of the impact of customer assistance programs on overall energy burden in their regular needs assessments.

**K. Question 11: Customer Affordability – Revenues Associated with Riders or Other Mechanisms Outside of the Multi-Year Rate Plan (MYRP)**

26. Public Counsel strongly supports the inclusion of this metric, as revenues associated with riders or other mechanisms are not reviewed in the same manner as base revenues in rate cases.

**L. Question 12: Equitable Utility Operations – Workforce Diversity**

27. Public Counsel confirms support for the metric.

**M. Question 13: Equitable Utility Operations – Supplier Diversity**

28. Public Counsel confirms support for the revised calculation of the metric to include: “percentage of total annual spend dollars to suppliers that self-identify as owned by people of color, other marginalized groups, and veterans.”

**N. Question 14: Equitable Utility Operations – Equity in DER Program**

**Enrollment**

29. Public Counsel supports the modification of “electric vehicle” to “electric transportation” to the extent that the modified language includes electrified public transportation or other modes of electrified personal transportation.
30. Public Counsel supports the modification of “enrolled” to “directly benefiting from” as customers may benefit from electrified public transit while not being directly enrolled in the program.
31. For the purposes of electric DER programs, Public Counsel proposes to define a DER program as:

Any program administered by a utility that is designed to promote or utilize small-scale power generation resources, storage technologies, or customer loads or conservation as an alternative or enhancement to the traditional electric power system. These can be located on an electric utility’s distribution system, a subsystem of the utility’s distribution system, or behind a customer meter. They may include electric storage, intermittent generation, distributed generation, demand response, energy efficiency, thermal storage, or electric vehicles and their charging equipment.

For the purposes of natural gas DER programs, Public Counsel proposes the following definition: “Any program administered by a utility that is designed to utilize customer load shifting or conservation as an alternative or enhancement to the traditional natural gas system.”

**O. Question 15: Equitable Utility Operations – Equity in DER Program**  
**Spending**

32. Public Counsel confirms support for this metric.

**III. CONCLUSIONS**

33. Public Counsel appreciates the opportunity to provide these comments regarding the further refinement of the metrics and commends the Commission for ensuring the careful completion of Phase 1.

Dated this 17th day of May 2024.

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/s/ 

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