

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

<p>In the Matter of</p> <p>AVISTA CORPORATION, d/b/a AVISTA UTILITIES</p> <p>Consolidated Proposed Budgets and Fund Grants</p>	<p>DOCKETS UE-240006 and UG- 240007 (<i>Consolidated</i>)</p> <p>ORDER 06</p> <p>APPROVING PROPOSED BUDGETS AND FUND GRANTS</p>
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**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 On February 20, 2024, the Commission convened a virtual prehearing conference before Administrative Law Judges James E. Brown II and Paige Doyle.
- 3 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 Consumers (AWEC), Seirra Club, NW Energy Coalition (NWEC), 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.
- 4 On April 12, 2024, the Commission entered Order 05, Granting Requests for Case Certification (Order 05). The Commission granted case-certified status to AWEC, NWEC, and TEP. The Commission also found that each of these organizations properly filed a notice of intent to seek funding.
- 5 By March 21, 2024, each of the three case-certified parties filed Proposed Budgets and Requests for Fund Grants. The details of the parties’ requests are discussed in detail below.

## DISCUSSION

- 6 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.<sup>1</sup>
- 7 On November 19, 2021, the Commission issued a Policy Statement on Participatory Funding for Regulatory Proceedings (Policy Statement).<sup>2</sup> 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.”<sup>3</sup> 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.”<sup>4</sup>
- 8 On February 24, 2022, the Commission issued Order 01, Approving Agreement with Modifications (Order 01).<sup>5</sup> 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.<sup>6</sup>
- 9 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

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<sup>1</sup> RCW 80.28.430(2).

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

<sup>3</sup> *Id.* ¶ 3.

<sup>4</sup> *Id.* ¶ 17.

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

<sup>6</sup> *Id.*

estimated attorney fees or consultant fees.<sup>7</sup> If the Commission receives one or more Proposed Budgets, it will “determine the amount, if any, of Fund Grants that will be made available . . .”<sup>8</sup> 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.”<sup>9</sup>

10 The Commission may reject, in whole or in part, a request for Fund Grant based on these factors.<sup>10</sup> The Commission may place reasonable conditions on Fund Grants, and it may amend Fund Grants on a prospective basis.<sup>11</sup>

11 In this case, each of the three case-certified parties filed Proposed Budgets. According to the Section 4.2 of the Interim Agreement provides that Avista has a Customer Representation Sub-Fund of \$200,000. TEP and AWEC have each requested \$85,000 and NWEC has requested \$30,000 of Fund Grants under the Customer Representation Sub-Fund. The total requested funding from the three case-certified parties amounts to \$200,000, which matches exactly with the funding available in Avista’s Customer Representation Sub-Fund. We address each Proposed Budget in turn, considering them in

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<sup>7</sup> Interim Agreement § 6.5.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.*

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 March 21, 2024, 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 customers. Matters of interest to TEP include multiyear rate plan, low-income assistance program funding and design, low-income weatherization, billing, credit and collection issues, arrearage management, performance-based regulations and performance measures, cost of service, rate spread, rate design, decoupling, renewables, electric vehicles, distributed generation, and power costs. TEP requests a total award of \$85,000 from Avista’s Customer Representation Sub-Fund. This was based on estimated consultant/expert witness fees of \$20,000 and attorney fees of \$65,000.

13 After considering the various factors set forth in Section 6.5 of the Interim Agreement, we approve TEP’s Proposed Budget of \$85,000.

14 Several Section 6.5 factors weigh in favor of TEP’s request. We observe that TEP is contributing from its own funds 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,<sup>12</sup> and it seeks to investigate several issues in this proceeding.

15 The Commission observes that the total request presented in this proceeding would not exceed the remaining funds available in Avista’s Customer Representation Sub-Fund.

16 The Commission therefore approves a total Fund Grant of \$85,000 for TEP in this proceeding.

17 **NWEC.** On March 21, 2024, NWEC filed a Proposed Budget. NWEC requested a Fund Grant of \$30,000 from the Customer Representation Sub-Fund to partially offset the costs of NWEC staff’s participation and postage fees in this proceeding. NWEC does not request reimbursement for expert witnesses or attorney fees. NWEC plans to investigate Avista’s compliance with Washington’s clean energy and equity laws and policies, and issues related to Avista’s clean energy targets and associated analysis, customer-side resources, distribution system investment, energy efficiency assistance, and issues surrounding the equitable distribution of benefits.

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<sup>12</sup> Policy Statement ¶ 18.

- 18 We approve NWECE's Proposed Budget. Much like TEP, several factors weigh in favor of the reasonableness of NWECE's Proposed Budget. NWECE only requests a portion of its costs for participating in this proceeding and foresees that it will not require a Fund Grant for all other Avista Proceedings in 2024. NWECE has a history of appearing before the Commission, and it intends to investigate several complex issues in this proceeding, such as Avista's performance in relation to Washington's climate and clean energy policies as well as SB 5295. We also observe that NWECE proposes a conservative hourly rate for its staff time, with each of the proposed hourly rates for its staff falling under \$66 an hour.
- 19 The Commission observes that the total request presented in this proceeding would not exceed the remaining funds available in Avista's Customer Representation Sub-Fund. The Commission therefore approves a Fund Grant for NWECE in the amount of \$30,000 for this proceeding.
- 20 **AWEC.** On March 21, 2024, AWEC filed a Proposed Budget, requesting a Fund Grant of \$85,000 from the Avista's Customer Representation Sub-Fund to partially offset the costs of its participation. AWEC provides that the \$85,000 will be used towards attorney fees, help with preparing material for discovery in this proceeding, submit expert witness testimony and briefs, and attend all workshops, settlement conferences, public meetings, oral presentations, and hearings. AWEC intends to investigate various issues in this proceeding, including each economic and policy aspect of Avista's rate case filing, and general issues such as performance-based ratemaking, revenue requirement, and Avista's request for approval for its 2-Year Rate Plan Proposal.
- 21 We approve AWEC's Proposed Budget. The various factors set forth in Section 6.5 of the Interim Agreement generally weigh in favor of the organization's request. First, we observe that much like TEP and NWECE, AWEC only requests a portion of its costs. AWEC indicates that the organization plans to contribute its own funds towards participating, which according to AWEC's proposed budget is expected to contribute approximately \$165,000 of its own funds, and also expects this budget will exceed significantly.<sup>13</sup>
- 22 The Commission therefore finds it appropriate to award AWEC a Fund Grant in the amount of \$85,000.
- 23 Parties and stakeholders should be aware that, because of this Order, the total \$200,000 provided in Avista's Customer Representation Sub-Fund has been fully allocated.

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<sup>13</sup> See Interim Agreement § 6.5(f) ("the amount of funds being provided by the applicant intervenor, if any").

However, the Commission observes that \$100,000 remains in Avista's Prioritized Organizations Sub-Fund.

24 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:

- 25 (1) The Energy Project's Proposed Budget and Fund Grant is APPROVED, in the amount of \$85,000.
- 26 (2) The NW Energy Coalition's Proposed Budget and Fund Grant is APPROVED, in the amount of \$30,000.
- 27 (3) The Alliance of Western Energy Consumers' Proposed Budget and Fund Grant is APPROVED, in the amount of \$85,000.

Dated at Lacey, Washington, and effective April 12, 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.**