

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,</p> <p>Complainant,</p> <p>v.</p> <p>PUGET SOUND ENERGY,</p> <p>Respondent.</p>	<p>DOCKETS UE-220066 and UG- 220067 (<i>Consolidated</i>)</p> <p>ORDER 31</p>
<p>In the Matter of the Petition of</p> <p>PUGET SOUND ENERGY</p> <p>For an Order Authorizing Deferred Accounting Treatment for Puget Sound Energy’s Share of Costs Associated with the Tacoma LNG Facility</p>	<p>DOCKET UG-210918</p> <p>ORDER 17</p> <p>APPROVING PROPOSED BUDGETS AND FUND GRANTS</p>

BACKGROUND

- 1 On December 22, 2022, the Washington Utilities and Transportation Commission (Commission) entered Final Order 24/10, Rejecting Tariff Sheets; Approving Settlements, with Conditions; Authorizing and Requiring Compliance Filing (Final Order 24/10). By this Order, the Commission approved three partial multi-party settlements that, considered together, resolved all of the outstanding issues in the general rate case filed by Puget Sound Energy (PSE or Company).
- 2 On August 10, 2023, PSE filed a Petition to Amend Final Order, initiating the current phase of this proceeding.
- 3 On October 6, 2023, the Commission entered Order 29/15, Prehearing Conference Order and Notice of Hearing (Order 29/15), scheduling an evidentiary hearing for January 18,

2024, at 9:30 a.m. To the extent applicable, the Commission required that any requests for case certification and notices of intent to seek funding be filed by October 13, 2023. The Commission required that any proposed budgets be filed by November 13, 2023.

- 4 By October 13, 2023, each of the two case-certified parties filed Proposed Budgets and Requests for Fund Grants. The details of the parties' requests are discussed in detail in the following discussion section.
- 5 On October 30, 2023, the Commission entered Order 30/16, Granting Requests for Case Certification (Order 30/16). The Commission granted case-certified status to The Energy Project (TEP) and Alliance of Western Energy Consumers (AWEC). The Commission also found that each of these organizations properly filed a notice of intent to seek funding.

DISCUSSION

- 6 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.¹
- 7 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 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

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.

- 8 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 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
- 9 In relevant part, 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 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

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

⁶ *Id.*

⁷ Interim Agreement § 6.5.

⁸ *Id.*

⁹ *Id.*

- 10 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
- 11 In this case, each of the two case-certified parties filed Proposed Budgets. TEP and AWEC request a total of \$40,000 from the \$130,000 remaining in PSE's Customer Representation Sub-Fund. We address each Proposed Budget in turn, considering them in light of the content requirements set forth in Section 6.3 and the various factors set forth in Section 6.5 of the Interim Agreement.
- 12 **TEP.** On October 13, 2023, TEP filed a Proposed Budget. TEP requested a Fund Grant pursuant to the Interim Agreement to partially offset the costs of its participation. TEP noted that it may investigate all matters that have an impact on low-income, energy burdened, and vulnerable customers pertaining to PSE's credit and collections practices as well as the equity and rate impacts of PSE's proposals. TEP requests a total award of \$30,000 from PSE's Customer Representation Sub-Fund. This was based on estimated consultant/expert witness fees of \$6,000 and attorney fees of \$24,000.
- 13 Several Section 6.5 factors weigh in favor of TEP's request. We observe that TEP is contributing from its own funds in order to participate, and TEP's Fund Grant only seeks to partially offset these costs. TEP is an "incumbent" organization with a history of appearing before the Commission,¹² and it seeks to investigate important issues in this proceeding. We also observe that the total requests presented to the Commission in this proceeding would not exceed the remaining funds available in PSE's Consumer Access Fund.
- 14 The Commission therefore approves a total Fund Grant of \$30,000 for TEP in this proceeding.
- 15 **AWEC.** On October 11, 2023, AWEC filed a Proposed Budget. AWEC requested a Fund Grant of \$10,000 from the Customer Representation Sub-Fund to partially offset the costs of the staff and operational support, consultant fees, and expert witness fees required in this proceeding. This was based on estimated expert witness fees of \$2,928, attorney fees of \$12,050, and printing and postage fees of \$22. AWEC plans to investigate PSE's

¹⁰ *Id.*

¹¹ *Id.*

¹² Policy Statement ¶ 18.

petition to Amend the Final Order pertaining to its growing arrearage balance including whether PSE identifies appropriate solutions to the issues.

- 16 We approve AWEC's Proposed Budget. Much like TEP, several factors weigh in favor of the reasonableness of AWEC's Proposed Budget. AWEC only requests a portion of its costs for participating in this proceeding. AWEC also has a history of appearing before the Commission, and it intends to investigate complex issues in this proceeding, such as investigating PSE's arrearages balance which can significantly impact customers. The Commission also recognizes AWEC as an "incumbent" organization with a history of representing industrial customers before the Commission. The Commission also observes that the total requests presented to the Commission in this proceeding would not exceed the remaining funds available in PSE's Consumer Access Fund.
- 17 The Commission therefore approves a Fund Grant for AWEC in the amount of \$10,000 for this proceeding.
- 18 Finally, we remind all parties that neither case-certification nor approval of a Proposed Budget for a Fund Grant is a guarantee of reimbursement. We may determine that a party's request for reimbursement should be denied in part or in whole. The amount of funding in each Consumer Access Fund is limited, and it may be required for more than one Eligible Proceeding. These funds are also sourced from ratepayers, many of whom are faced with their own economic challenges. Thus, we expect all requests for reimbursement to contain great detail, including receipts, invoices, and any other documentation of costs for which recovery is requested. All requests must also include references to eligibility for expenses and any relevant portions of the Interim Agreement. To incentivize appropriate use and equitable distribution of Fund Grants, we will also carefully evaluate how recovered costs should be allocated to customers. For example, we will consider whether each case-certified party's recovered costs should be allocated towards a specific customer class, a select group of classes, or across the entirety of customers.

ORDER

THE COMMISSION ORDERS:

- 19 (1) The Energy Projects' Proposed Budget and Fund Grant is APPROVED in the amount of \$30,000.
- 20 (2) The Alliance of Western Energy Consumer's Proposed Budget and Fund Grant is APPROVED in the amount of \$10,000.

Dated at Lacey, Washington, and effective April 4, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Michael Howard
MICHAEL HOWARD
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.**