

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKETS UE-220053 and UG-220054 (<i>Consolidated</i>)
)	
Complainant,)	
)	
v.)	PROPOSED BUDGET OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS
AVISTA CORPORATION d/b/a AVISTA UTILITIES,)	
)	
Respondent.)	

1 Pursuant to the Washington Interim Participatory Funding Agreement (“Funding Agreement”), approved by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in Order 01 in Docket No. U-210595, and Order 05 ¶ 41 in Docket Nos. UE-220053/UG-220054, the Alliance of Western Energy Consumers (“AWEC”) hereby submits its proposed budget in the above-captioned proceeding.

2 On January 21, 2022, Avista Corporation d/b/a Avista Utilities (“Avista” or the “Company”) filed its request for a general rate revision for both its gas and electric service. The Commission docketed these filings as UE-220053 and UG-220054 (consolidated).

3 Dockets UE-220053/UG-220054 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 28, 2022, 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 On March 24, 2022, the Commission granted AWEC’s Request for Case Certification, finding 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 that no other party adequately represents the interests of industrial customers.”³

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 **\$50,000**. No other case-certified organization eligible for funding from the Customer Representation Sub-Fund opposes AWEC’s requested amount. If additional 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, public meetings, oral presentations and hearings. AWEC has and will continue to 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 aspects of Avista’s filing. General issues include Avista’s request for approval

¹ Dockets UE-220053 and UG-220054, Order 05 at ¶ 21 (Mar. 24, 2022).

² *Id.* at ¶ 22.

³ *Id.*

of a Multi-Year Rate Plan, performance-based ratemaking, revenue requirement items such as cost of capital, capital expenditures, 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 2022 Avista Customer Representation Sub-Fund, which currently has a balance of \$200,000.

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 reached out to the other organizations whose request for case certification were granted to coordinate on budget requests. As noted above, no party granted case certification objects to AWEC’s initial fund grant request in this case.

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. Avista's 2022 rate case includes, among other things, a Multi-Year Rate Plan ("MYRP"), performance-based ratemaking, upgrades and replacements to electric and natural gas facilities and technology, and increased expenses related to labor and benefits, increases in informational technology costs, and insurance premiums due to wildfire impacts, which are supported by 20 witnesses.

Evaluation of this rate case to ensure just and reasonable rates for industrial customers will require substantial effort and expense by AWEC.

- b. As noted above, this case includes Avista's initial request for a MYRP pursuant to RCW 80.28.425. Avista's MYRP raises a number of policy considerations, including the valuation of property, the capital review process, and determination of offsetting factors and performance metrics and incentives.
- 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 one, Avista's request in this case is to increase its electric revenue requirement by approximately \$52.9 million, or 9.6 percent across all customer classes, with an additional rate increase in year two. For its natural gas customers, Avista proposes to increase its revenue requirement by approximately \$10.9 million, or 9.5 percent across all customer classes, with an additional rate increase in year two. For industrial electric users, the Rate Year 1 billing change is a net 7.6 percent, followed by a 3.0 percent increase in Rate Year 2. For industrial

natural gas users, the Rate Year 1 net increases range from 1.7 percent to 4.4 percent, with Rate Year 2 net increases slightly less than Rate Year 1. 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 previously recognized AWEC as an “incumbent” organization with a history of representing industrial customers’ interests before the Commission,⁴ and determined that “no other party adequately represents the interests of industrial customers.”⁵
- f. As shown in its proposed budget, AWEC anticipates that its costs will significantly exceed its funding 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.
- 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. Indeed, AWEC has been involved in every major Avista matter for over 20 years. 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.

⁴ *Id.* at ¶ 21.

⁵ *Id.* at ¶ 22.

- h. The level of available funds in the Avista Customer Representation Sub-Fund for 2022 is \$200,000, none of which has been utilized at this time. As such, AWEC's request is within the limits of available funding.
- i. Given the limited nature of the Avista's 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 Avista Customer Representation Sub-Fund in 2022 for any other proceeding.

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

Dated this 22nd day of April, 2022.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Sommer J. Moser

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EXHIBIT A

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Partner	120	\$310	\$37,200
Of Counsel	206	\$295	\$60,770
Paralegal	40	\$180	\$7,200
 <i>Expert Witness Fees</i>			
Experts	240	\$290	\$69,600
 <i>Other Expenses</i>			
Travel			\$100
Printing and Postage			\$130
Subtotal			\$175,000
Total AWEC Request for Avista Customer Representation Sub-Fund Grant			\$50,000