

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION)	DOCKETS UE-240006 and UG-240007 (<i>Consolidated</i>)
)	
Complainant,)	
)	PROPOSED BUDGET FOR FUND GRANT OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS
v.)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES)	
)	
Respondent.)	

1 Pursuant to the Washington Extended Interim Participatory Funding Agreement (“Funding Agreement”), approved by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in Order 02 in Docket No. U-210595, the Alliance of Western Energy Consumers (“AWEC”) hereby submits its proposed budget in the above-captioned proceeding.

2 On January 18, 2024, Avista Corporation d/b/a Avista Utilities (“Avista” or the “Company”) filed its request for a general rate revision for its electric and natural gas service. The Commission docketed these filings as UE-240006 and UG-240007. On January 31, 2024, the Commission issued Order 01 in this proceeding, consolidating Dockets UE-240006 and UG-240007.

3 Dockets UE-240006/UG-240007 are Eligible Proceedings for Fund Grants under Article 1(c) of the Funding Agreement. Accordingly, a Fund Grant may be made for this proceeding under the Funding Agreement.

4 On February 14, 2024, as required by Article 6.2 of the Funding Agreement, AWEC filed its Request for Case Certification and Notice of Intent to request a Fund Grant, which was also served on Avista and all parties of record in the proceeding. In that filing, AWEC identified the Avista Customer Representation Sub-Fund as the account from which AWEC intends to request a Fund Grant.

5 As of the date of this filing, the Commission has not ruled on AWEC’s Request for Case Certification; however, in Avista’s prior general rate case as well as other general rate cases that have come before the Commission, the Commission has found that AWEC demonstrated it is a non-profit organization that represents broad customer interests,¹ that “it can effectively represent the particular customers it seeks to represent,”² and that “the public interest is served by AWEC’s participation” and “no other party adequately represents the interests of industrial customers.”³ AWEC is filing its request prior to the Commission’s determination on AWEC’s Request for Case Certification given the requirement in the Funding Agreement that Proposed Budgets be filed within 30 days of the Prehearing Conference in a proceeding unless an alternative date is set by the Commission.⁴

6 Pursuant to Article 6.3 of the Funding Agreement, AWEC files this Proposed Budget in this case for an Avista Customer Representation Sub-Fund grant in the amount of \$85,000. As discussed below, AWEC will also incur the additional expense of procuring directly an Aurora license to review Avista’s net power costs in this proceeding. If additional

¹ Dockets UE-220053 and UG-220054 (*consolidated*), Order 05 at ¶ 21 (Mar. 24, 2022); Dockets UE-220066 and UG-220067 (*consolidated*), Order 08 at ¶ 24 (Mar. 24, 2022); and Dockets UE-230172 and UE-210852 (*consolidated*), Orders 04/02 at ¶ 12 (May 25, 2023).

²Dockets UE-220053 and UG-220054 (*consolidated*), Order 05 at ¶ 22; Dockets UE-220066 and UG-220067 (*consolidated*), Order 08 at ¶ 25; Dockets UE-230172 and UE-210852 (*consolidated*), Orders 04/02 at ¶ 13.

³ *Id.*

⁴ See Docket U-210595, Washington Extended Interim Participatory Funding Agreement, Article 6.3 (Feb. 16, 2023)

Avista Customer Representation Sub-Fund amounts become available, AWEC reserves the right to file an amended proposed budget and request an additional Fund Grant. The following information is provided in accordance with Articles 6.3 and 6.6 of the Funding Agreement.

7 **Statement of work to be performed by AWEC for which AWEC is seeking a Fund Grant.** AWEC has retained Davison Van Cleve, P.C. to represent it in these Dockets. AWEC will attend all workshops, settlement conferences, public meetings, oral presentations and hearings. AWEC will also conduct discovery in this proceeding. In addition, AWEC will submit expert witness testimony and briefs as called for by the procedural schedule in this case.

8 **Description of the general areas to be investigated by AWEC.** AWEC intends to investigate all economic and policy aspects of Avista’s filing. General issues include Avista’s request for approval of a 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, as well as rate spread and rate design. AWEC will also review issues raised by other parties.

9 **Identification of the specific Sub-Fund from which AWEC is seeking a Fund Grant and an estimate of the amount of available funds in that account, if known.** AWEC is seeking a Fund Grant from the 2024 Avista Customer Representation Sub-Fund, which currently has a balance of \$200,000 to AWEC’s understanding.

10 **A budget showing estimated attorney fees, which may include the cost for appropriate support staff and operational support.** AWEC’s proposed budget, setting forth estimated attorney fees, support staff costs and operational support costs, appears in Exhibit A.

11 **A budget showing estimated consultant fees and expert witness fees, which may include the cost for appropriate support staff and operational support.** AWEC’s

proposed budget, setting forth consultant fees and expert witness fees, is also included in Exhibit A.

12 **Cooperative Efforts.** In accordance with Article 6.6 of the Funding Agreement, AWEC coordinated with the other organizations who filed Notices of Intent to Request a Fund Grant from the Customer Representation Sub-Fund – The Energy Project and NW Energy Coalition. As part of those discussions, the parties reached agreement on the amounts each organization would request in participatory funding. As such, AWEC is not aware of any objection to its proposed budget.

13 **Additional Considerations.** Article 6.5 of the Funding Agreement sets forth several factors that the Commission may consider when making a determination on budget requests. In aid of the Commission’s decision, AWEC provides the following information:

- a. The breadth and complexity of issues in this proceeding are significant. General rate case proceedings implicate all aspects of a utility’s revenue requirement, including expenses, revenues, capital additions, cost of capital and rate spread/rate design. Moreover, Avista’s 2024 rate case raises several policy issues as described below. Evaluation of this rate case will require substantial effort and expense by AWEC to ensure just and reasonable rates for industrial customers.
- b. Avista’s Two-Year Rate Plan raises a number of policy considerations, including issues regarding replacement resources for Colstrip impacting Avista’s net power costs, resources to meet Washington’s Clean Energy Transformation Act requirements, wildfire mitigation costs and cost recovery mechanism, insurance expense and related cost recovery mechanism, and changes to Avista’s Energy Recovery Mechanism.

- c. The procedural schedule in this case assumes a fully litigated case, which requires discovery, pre-filed written testimony, workshops and settlement conferences, as well as a hearing, briefing and any other events the Commission may deem appropriate. As such, AWEC's participation will be extensive.
- d. For Rate Year 1, the Company proposes an electric rate increase of \$77.1 million, or 13.0%, and a natural gas rate increase of \$17.3 million, or 13.6%. For Rate Year 2, Avista proposes an increase of \$53.7 million, or 11.7%, for electric rates and \$4.6 million, or 3.2%, for natural gas rates. These represent significant rate increases for Avista's industrial and large non-residential customers. Any change to Avista's rates could substantially impact the rates Avista charges to its customers, including AWEC's members, and therefore warrants considerable scrutiny.
- e. The Commission has previously recognized AWEC as an "incumbent" organization with a history of representing industrial customers' interests before the Commission,⁵ and determined that "no other party adequately represents the interests of industrial customers."⁶
- f. As shown in Exhibit A to this Proposed Budget, AWEC anticipates that its costs will significantly exceed its budget request in this case, assuming a fully litigated proceeding. To the extent that AWEC's costs are greater than Fund Grant amounts, AWEC will bear the costs of its participation. AWEC notes that, as

⁵ *E.g.*, Dockets UE-220066 and UG-220067, Order 08 at ¶ 24 (Mar. 24, 2022).

⁶ *Id.* at ¶ 25.

shown in Exhibit A, its proposed budget in this case is much less than the anticipated costs associated with its participation in a fully litigated proceeding.

As noted above, AWEC will also for the first time be required to obtain its own intervenor license for Aurora access, which is necessary to review Avista's net power costs in this proceeding. According to Avista, this new requirement is due to process changes within Energy Exemplar, the license holder for Aurora. The cost to obtain an intervenor license for the limited purposes of this case is \$5,000. In informal discussions with Avista, Avista indicated its preference that AWEC obtain the license at its own expense and use the participatory funding process to recover the costs associated with the license. On a non-precedential basis, and after discussions with The Energy Project, NW Energy Coalition, and Commission Staff,⁷ AWEC agreed to this approach given the support of these parties as well as Avista. AWEC is in the process of obtaining an intervenor license from Energy Exemplar to ensure timely access to review Avista's net power costs. However, AWEC does not believe that intervenors should be responsible for bearing the cost of licenses necessary to review material components of a utility's rate filings, which is effectively what will occur here if AWEC's allocation of participatory funding is reduced by the cost of an Aurora license, as it will divert resources that AWEC would otherwise use to review Avista's filing and participate in the case. Accordingly, AWEC reserves the right to request an increase to the amount of the Avista Customer Representation Sub-

⁷ AWEC also reached out to Public Counsel but as of the time of this filing, has not received a response.

Fund to cover the cost of the Aurora license. AWEC anticipates the same issue to arise in Puget Sound Energy's ("PSE") General Rate Case filing, Docket UE-240004/UG-240005, which will require AWEC to obtain its own intervenor Aurora license to evaluate PSE's net power costs. In the interest of judicial economy, AWEC intends to file a single joint request to increase both the Avista and PSE Sub-Funds to cover the cost of these licenses at the time it files its budget in the PSE rate case.

- g. AWEC represents the interests of large energy consumers and has significant experience participating in Commission proceedings involving the Commission and Avista. In addition, AWEC has participated in numerous previous cases related to setting rates for Avista. Thus, AWEC possesses significant interest and expertise with respect to this proceeding. AWEC's participation will benefit all Avista industrial and large non-residential customers.
- h. The level of available funds in the Avista's Customer Representation Sub-Fund for 2024 is \$200,000. As such, AWEC's request is within the limits of available funding.
- i. Given the limited nature of the Avista Customer Representation Sub-Fund, the number of other parties eligible to seek a Fund Grant in this case, and the significance of both the number and substance of issues raised in this proceeding, AWEC anticipates utilizing available Avista grant funds in this proceeding and does not anticipate seeking additional Fund Grants from the Annual Fund Amount

of the Avista Customer Representation Sub-Fund for other dockets in 2024, assuming a fully litigated proceeding.⁸

14 Therefore, AWEC respectfully requests that the Commission issue an order granting a Fund Grant in the amount specified above.

Dated this 21st day of March, 2024.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

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⁸ As noted above, AWEC does intend to seek a limited increase to the Avista Customer Representation Sub-Fund in this proceeding to cover the cost of its Aurora intervenor license.

UE-240006/UG-240007

Exhibit A

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Partner	246	\$325	\$79,950
Junior Attorney	160	\$275	\$44,000
Paralegal / Law Clerk	135	\$200	\$27,000
<i>Expert Witness Fees</i>			
Expert	200	\$244	\$48,800
Expert	200	\$250	\$50,000
<i>Other Expenses</i>			
Travel			\$100
Printing and Postage			\$150
Subtotal			\$250,000
Total AWEC Request for Avista Customer Representation Sub-Fund Grant			\$85,000